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SITTING DAYS—2011

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FORTY-THIRD PARLIAMENT
FIRST SESSION—THIRD PERIOD

Governor-General
Her Excellency Ms Quentin Bryce, Companion of the Order of Australia

House of Representatives Officeholders
Speaker—Mr Harry Alfred Jenkins MP
Deputy Speaker—Hon. Peter Neil Slipper MP
Second Deputy Speaker—Hon. Bruce Craig Scott MP

Members of the Speaker’s Panel—Ms Anna Elizabeth Burke MP, Hon. Dick Godfrey Harry Adams MP, Ms Sharon Leah Bird MP, Mrs Yvette Maree D’Ath MP, Mr Steven Georganas MP, Ms Kirsten Fiona Livermore MP, Mr John Paul Murphy MP, Mr Peter Sid Sidebottom MP, Mr Kelvin John Thomson MP, Ms Maria Vamvakinou MP

Leader of the House—Hon. Anthony Norman Albanese MP
Deputy Leader of the House—Hon. Stephen Francis Smith MP
Manager of Opposition Business—Hon. Christopher Maurice Pyne MP
Deputy Manager of Opposition Business—Mr Luke Hartsuyker MP

Party Leaders and Whips
Australian Labor Party
Leader—Hon. Julia Eileen Gillard MP
Deputy Leader—Hon. Wayne Maxwell Swan MP
Chief Government Whip—Hon. Joel Andrew Fitzgibbon MP
Government Whips—Ms Jill Griffiths Hall MP and Mr Christopher Patrick Hayes MP

Liberal Party of Australia
Leader—Hon. Anthony John Abbott MP
Deputy Leader—Hon. Julie Isabel Bishop MP
Chief Opposition Whip—Hon. Warren George Entsch MP
Opposition Whips—Mr Patrick Damien Secker MP and Ms Nola Bethwyn Marino MP

The Nationals
Leader—Hon. Warren Errol Truss MP
Chief Whip—Mr Mark Maclean Coulton MP
Whip—Mr Paul Christopher Neville MP

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<td>Wilkie, Andrew Damien</td>
<td>Denison, TAS</td>
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<td>Windsor, Anthony Harold Curties</td>
<td>New England, NSW</td>
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<td>Wyatt, Kenneth George</td>
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<td>Zappia, Tony</td>
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PARTY ABBREVIATIONS
ALP—Australian Labor Party; LP—Liberal Party of Australia; LNP—Liberal National Party;
CLP—Country Liberal Party; Nats—The Nationals; NWA—The Nationals WA; Ind—Independent;
AG—Australian Greens

Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—B Wright
Secretary, Department of Parliamentary Services—A Thompson
**GILLARD MINISTRY**

- **Prime Minister**: Hon. Julia Gillard MP
- **Deputy Prime Minister, Treasurer**: Hon. Wayne Swan MP
- **Minister for Regional Australia, Regional Development and Local Government**: Hon. Simon Crean MP
- **Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate**: Senator Hon. Chris Evans
- **Minister for School Education, Early Childhood and Youth**: Hon. Peter Garrett AM, MP
- **Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate**: Senator Hon. Stephen Conroy
- **Minister for Foreign Affairs**: Hon. Kevin Rudd MP
- **Minister for Trade**: Hon. Dr Craig Emerson MP
- **Minister for Defence and Deputy Leader of the House**: Hon. Stephen Smith MP
- **Minister for Immigration and Citizenship**: Hon. Chris Bowen MP
- **Minister for Infrastructure and Transport and Leader of the House**: Hon. Anthony Albanese MP
- **Minister for Health and Ageing**: Hon. Nicola Roxon MP
- **Minister for Families, Housing, Community Services and Indigenous Affairs**: Hon. Jenny Macklin MP
- **Minister for Sustainability, Environment, Water, Population and Communities**: Hon. Tony Burke MP
- **Minister for Finance and Deregulation**: Senator Hon. Penny Wong
- **Minister for Innovation, Industry, Science and Research**: Senator Hon. Kim Carr
- **Attorney-General and Vice President of the Executive Council**: Hon. Robert McClelland MP
- **Minister for Agriculture, Fisheries and Forestry and Manager of Government Business in the Senate**: Senator Hon. Joe Ludwig
- **Minister for Resources and Energy and Minister for Tourism**: Hon. Martin Ferguson AM, MP
- **Minister for Climate Change and Energy Efficiency**: Hon. Greg Combet AM, MP

[The above ministers constitute the cabinet]
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<tr>
<td>Minister for the Arts</td>
<td>Hon. Simon Crean MP</td>
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<td>Minister for Social Inclusion</td>
<td>Hon. Tanya Plibersek MP</td>
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<td>Minister for Privacy and Freedom of Information</td>
<td>Hon. Brendan O'Connor MP</td>
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<td>Minister for Sport</td>
<td>Senator Hon. Mark Arbib</td>
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<tr>
<td>Special Minister of State for the Public Service and Integrity</td>
<td>Hon. Gary Gray AO, MP</td>
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<tr>
<td>Assistant Treasurer and Minister for Financial Services and Superannuation</td>
<td>Hon. Bill Shorten MP</td>
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<td>Minister for Employment Participation and Childcare Development</td>
<td>Hon. Kate Ellis MP</td>
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<td>Minister for Indigenous Employment and Economic Science and Personnel</td>
<td>Senator Hon. Mark Arbib</td>
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<td>Minister for Defence Materiel</td>
<td>Hon. Jason Clare MP</td>
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<td>Hon. Warren Snowdon MP</td>
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<td>Senator Hon. Nick Sherry</td>
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<td>Minister for Home Affairs and Minister for Justice</td>
<td>Hon. Brendan O’Connor MP</td>
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<td>Minister for Human Services</td>
<td>Hon. Tanya Plibersek MP</td>
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<td>Cabinet Secretary</td>
<td>Hon. Mark Dreyfus QC, MP</td>
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<td>Parliamentary Secretary to the Prime Minister</td>
<td>Senator Hon. Kate Lundy</td>
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<td>Parliamentary Secretary to the Treasurer</td>
<td>Hon. David Bradbury MP</td>
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<td>Parliamentary Secretary for School Education and Workplace Relations</td>
<td>Senator Hon. Jacinta Collins</td>
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<td>Minister Assisting the Prime Minister on Digital Productivity</td>
<td>Senator Hon. Stephen Conroy</td>
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<td>Parliamentary Secretary for Trade</td>
<td>Hon. Justine Elliot MP</td>
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<td>Parliamentary Secretary for Pacific Island Affairs</td>
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<td>Parliamentary Secretary for Defence</td>
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<td>Parliamentary Secretary for Immigration and Multicultural Affairs</td>
<td>Senator Hon. Kate Lundy</td>
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<td>Parliamentary Secretary for Infrastructure and Transport and Health and Ageing</td>
<td>Hon. Catherine King MP</td>
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<td>Parliamentary Secretary for Disabilities and Carers</td>
<td>Senator Hon. Jan McLucas</td>
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<td>Parliamentary Secretary for Community Services</td>
<td>Hon. Julie Collins MP</td>
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<td>Parliamentary Secretary for Sustainability and Urban Water</td>
<td>Senator Hon. Don Farrell</td>
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<td>Minister Assisting on Deregulation and Public Sector Superannuation</td>
<td>Senator Hon. Nick Sherry</td>
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<td>Minister Assisting the Attorney-General on Queensland Floods Recovery</td>
<td>Senator Hon. Joe Ludwig</td>
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<td>Parliamentary Secretary for Agriculture, Fisheries and Forestry</td>
<td>Hon. Dr Mike Kelly AM, MP</td>
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<td>Minister Assisting the Minister for Tourism</td>
<td>Senator Hon. Nick Sherry</td>
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<tr>
<td>Parliamentary Secretary for Climate Change and Energy Efficiency</td>
<td>Hon. Mark Dreyfus QC, MP</td>
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SHADOW MINISTRY

Leader of the Opposition
Deputy Leader of the Opposition and Shadow Minister for Foreign Affairs and Shadow Minister for Trade
Leader of the Nationals and Shadow Minister for Infrastructure and Transport
Leader of the Opposition in the Senate and Shadow Minister for Employment and Workplace Relations
Deputy Leader of the Opposition in the Senate and Shadow Attorney-General and Shadow Minister for the Arts
Shadow Treasurer
Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House
Shadow Minister for Indigenous Affairs and Deputy Leader of the Nationals
Shadow Minister for Regional Development, Local Government and Water and Leader of the Nationals in the Senate
Shadow Minister for Finance, Deregulation and Debt Reduction and Chairman, Coalition Policy Development Committee
Shadow Minister for Energy and Resources
Shadow Minister for Defence
Shadow Minister for Communications and Broadband
Shadow Minister for Health and Ageing
Shadow Minister for Families, Housing and Human Services
Shadow Minister for Climate Action, Environment and Heritage
Shadow Minister for Productivity and Population and Shadow Minister for Immigration and Citizenship
Shadow Minister for Innovation, Industry and Science
Shadow Minister for Agriculture and Food Security
Shadow Minister for Small Business, Competition Policy and Consumer Affairs

Hon. Tony Abbott MP
Hon. Julie Bishop MP
Hon. Warren Truss MP
Senator Hon. Eric Abetz
Senator Hon. George Brandis SC
Hon. Joe Hockey MP
Hon. Christopher Pyne MP
Senator Hon. Nigel Scullion
Senator Barnaby Joyce
Hon. Andrew Robb AO, MP
Hon. Ian Macfarlane MP
Senator Hon. David Johnston
Hon. Malcolm Turnbull MP
Hon. Peter Dutton MP
Hon. Kevin Andrews MP
Hon. Greg Hunt MP
Mr Scott Morrison MP
Mrs Sophie Mirabella MP
Hon. John Cobb MP
Hon. Bruce Billson MP

(The above constitute the shadow cabinet)
SHADOW MINISTRY—continued

Shadow Minister for Employment Participation  Hon. Sussan Ley MP
Shadow Minister for Justice, Customs and Border Protection  Mr Michael Keenan MP
Shadow Assistant Treasurer and Shadow Minister for Financial Services and Superannuation  Senator Mathias Cormann
Shadow Minister for Childcare and Early Childhood Learning  Hon. Sussan Ley MP
Shadow Minister for Universities and Research  Senator Hon. Brett Mason
Shadow Minister for Youth and Sport and Deputy Manager of Opposition Business in the House  Mr Luke Hartsuyker MP
Shadow Minister for Indigenous Development and Employment  Senator Marise Payne
Shadow Minister for Regional Development  Hon. Bob Baldwin MP
Shadow Special Minister of State  Hon. Bronwyn Bishop MP
Shadow Minister for COAG  Senator Marise Payne
Shadow Minister for Tourism  Hon. Bob Baldwin MP
Shadow Minister for Defence Science, Technology and Personnel  Mr Stuart Robert MP
Shadow Minister for Veterans’ Affairs and Shadow Minister Assisting the Leader of the Opposition on the Centenary of ANZAC  Senator Hon. Michael Ronaldson
Shadow Minister for Regional Communications  Mr Luke Hartsuyker MP
Shadow Minister for Ageing and Shadow Minister for Mental Health  Senator Concetta Fierravanti-Wells
Shadow Minister for Seniors  Hon. Bronwyn Bishop MP
Shadow Minister for Disabilities, Carers and the Voluntary Sector and Manager of Opposition Business in the Senate  Senator Mitch Fifield
Shadow Minister for Housing  Senator Marise Payne
Chairman, Scrutiny of Government Waste Committee  Mr Jamie Briggs MP
Shadow Cabinet Secretary  Hon. Philip Ruddock MP
Shadow Parliamentary Secretary Assisting the Leader of the Opposition  Senator Cory Bernardi
Shadow Parliamentary Secretary for International Development Assistance  Hon. Teresa Gambaro MP
Shadow Parliamentary Secretary for Roads and Regional Transport  Mr Darren Chester MP
Shadow Parliamentary Secretary to the Shadow Attorney-General  Senator Gary Humphries
Shadow Parliamentary Secretary for Tax Reform and Deputy Chairman, Coalition Policy Development Committee  Hon. Tony Smith MP
Shadow Parliamentary Secretary for Regional Education  Senator Fiona Nash
Shadow Parliamentary Secretary for Northern and Remote Australia  Senator Hon. Ian Macdonald
Shadow Parliamentary Secretary for Local Government  Mr Don Randall MP
Shadow Parliamentary Secretary for the Murray-Darling Basin  Senator Simon Birmingham
Shadow Parliamentary Secretary for Defence Materiel  Senator Gary Humphries
Shadow Parliamentary Secretary for the Defence Force and Defence Support  Senator Hon. Ian Macdonald
### Shadow Ministry—continued

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<th>Shadow Parliamentary Secretary for Legislation</th>
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<tr>
<td>Shadow Parliamentary Secretary for Primary Healthcare</td>
<td>Dr Andrew Southcott MP</td>
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<td>Shadow Parliamentary Secretary for Regional Health Services and Indigenous Health</td>
<td>Mr Andrew Laming MP</td>
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<td>Shadow Parliamentary Secretary for Supporting Families</td>
<td>Senator Cory Bernardi</td>
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<td>Shadow Parliamentary Secretary for the Status of Women</td>
<td>Senator Michaelia Cash</td>
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<td>Shadow Parliamentary Secretary for Environment</td>
<td>Senator Simon Birmingham</td>
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<td>Shadow Parliamentary Secretary for Citizenship and Settlement</td>
<td>Hon. Teresa Gambaro MP</td>
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<td>Shadow Parliamentary Secretary for Immigration</td>
<td>Senator Michaelia Cash</td>
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<td>Shadow Parliamentary Secretary for Innovation, Industry, and Science</td>
<td>Senator Hon. Richard Colbeck</td>
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<td>Shadow Parliamentary Secretary for Fisheries and Forestry</td>
<td>Senator Hon. Richard Colbeck</td>
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<td>Shadow Parliamentary Secretary for Small Business and Fair Competition</td>
<td>Senator Scott Ryan</td>
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The SPEAKER (Mr Harry Jenkins) took the chair at 09:00, made an acknowledgement of country and read prayers.

BILLS
Veterans' Entitlements Amendment Bill 2011
First Reading
Bill and explanatory memorandum presented by Mr Snowdon.
Bill read a first time.

Second Reading
Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel and Minister for Indigenous Health) (09:01): I move:

That this bill be now read a second time.

I am pleased to present legislation that delivers on the government’s budget measures to help support our veteran community. These measures further improve the operation of Australia’s repatriation system and provide special recognition to those Australians who were prisoners of war. The 2011-12 budget reflects the government’s ongoing commitment to more than 360,000 veterans and their families.

The bill will introduce a new payment for surviving Australian prisoners of war (POWs) recognising the hardships these men and women endured. More than 30,000 Australians became prisoners during the Second World War and the Korean War.

We have all heard of the hardships these men and women endured during captivity.

Subject to extremely harsh conditions and deprivation, many have lived with physical and psychological scars for decades. All in the service of their country. It is expected that around 900 former POWs will benefit from the payment. This bill introduces a new payment of $500 per fortnight which will be known as the prisoner of war recognition supplement. The supplement will be payable from 20 September 2011 with the first payment being made on 6 October 2011. Payments will begin automatically for former POWs known to the department. The supplement will be payable in addition to any existing benefits the person receives from the Commonwealth. It will be exempt income for the purposes of income tax and for the purposes of the veterans entitlements and social security income tests.

Further amendments in the bill will affirm the longstanding arrangements under the Veterans’ Entitlements Act for compensation offsetting. Offsetting is intended to prevent double payments of compensation. This can happen when a veteran or member is eligible for compensation for the same incapacity under different schemes.

This bill will clarify the longstanding compensation offsetting arrangements that have been in place in the repatriation system since 1973. This follows a full Federal Court decision which highlighted the need to clarify the legislation. It does not vary the disability pension for any veteran.

Finally, the bill will rationalise and better target payments for veterans and members who are undergoing treatment for war or defence caused injuries or diseases. There is currently an overlap in the allowances paid to veterans and members who are unable to work due to episodes of medical treatment and recuperation for war or defence caused injuries or diseases. This bill will better target payments through the loss of earnings allowance. Abolishing the temporary incapacity allowance ensures individuals are recompensed where there is actual loss of income. It has no impact on a veteran or member’s existing disability payment. From
20 September 2011, all eligible veterans and members in this situation will be assessed consistently against the criteria for the loss of earnings allowance.

This government is committed to streamlining and enhancing the services and support that our veterans, members and their families so rightly deserve.

Debate adjourned.

COMMITTEES
Economics Committee

Report

Mr CRAIG THOMSON (Dobell) (09:05): On behalf of the Standing Committee on Economics I present the committee's report entitled Advisory report on the taxation of alternative fuels bills 2011, incorporating a dissenting report, together with the minutes of the proceedings.

In accordance with standing order 39(f), the report was made a parliamentary paper.

Mr CRAIG THOMSON: by leave—

This is a report into four government bills that affect the tax treatment of alternative fuels. Three of the bills apply an excise on liquid petroleum gas, compressed natural gas and liquid natural gas. The fuels were not previously subject to excise, which will now be applied at 50 per cent of that applied to petrol. The fourth bill continues a grant scheme for the next 10 years where the amount of the grant offsets the amount of excise levied on biofuels such as ethanol and biodiesel. The majority on the committee support these bills, and it is worth looking at what some people have said about the proposal that goes with them. I go back to May 2003, when the then Treasurer—the former member for Higgins, Peter Costello—announced the then government's alternative fuels tax arrangements as an important long-term reform, saying, 'Australia must have a more consistent and sustainable fuel tax regime.' In December 2003, the then Prime Minister, John Howard, said, 'These reforms will result in a more consistent and neutral tax regime for fuels used in vehicles.' The then Deputy Prime Minister, John Anderson, at the same time emphasised the importance of investment certainty and that the measures then introduced would achieve that certainty in an identical manner to the way in which it will be achieved by the bills considered by the committee in the present report. Furthermore, Mr Costello stated in his press release:

… today I am announcing important long term reforms to the excise treatment of fuels. The reforms establish a broad sustainable taxation framework for fuels, by addressing a number of anomalies in the current fuel tax system and providing increased long term certainty for investors, while meeting Government commitments and providing time for industry to adjust.

You will not often see me get up here and say that the former Prime Minister was right, that the former Treasurer was right or that the former Deputy Prime Minister was right; but they were absolutely right about those reforms and the effect they would have. Today we have an absolute policy vacuum on the other side. The member for Moncrieff, the deputy chair, who is going to speak next, and particularly the current member for Higgins, who was an adviser to the former Treasurer at the time those reforms were introduced, must really be severely conflicted about what they are going to say here today in opposing the bills that the committee considered.

These bills are in the national interest. They had bipartisan support. The former government thought they were necessary. But because we now have Mr No in charge of the opposition, good public policy on these issues does not matter anymore; those on the other side are just saying no to the
sake of saying no and this is probably the worst example we have seen of the positions that the Leader of the Opposition forces them to take. It does not matter what the issue is now, whether the former Treasurer introduced identical reforms to the ones in these bills or whether the former Prime Minister was a strong advocate of the reforms in these bills; those on the other side say, 'We're not going to support them because we don't support anything that the government puts up.' It is an absolute disgrace that they are taking this position on Australia's long-term fuel interests and trying to score a cheap political point. What is more, it is hypocritical. We hear day after day about the government's not being able to make cuts to the budget, to the deficit and to the bottom line, but this budget measure saves over $500 million, and what are those on the other side saying? They are saying, 'No, you shouldn't do it.' Hang your heads in shame—the position that you are adopting on these bills is disgraceful.

How can the member for Higgins come into this place and, for the sake of political expediency and supporting an opposition leader who will say no to anything, oppose these bills, despite having worked for the former Treasurer and given him advice that his reforms were good policy? It is unbelievable that we are in this situation, and it is a great shame that hangs over the heads of the opposition. We even have the unusual situation of Senator Minchin, who is not known for great policy development—in fact, his position is probably best characterised as extremely pragmatic and political—saying that this legislation should be supported by those on the other side. So a long history of bipartisanship on the way in which the measures in these bills should be dealt with is being trashed completely because those on the other side are not interested in what is good for the Australian people, in what is good for this industry or in making sure that we set up a fair regime for alternative fuels. All they are interested in is saying no and opposing what this government wants to do to make sure that Australia is better placed on these alternative fuels and on our budget bottom line.

These are important pieces of legislation, and both we and those on the other side have known the implications of them since 2003; they have not suddenly been rushed on the parliament. The Prime Minister and the former Treasurer made their statements in 2003 and set in place the policies that these bills are trying to implement, and it is an absolute disgrace that some eight years later we are seeing a complete reversal and a complete absence of policy from those opposite. The only argument that they are going to put forward here today is that it is going to affect cost-of-living issues. They are now going to try to mount another scare campaign on what is essentially their own policy, undermining it by arguing that these measures are going to affect consumers in their adjustment to the cost of living. Where is that cost-of-living adjustment going to come about? They are going to say that taxis will be more expensive, but the increase on an average $20 taxi fare, if it is passed on by the various state governments who regulate the cost of taxis, will be about 80c. So, for the sake of the opposition's attacking and undermining Australia's sensible budget and fiscal stance and undermining policy on alternative fuels, we are having an argument about 80c in a taxi fare.

The opposition stand condemned for their persistent negativity about any bill that comes here, particularly these three bills. The majority of the committee—the government members on the committee—took the sensible approach, advocated by the former Prime Minister Mr Howard, the former Treasurer Mr Costello and the former
Deputy Prime Minister Mr Anderson and supported by Senator Minchin. The government has taken the sensible approach. The government members on the committee recommend these bills to the House, and that recommendation is contained in this report.

Mr CIOBO (Moncrieff) (09:14): by leave—Mr Speaker, I would like to start on a positive note and say it is good to see you in the chair today after what occurred yesterday. I turn to the subject of the debate before the House, and that is the report that came from the House of Representatives Standing Committee on Economics. It was interesting to note the passion that the chairman of the committee had with respect to this particular report and the passion that he had about defending the integrity of the government's budget position. I must say that for members on this side of the House it was a little bemusing. The reason it was bemusing is that the lecture that we got for five minutes from the chairman of the committee was about the importance of budget integrity. The lecture from the chairman of the committee was about how this was coalition policy and how it ought not be changed.

The interesting thing about that for all members of the coalition is that this came from a member of the Labor Party whose Prime Minister sits at the table and, only eight days out from the election, swore black and blue that there would not be a carbon tax under the government that she would lead, and then, seven days later, changed her position. So I say to Labor Party members: if you want to lecture us about changes in position, why don't you address the fact that you had a change in eight days as opposed to our change, which was years and years later and reflects one very fundamental aspect—that is, this is not the time for this change. The reason it is not the time for this change is that there are families across this country facing some very difficult choices. They are facing hard choices because the government has presided over a massive increase in the cost of living.

I noticed as well that the chairman of the committee almost fobbed off the very genuine and real concerns of struggling working families. Members opposite, do you remember those struggling working families in Western Sydney who have to budget to the last dollar? The member opposite completely fobs off their concerns and says, 'This is about 80c on a $20 cab fare.' That is exceptionally disingenuous. For example, we know that there is a fleet of some 700,000 vehicles that have been converted to LPG or run on LPG. The taxi component of the 700,000 vehicles is 18,000, so there are about 682,000 vehicles out there that are not taxis and have been converted to run on LPG because families need to embrace the savings. The evidence that was put to the committee demonstrated that those people would be slugged with an extra $250 to $500 a year as a result of this policy change. That is the reason why the coalition will stand up for those families; that is the reason why the coalition will not support this change. But it is about more than that. It is also because the reforms that the government has laid out will see increases in CNG and LNG. The most vulnerable people in our society are going to be slugged with this new tax.

Government members stand up and say: 'But this is about protecting budget integrity. Why won't the coalition be with us? There are savings of $500 million, or thereabouts.' No, there are not. Do not use economic jargon in here and say that this is about savings of $500 million. Let's call it what it is: a direct tax slug of nearly half a billion dollars. The government say, 'Where is the coalition?' I will tell you where the coalition is: we stand against higher taxes. That is where we are. We stand against this kind of
activity because it is about taking money straight out of the pockets of the most vulnerable in our society. That is why we turn our backs on this. We turn our backs on this because the government need to get their house in shape, the government need to make policy changes and the government need to make savings. We will then consider what we can do to have policy integrity, but it will not be through the sweat off the brow of working families in Western Sydney. It will not be off their sweat; it will be because the government start to tighten their belt. When the government do that, we will be serious about so-called policy integrity.

I must say that there is one aspect of this that we are comfortable with. We are very happy to support the fourth bill. That particular bill goes to ensuring that there is equitable treatment when it comes to ethanol and other alternative fuels like biodiesel. We are supportive of that. It is not all about 'No, no, no,' despite what the Labor Party say. We are happy for that bill to go through, but that requires the government to do something. It requires the government to stop being quite so tricky. It requires the government to recognise that the first three bills need to be put to one side and then the final bill will be passed by the House. At the moment, the government are into playing tricky games and are insisting that all four bills be passed or none be passed. As the coalition and the dissenting members of the committee said, we are happy to support the passage of the fourth bill, but we will oppose the first three.

I call upon the member opposite to take that message back. He and all Labor members need to concern themselves with the passage of the fourth bill, which is the one for which time is of the essence—that one can go through the House and up to the Senate—or they can stand in their tricky political way against all four bills and refuse to allow them to go through. We will not support that. We make no apology for the fact that we will stand up for those Western Sydney families, we will stand up for those 700,000 vehicles that have been converted to LPG and, most importantly, we will stand up for the environment. The reason we will stand up for the environment is that we know that this policy will make environmentally-friendly vehicles—those vehicles with a smaller carbon footprint—less attractive. This government policy will see the emphasis return to traditional fossil fuels. This government policy will see the hundreds of millions of dollars that has been invested in the conversion of vehicles from traditional fossil fuels to, for example, LPG effectively junked.

I reinforce the point to the chamber and, through the broadcast, to those listening. Remember that it is the coalition that stands for a smaller carbon footprint, it is the coalition that stands for being environmentally-friendly and it is the coalition, through its position on this bill, that will stand up for those who are trying to do the right thing by the planet. The coalition and all the members of the coalition on this committee stand by our dissenting report because we know that we will look after working families and we will look after the environment. We still allow passage of the bill for which time is of the essence, but we remain steadfastly opposed to the first three bills because they are wrong for Australia at the wrong time. In fact, tax reform needs to be part of a comprehensive energy platform.

**BILLS**

**Social Security Amendment (Parenting Payment Transitional Arrangement) Bill 2011**

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.
Ms KATE ELLIS (Adelaide—Minister for Employment Participation and Childcare and Minister for the Status of Women) (09:22): I would like to take this opportunity to thank all members for their contributions on this debate. The government's Building Australia's Future Workforce reforms represent a long-term investment in Australia's economy through building the education, the skills and the employment prospects of the Australian workforce. An important part of these reforms is directed towards providing greater incentives for parents, particularly single parents, to engage in the workforce to reduce their reliance on welfare and to provide their family with a better future underpinned by secure and rewarding employment. The Social Security Amendment (Parenting Payment Transitional Arrangement) Bill 2011 represents the first stage of the income support payment reforms contained in the Building Australia's Future Workforce package. This bill is a positive step towards reducing the inequity which exists within the legislative structure of parenting payment.

Under current arrangements recipients of parenting payment are treated differently based upon when they first applied for the payment. This inequity dates back to the 2006 Welfare to Work reforms which allowed for recipients who had applied for the payment prior to July 2006 to stay on parenting payment for up to 10 years longer than those parents who applied for payment after 1 July 2006. From July 2006 persons who claimed parenting payment can only qualify until their youngest child turns eight if the parent is single, or six if the parent is a member of a couple. Prior to July 2006 a person could qualify for parenting payment until their youngest child turned 16.

This bill will amend the Social Security Act so that from 1 July 2011 new children who come into the care of an existing parenting payment recipient will no longer extend the duration of a recipient's preferential treatment. This will serve to minimise the lingering inequity within parenting payment as a result of the 2006 Welfare to Work reforms. Further changes for parents on income support will take effect from 1 January 2013 and will be included in a separate bill to be introduced later this year.

I take this opportunity to once again thank members for their contributions and commend this bill to the House.

Question agreed to.
Bill read a second time.

Third Reading
Ms KATE ELLIS: by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2011
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.
Ms LEY (Farrer) (09:27): I rise to speak on the Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2011 before the House this morning. The bill reflects some of the recommendations contained in the Department of Education, Employment and Workplace Relations' 2008 report, Review of self-insurance arrangements under the Comcare scheme. Although not explicitly stated, the review was part of a broad program by Labor to eventually shift all existing Comcare self-insurers back to the relevant state based workers compensation systems.
In 2008 the government implemented a moratorium on non-government employers seeking access to the scheme. This was subsequently enshrined in legislation in 2009 and the coalition did not oppose the bill. While the coalition will not oppose this legislation, we note our very real concern about this bill which is simply that it is an element of Labor's program of changes to water down the Commonwealth government workers compensation scheme, Comcare. Provisions in this bill will bring the Commonwealth laws in line with existing state workers compensation laws thereby reducing the attraction for non-government Comcare participants. This review was part of Labor's plan to shift all existing self-insurers back to the relevant state based workers compensation systems. The 25 or so non-government self-insurers will be forced to return to state systems, sending us back to the dark ages.

Currently an employee who is injured during a break from work, for example leaving a worksite during a lunchbreak to purchase a meal at a nearby shop, would not be eligible to claim for such an injury. This would be reversed under the changes proposed in the bill thereby allowing a worker to claim an injury suffered when temporarily absent from their normal workplace during such a recess. Obviously this expands the extent to which an employer has liability. It also removes the ability of an employer to control the degree of safety compliance of a worker. For example, the worker might choose to cross a busy road rather than use a pedestrian crossing or may sprain their ankle whilst running during their lunchbreak. Anecdotal evidence suggests that many contested injuries occur in either recess or journey circumstances and an unscrupulous employee may exploit the lack of dedicated workplace supervision to sustain an injury for which compensation is sought. The Productivity Commission found that the employer's ability to exert control over workplace recess breaks and social activities is a relevant consideration. It recommended that coverage for recess breaks and work-related events be restricted on the basis of employer control to those undertaken at workplaces and at employer sanctioned events. In line with recommendation 13 of the department's review and the Productivity Commission's 2004 recommendation that claims arising from injuries sustained during off-site recess breaks should be excluded, the coalition will seek to amend the bill proposed by the government to remove the changes to recess claims.

We know from the Senate committee that if an employee goes scuba diving in their lunch break the employer is liable for anything that happens. We believe that people should take individual responsibility and that the liability to an employee should continue to be limited to circumstances where the employer has an element of control. It would be unreasonable to make employers liable for all types of injuries sustained by their employees independent of the employment relationship.

If this bill were to succeed, an employee working on a building site in Manly who goes scuba diving in the lunch break and injures themselves will be pleased to know that, despite being on their lunch break, the Commonwealth would be liable for them. It is unreasonable to make employers liable for all types of injury sustained by their employees independent of the employment relationship. This justifies the common-sense test, and the coalition will put forward a sensible amendment to insert some common sense in this bill.

Mr STEPHEN JONES (Throsby) (09:31): Our approach to these matters is
quite simple: we do not start from the presumption that workers are on the shirk, that they are trying to rip off their employer or that they are trying to defraud the Commonwealth, their employer or anybody else. Secondly, we take the approach that, when an employee, bound by a contract of employment, is under the supervision and control of their employer, they lose none of their responsibility but they do lose some of their autonomy and control over their work situation. It is a principle that has been adopted and accepted in Australian common law for several decades. It is a principle that has been understood in Australian statute law since we adopted the approach of the Robens committee in the early 1970s. And for the member for Farrer to stand here and use some of the more ludicrous examples, suggesting that somehow the provisions in this bill, the Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2011, are going to lead to a flood of Commonwealth employees taking up the sport of scuba diving in their 15-minute tea break, does her side no credit and does nothing to advance the cause of credible debate in this place.

I am pleased to speak today about Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2011, the government’s bill to amend the Safety Rehabilitation and Compensation Act 1988. The SRC Act established a workers compensation and rehabilitation scheme for Commonwealth employees and employees of non-Commonwealth licensees, many of whom are former Commonwealth entities which have subsequently been corporatised and, in some instances, privatised. Comcare is the Australian government agency that has responsibility for the administration of the SRC Act, including managing claims for those Commonwealth agencies that pay premiums under the SRC system.

By way of brief background, there was an earlier bill, the Occupational Health and Safety and Other Legislation Amendment Bill 2009, that was introduced into this place on 26 November 2009 but which lapsed when parliament was prorogued on 19 July 2010. The bill before the House today is not identical to that original bill but there is certainly a lot of overlap in subject matter. The provisions of the original bill were referred to the Senate Education, Employment and Workplace Relations Committee for inquiry and report by 25 February 2010. Some of the comments reflected in that report of February 2010 are relevant to the bill before the House today. In 2008, the government established a review into the operation of Comcare, and the bill before the House today represents the government’s response to that review as well as some consequential amendments.

The measures in this bill will: reinstate claims arising from injuries sustained during off-site recess breaks, allow compensation for medical expenses to continue to be paid in cases where payment of other compensation is suspended, and allow time limits for claim determination. In addition, and importantly, the measures in this bill will enable Comcare to access the Consolidated Revenue Fund to pay compensation claims in respect of diseases with a long latency period—for example, asbestos related diseases—where the employment period was pre 1 December 1988 but where the condition did not manifest itself until after that date. Finally, this bill will allow for continuous workers compensation coverage for employees while overseas and who are in a declared place or who belong to a declared class of employee, such as the Australian Civilian Corps.

I will now talk about the off-site recess breaks—something which seemed to excite and concern the member for Farrer in her
earlier contribution. This is about the reinstatement of claims for injuries sustained during off-site recess breaks. There is no doubt that the removal of these claims in 2007 by the previous government—a removal which was aimed to remove a right and benefit of Commonwealth employees and others covered by the scheme—has led to some practical difficulties in the administration of the act and also some inequitable situations. It is probably the failure of the member for Farrer to grasp and understand the operation of these practical difficulties and inequitable situations that led her to stand here moments ago and make such ludicrous claims about the impact of this bill. Why were there inequitable situations and practical difficulties? Some employers do not provide on-site facilities for recess breaks, so one category of employees would be covered at work while another would not—often within the same employing agency. In many cases it has proved difficult to determine what would and what would not constitute an off-site recess. It is also difficult to determine what constitutes an off-site recess where employees are required to undertake their work predominantly off site. We know that many Commonwealth employees travel from location to location during the course of their employment on a day-to-day basis. Far from the typical notion of Commonwealth public servants as colourless old men clad in vests sitting behind desks pushing pens, there are literally thousands of employees who are engaged in inspectorial, audit and enforcement functions—and they probably do not own vests or work socks—who have to in the course of their day-to-day employment work outside what most people would consider to be normal on-site premises.

Many Commonwealth employees also travel off site to attend employer-sanctioned courses at educational institutions either within or outside normal working hours. These would include, for example, assessors from the Commonwealth Rehabilitation Service, interviewers from the Australian Bureau of Statistics and auditors from the Australian Valuation Office as well as many of the employees involved in the Department of Immigration and Citizenship in inspectorial and enforcement roles, to name but a few. Without this legislation, inconsistency arises as to whether these types of employees would be covered during lunch breaks and when attending these courses.

The bill will ensure that there is consistency between the Commonwealth and all state jurisdictions, with the exception of Tasmania and South Australia. It is unfair to expect Commonwealth employees to accept a lower level of workers compensation coverage than that which is enjoyed by the majority of their state counterparts.

At present, the SRC Act provides that workers compensation entitlements are suspended when an employee fails to participate in reasonable rehabilitation. Currently this suspension of entitlements includes the loss of medical benefits as well as weekly compensation benefits. The amendment in this bill recognises that the loss of these medical benefits might be counterproductive to a person's recovery and return to work by inadvertently affecting that person's recovery. Put simply, it is counterproductive and counterintuitive, if the objective of the workers compensation regime is to work towards not only compensating but also ensuring that a worker recovers from an injury, to remove from them—through the misplaced notion that a punitive sanction has some work to do in these instances—their capacity to be rehabilitated. That is why this bill contains an amendment that would provide that only
the weekly compensation benefit is suspended, while the ongoing medical expenses would continue to be covered in these circumstances. I hope that it is a sanction that is never needed to be applied, because, after all, the basis of the act is to ensure not only compensation but rehabilitation and return to work. The majority report of the Senate committee inquiry into the bill in 2009 made the observation that the rehabilitation of an injured worker should be a clear priority of the Comcare scheme, and these amendments to the legislation give force to that recommendation.

On the issue of time limits, this bill also introduces a time limit for the determination of a claim for workers compensation. The 2008 Comcare review noted that claims determined quickly tended to be shorter in duration and less costly, as claimants can commence rehabilitation much sooner than they would otherwise. There is currently no requirement under the SRC Act for decision makers to act within time limits—that is, there is no statutory requirement, and I cast no aspersions on those who are employed by Comcare. I know that they work to the best of their ability to assess and determine claims as quickly as possible, but there is no harm or injury in ensuring that there is a statutory requirement that those claims be assessed in a timely fashion. We know that this is a beneficial provision, because state workers compensation schemes apply statutory time limits for the determination of claims in all state jurisdictions. It is therefore another important move to ensure there is consistency in Commonwealth and state approaches to these issues. This is particularly the case as data shows that the determination of new claims and diseases currently takes longer for Commonwealth employees than for their state counterparts. It is our contention that the inclusion of statutory time limits will ensure that these types of claims are determined in a timely fashion.

A further measure in this bill is a remedial provision that will allow Comcare access to the Consolidated Revenue Fund—the CRF—to pay compensation claims in respect of diseases with a long latency period, such as asbestos related diseases. This applies where the relevant employment period was prior to 1 December 1988 and the condition did not manifest itself until after that date. As members here would be aware, the Comcare premium scheme, which was introduced on 1 July 1989, provides a financial incentive for employers to improve their injury prevention and management systems by linking the size of their premiums to their performance in these areas. These are incentives which are known very well in the private sector. Allowing Comcare to access the CRF for liabilities that arose before the Comcare premium system was introduced in 1989 will maintain the rationale behind the establishment of the Comcare premium system. The reason that this particular measure is needed now is because, until the Federal Court decision in 2006, Comcare had that access to the CRF to pay for certain pre-Comcare scheme premium liabilities that are taken to be Comcare's liabilities. So this measure is remedial legislation to deal with a decision arising from the Federal Court in Comcare v Etheridge, which closed off Comcare's access to the CRF in respect of those long latency liabilities.

This bill also contains measures that will ensure that there will be continuous workers compensation coverage for employees while they are overseas and in a declared place, or who belong to a declared class of employee. The need for this measure has arisen in part as a result of the establishment of the Australian Civilian Corps, and I am sure it is
an amendment that should enjoy the support of all members in this place.

To conclude where I commenced, our approach to these matters in the broad is not to assume that employers are beset with employees who are on the shirk, who are trying to defraud the Commonwealth or any other employer, but that the employer has an obligation and employees have responsibility to manage health and safety in the workplace and that they need to be continually reviewed from time to time. We believe that this legislation is both timely and of benefit to the Commonwealth.

Mr SIMPKINS (Cowan) (09:46): I welcome the opportunity to make some comments, though fairly brief ones, today on the Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2011. Providing a safe workplace is an obligation on an employer, and no-one can deny that this responsibility is one of the paramount obligations of employers and their managers. Naturally it is also in the best interests of the employer to do so. Good, hard-working and committed employees are what every organisation wants. Apart from doing the morally right thing and making sure that accidents are avoided, the costs of replacing or retraining staff and the overall costs in so many ways make sure that there are a range of reasons beyond the legal obligations to make workplaces as safe as possible. It really is a common-sense matter, and everybody agrees on this.

This bill, the Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2011, offers a number of amendments. It is not my intention to speak on the Amendment of the Occupational Health and Safety (Maritime Industry) Act 1993 element, as these are purely technical amendments relating to new arrangements and terminology introduced some years ago.

In the same way, given the technical nature of amendments to the Seafarers Rehabilitation and Compensation Act 1992, excessive comments on those will also not add any great value. Instead, I will speak of matters relating to the amendments to the Safety, Rehabilitation and Compensation Act 1988, where amendments are proposed for sections 6, 36, 37, 50, 61, 62, 90 and 92.

I began my contribution to this debate by speaking of the responsibilities of the employers, whilst also speaking of the clear benefits to those employers of offering a safe workplace. As I said, it really is common sense. Certainly much has been said in the last 30 years in this country about safety hazards. Whether it is providing safety equipment and ensuring that it is worn, or installing safety equipment and guards around machinery, or even fixing trip hazards, not doing these things can result in injuries that benefit neither the employer nor the employee, obviously. It is certainly the case that a negligent employer may be liable for very large penalties that could even result in the closure of the business itself; therefore, the losses may extend beyond the employer and the injured employee. I therefore make the point that it is certainly in the interests of the employer to examine the physical environment in their workplace. They should also look at the detailed processes of the workplace to again ensure that the risks are dealt with. The training and vocational knowledge of the employee, or the lack thereof, would also represent a possible weakness that the employer is obliged to assess and act upon.

Clearly, being an employer involves not only actually running a business or organisation but also meeting the full range of legal and moral safety responsibilities. It is not easy, and anyone who says it is obviously has never run an organisation. As I have said, from the time the employee enters
the land that the business is established upon, the safety risks must be assessed and addressed. The complications are significant. Sometimes employees must be watched closely; sometimes their work must be prescribed in some detail. Yet in all cases what happens in that work environment must be risk-assessed and addressed. It is very complicated, yet also, obviously, very necessary.

The problem is that this bill has loaded the burden onto employers to an even greater extent, because of what is proposed for paragraph 6(1)(b). This paragraph currently reads, before this amendment:

(1) Without limiting the circumstances in which an injury to an employee may be treated as having arisen out of, or in the course of, his or her employment, an injury shall, for the purposes of this Act, be treated as having so arisen if it was sustained:

… … …

(a) while the employee was at the employee's place of work, including during an ordinary recess, for the purposes of that employment …

So that is what this paragraph currently says. But what the government proposes for subparagraph (b) is this:

(b) while the employee was at the employee's place of work, for the purposes of that employment, or was temporarily absent from that place during an ordinary recess in that employment …

This change means that the employer will now be made responsible for the actions of the employee beyond the business or organisation. In the area that he or she does not control and cannot hope to control, he or she will become responsible for the employee. As has previously been said by the shadow minister, when employees have to cross a dangerous road, rather than at an intersection, that is a risk that will be placed upon the employer, even though the employee undertakes the action. I wonder whether employers in business organisations that are covered by Comcare around the country may want to supervise how their employees move to the lunch bars. Clearly the liability of the employers, the managers and the organisations is expanded under this proposed change, but the degree of safety compliance by the employee is, of course, completely up to the employee themselves.

The Productivity Commission undertook an inquiry back in 2004 that covered such matters. It found that the employer's ability to exert control over workplace recess breaks and social activities is actually a relevant consideration. The commission recommended that coverage for recess breaks and work related events be restricted, on the basis of employer control, to those undertaken at workplaces and at employer-sanctioned events.

The last speaker implied that this was in some way a unilateral action by the Howard government. While the Howard government did undertake this action, and stood by it, the decision was absolutely based on the view of the experts, the Productivity Commission. This is a very important issue. It is certainly the coalition's view that it is unreasonable for an employer to be responsible for employees when they leave the workplace, and that is why we propose an amendment to this section of the bill.

This really does go to one of the key principles that divides the coalition from those opposite. We on this side of the House believe in personal responsibility, that we have to accept the consequences of the decisions we make as individuals. But it appears that there is a belief on the other side of the House that, whatever happens and wherever it happens, someone else is always responsible. I would make the further point that, should we be unsuccessful in amending the government's changes under section
6(1)(b), it will be interesting to see by what figure the number of claims for injuries or incidents outside the work place rises. Given the amount of insurance frauds that already take place in Australia each year, I suspect that some—hopefully very few—will seek to take advantage of the changes that the government has brought before the House today.

In summary, it is the intention of the coalition to make an amendment to address what we consider to be a retrograde step. Beyond that, there are no great concerns with this bill. As a member of the coalition, I support good and effective workplace safety laws that provide for the fulfilment of responsibilities. I emphasise that, while there is employer responsibility, at no time should the personal responsibility of the employee ever be set aside. I worry that, while such a philosophy may be an article of faith with some in this place, it does not serve the best interests of any person in this country, particularly the employees of Australia.

Mr SYMON (Deakin) (09:55): I speak in support of the Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2011. A bill similar to this, the Occupational Health and Safety and Other Legislation Bill 2009, was introduced into the previous parliament on 26 November 2009 but lapsed due to the proroguing of parliament on 19 July last year. Consequently I have been waiting a long time to speak on this bill—and finally the day has arrived.

Occupational health and safety and workers compensation are greatly important to me. Before coming to this place, I spent many years as both an occupational health and safety representative and a professional in that area as well. My particular concern was the construction industry, which to this day still has one of the highest rates of injury, death and claims when it comes to workers compensation. A lot of that comes about as a result of the itinerant nature of the industry, and that is going to be an ongoing problem. Anything we can do at the Commonwealth level, especially for those companies that are covered by Comcare, is always a good improvement.

While this bill itself does not make major changes, it is part of a much bigger and broader package of reforms that the Labor government has undertaken in the area of workplace relations and occupational health and safety. The centrepiece of those reforms was the implementation of the Fair Work Act in the previous parliament. And we also saw in 2009 the establishment of Safe Work Australia, an Australian government statutory agency with primary responsibility for improving health and safety at work and workers' compensation arrangements across Australia. I am proud of the work that the Labor government has undertaken in working towards national standards in such important areas, and I look forward to the harmonisation process reaching completion. It has been a long road and it has required the coming together of many different elements. But it is actually going to happen, and that is a great thing.

The bill before the House introduces a number of amendments to the Safety, Rehabilitation and Compensation Act 1988 to make some changes to the Comcare scheme as well as some other associated changes. In 2009-10 the Comcare scheme covered 371,300 employees and received 10,551 claims, of which 8,777 were accepted. A total of $203 million was paid to claimants and the return to work rate of 93 per cent was higher than the national average of 85 per cent for other schemes.

The bill follows the government's 2008 review into the Comcare scheme, which was
a commitment made by the Labor Party in the lead-up to the 2007 election. That review focused especially on the self-insurance arrangements, which allowed for the entry of private sector corporations into the Comcare scheme, and whether the scheme was providing suitable arrangements for self-insurers and their employees. On 11 December 2007 the government placed a moratorium on private corporations seeking to join the scheme. This had the effect of freezing the number of private companies in the scheme. I have previously spoken in this place of my concerns about Comcare in the private sector—specifically, the number of on-site inspections conducted compared to state based compensation schemes. There are several changes that are proposed in this bill. Firstly, it reintroduces workers' compensation for claims arising from off-site recess injuries. I think this is a rather big area. Listening to the last speaker and the opposition's concerns about off-site injuries I would like to say that maybe they should try it themselves. For many, many years I worked off-site and for many, many years I did not have lunch facilities or rest break facilities. Being in a service industry, many times the only place you could buy food or go to the toilet was off-site. You had to leave your place of work, drive up the street to find a public toilet or a food outlet. I do not think that should be held against anyone whilst at work. They also deserve coverage. That may be just walking to the shop, as I said, it may be driving to the shop, it may be going elsewhere to a public convenience, but these things have to be done during the course of the working day. Bringing such claims back under Comcare brings the scheme into line with most other jurisdictions, other than South Australia and Tasmania. It is also important to note, as I have said, that not everyone has access to facilities that most of us take for granted, and those people should not be forgotten.

This amendment bill also places specified time limits within which compensation claims must be dealt with. There are two obvious benefits to this change. Firstly, it provides greater certainty for people lodging a claim. When workers lodge claims it is usually a very stressful situation. There are a lot of things going on, a lot of changes from the ordinary, and the impacts that has on the mental state of the worker is not always apparent. Depending on the seriousness of their injury, sometimes it can be particularly severe. For a worker to know that their claim will be handled within a specified time frame hopefully provides some minor relief for people who are, unfortunately, in such a situation. Secondly, it is logical to believe that claims that are dealt with quickly will be less costly. The introduction of statutory time limits is an improvement to the Comcare scheme.

The bill also amends the Safety, Rehabilitation and Compensation Act 1988 to allow for medical and related costs to be paid when payment of other compensation has been suspended. Weekly compensation benefits that are not for medical purposes, such as payment for loss of wages, can be suspended if a worker refuses to attend rehabilitation for their injury. While suspending payments provides an incentive for injured workers to fulfil their requirements under the scheme, the suspension of payments for medical expenses would seem to be taking this a step too far, and is probably quite counterproductive. If someone is injured on the job, they are entitled to the appropriate treatment and care that will allow them to return to work as soon as possible. Denying them the payment for such treatment will only impede this goal. This revised system strikes an appropriate balance between
incentives and penalties—a 'carrot and stick' approach.

The bill also restores Comcare's ability to access the Consolidated Revenue Fund to pay for workers compensation claims and expenses arising from long latency injuries claims. This access to funding was shut off in 2006 as an indirect result of a decision of the Federal Court. Examples of long latency injury claims are asbestosis and mesothelioma, many cases of which may not become apparent for decades after the initial exposure. It is not only decades; sometimes people do not even know which employer may have been the source of that exposure, because it is so long between the time of contracting the disease and any signs of it showing.

This provision in the bill will allow Comcare to access consolidated revenue for payment of its liabilities relating to events which happened before 1 December 1988, but which did not result in an injury until after that date. That certainly covers the examples I have noted. Restoring Comcare's access to the Consolidated Revenue Fund for such injuries is a minor administrative change, but it is one that makes sense given the purposes of the Comcare scheme.

Finally, there is a provision in the bill that allows for continuous workers' compensation for employees who are working overseas and who are in a declared place. The Australian Civilian Corps and the employment of DFAT staff in high risk areas such as Afghanistan and Iraq are examples where this cover could apply. The effect of these provisions is that employees in declared places or a declared class of employee will have access to 24/7 workers compensation for the duration of the overseas employment with the usual exceptions that apply to workers compensation such as serious and wilful misconduct, intentional self-inflicted injury and a few other exceptions.

This bill makes some small but significant changes to the Safety, Rehabilitation and Compensation Act 1988 that will provide better outcomes for workers employed by the Commonwealth government and those private businesses that are covered by the Comcare scheme. I welcome the changes and I look forward to continued progress in this important area. I commend the bill to the House.

Ms BRODTMANN (Canberra) (10:05): I rise today to speak in favour of the Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2011, but before I go into any detail about that I just want to take issue with the overblown comments that were made by the member for Farrer with regard to her concerns about the off-site recess element of this bill. She suggests that people go scuba diving at lunch and so therefore she had an objection to elements of this bill. She maintained that that element of the bill defies common sense. Her comments defy common sense. I cannot believe that she said that. It shows a complete distrust and a misunderstanding of Australian workers and of Commonwealth employees and people who would be covered under this scheme.

How many times have you been out on a lunch break, when we do get a lunch break, driving around Lake Burley Griffin and the place is—what?—bobbing with people scuba diving? Commonwealth public servants just all bobbing round—it's absolutely chockers! Winter, spring, summer, autumn, there they are, down there scuba diving! It is a completely ridiculous statement and it should be highlighted as such. It also shows a complete misunderstanding and distrust for Australian workers. So, in a way, the comments of the member for Farrer really do
not surprise me, particularly with regard to Commonwealth employees. She has a complete misunderstanding and a complete distrust of them.

This bill will have a positive impact on many of my constituents here in Canberra and I would like to congratulate the Gillard government for responding to the Comcare review. The Comcare scheme has grown since its introduction to now include 200 employers and over 400,000 employees nationally. The Prime Minister, in her then capacity as minister for workplace relations, agreed to make a number of amendments to the Safety, Rehabilitation and Compensation Act following the report of the Comcare review. In particular, the government made amendments to reinstate the coverage of workers injured during an off-site recess break; continue the payment of medical costs, even if the employee refuses to take part in the rehabilitation process; and introduce statutory time limits within which claims must be determined by Comcare.

Although the language and technicalities of this bill can seem dry, this bill ultimately is about the very real problems that can and do face Australian workers who are injured at work. There are few things that can be more worrying and disruptive than to be unable to work due to injury and to face the prospect of no longer being able to carry out your trade or profession. In considering this bill we should therefore bear in mind that we are addressing the realities of the workplace.

This bill will, through its amendments, redress a number of anomalies which can make the position of workers affected by injury even more difficult. To illustrate these amendments, and the need for them, just think of something we see every day. For many people today, workplaces provide a place where they can go for recess breaks but for many others taking a recess break means going to a venue off site, as the member for Deakin just pointed out. Normally, that is a pleasurable, relaxing experience but under the present act there is an inequity in coverage of workers injured during an off-site break, between those employees who have an on-site facility for recess breaks and those who are not provided with one.

It is difficult, furthermore, to determine what would and would not be considered an off-site recess break for those employees who undertake their work off site—for example, a Telstra technician. There is another real-life situation that is relevant here. Most of us will know of someone engaged in an apprenticeship, or otherwise undergoing work related study to improve themselves. This means attending a work sanctioned course of an education provider such as a CIT or TAFE. But under the present arrangements this person would not necessarily be covered while on a lunch break. For these very real and common-sense reasons, one of the amendments the government is putting forward will reinstate the coverage of workers injured during an off-site recess break.

Now turning to another reality of life, we can all agree that rehabilitation for an injured worker is important in restoring confidence and a return to the workforce. But we also know that this can be a difficult process and that not all can easily take part in what is often a demanding process. Showing the necessary commitment and discipline can take time. Under present arrangements if a worker does not, or is not ready to, take part in a rehabilitation and return-to-work plan then all benefits can be suspended. This provision has some merit in so far as it is an incentive for a worker to stick to a rehabilitation and return-to-work plan. The recommendation of the majority report of the Senate inquiry into this legislation was that the rehabilitation and return to work of the
employee were a priority of the Comcare scheme. And this is a view shared I would think by most of us.

But, while the suspension of benefits can be a useful mechanism to compel employees to comply with their rehabilitation and return-to-work plan, we should analyse more carefully the way in which this is done. In particular, the suspension of medical benefits appears to me to be a bit ill-judged. If the worker is unable to continue to receive treatment it makes it highly unlikely that the medical condition will improve sufficiently to make a return to work possible. For this reason the bill proposes an amendment under which the payment of medical costs can be continued even if the employee refuses to take part in the rehabilitation process. The effect of this amendment then is that only weekly compensation benefits would be affected in the case of a worker not engaging in rehabilitation; the payment of medical benefits would not be affected.

We all know how dispiriting and annoying it can be to face what seem to be unnecessarily long delays in the settlement of a claim we have made. Imagine, then, the effect on injured workers of waiting for a decision on which, it is not too much to say, their futures and their families' futures depend. The Comcare review noted that if claims are determined quickly then claimants can gain access to rehabilitation and medical treatment sooner.

Claims that are determined quickly also tend to be of a shorter duration and less costly. As it currently stands, there is no requirement under the act for decision-makers to act within a certain period. This is contrasted by those schemes operated by the states, which do apply statutory limits. The government is therefore proposing an amendment to introduce statutory time limits within which claims must be determined by Comcare.

Currently, the average time taken by Comcare is in excess of the time taken by these schemes, and therefore these amendments will provide a clear standard to determine claims quickly. As to the introduction of time limits, it was noted by the Comcare review that Comcare does not have a particularly good record of accomplishment in resolution of claims. In their submission to the review, Maurice Blackburn Lawyers noted:

... in 2004/2005 every state system had resolved more than 80% of claims within nine months while Comcare lagged behind with just 45% of claims resolved. These are the figures in a year where Comcare handled just 2660 total claims (disputed and undisputed) - Victoria and Queensland managed 27,000 each and NSW 52,000.

The AWU noted similar issues, saying:

The scenarios allowed under Comcare can result in extended periods before an injured worker may receive treatment and rehabilitation, reducing the potential for a sustainable return to work. There is a definite link between the time it takes to resolve a claim and the positive outcome and return to work of an employee. Those claims that are determined quickly tend to be of a shorter duration and less costly. It also means claimants can gain access to rehabilitation and medical treatment sooner. As it stands, there is no requirement under the act for decision-makers to act within a certain period. This is contrasted by those schemes operated by the states, and this bill addresses those issues. This bill will also give Comcare access to the Consolidated Revenue Fund, which was closed off as an indirect result of a Federal Court decision. These moneys have been used to pay for liabilities accrued prior to the premium system being introduced in 1989. As a result of the Federal Court decision,
premium moneys are being used to pay for liabilities they were not intended for, thus compromising the system. This amendment will fix this and ensure the government has made contingencies for the provision of long-latency illnesses, such as asbestosis.

This legislation will also allow for the continuous coverage of employees who have been deployed overseas or are members of a declared class of employee, such as those deployed as part of the Australian Civilian Corps. This is particularly welcome news to me because I know many people in my electorate who have been deployed overseas, often to dangerous and unstable positions and locations. They are often called upon at a moment's notice to serve their government and country and they do so willingly and proudly. It is good to know that while they are away the government has them covered, should they be injured.

I also note with pride the specific mention of the Australian Civilian Corps as a declared category of employee. I am a proud supporter of the corps and am pleased to see its inclusion. For those unaware, the Australian Civilian Corps is a select group of civilian specialists who deploy to countries experiencing or emerging from natural disaster or conflict. Members of the corps are drawn from a register of screened and trained civilian specialists. They are selected for their technical skills and ability to work in some challenging environments overseas.

Members of this corps come from all levels of government and the broader community to provide advice, assistance and capability building in public administration, finance, law and justice, agriculture, engineering and health administration, and many of them are from Canberra. The Australian Civilian Corps is not part of the emergency relief effort but is designed to support stabilisation, recovery and development planning with a view towards the long-term viability of countries in need. It builds on the initial humanitarian efforts to set the foundation for sustainable development and self-reliance. For a range of reasons, this is a welcome bill and I commend it to the House.

Ms HALL (Shortland—Government Whip) (10:17): I rise to speak on the Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2011, which establishes a workers compensation and rehabilitation scheme applying to Commonwealth employees and those employers of non-Commonwealth licensees.

The Commonwealth is the Australian government agency that has primary operational responsibility for the Safety, Rehabilitation and Compensation Act, including claims management for premium-paying Commonwealth agencies. This legislation implements some of the recommendations that came from the Comcare review. In late 2007, the government announced a review of the Comcare scheme to ensure that it is a suitable OH&S and workers compensation scheme for licensees and employees. This was necessary because under the previous government, the Howard government, the conditions and effectiveness of the Comcare scheme had been eroded. There was a move by the previous government to undermine the Comcare scheme. I spoke on that legislation on many occasions in this House as condition after condition was eroded from the scheme. That was of great concern to me, particularly as I had worked with injured workers prior to coming into this parliament. They were people covered by the Comcare scheme. I knew how important it was to have in place an effective scheme that looked after people and ensured that when they were injured they were cared for and offered good quality rehabilitation, certainty and
assistance to re-enter the workforce. Prior to the Howard government coming to power, that is how the Comcare scheme operated. The Howard government eroded the scheme over the time that they were in power.

Since being elected, we have worked very hard to restore the scheme to its previous position and the changes in this legislation look at some of those issues. One issue is the workers compensation coverage for injuries sustained during off-site breaks, which was removed by the coalition in 2007 and which this legislation reinstates. I heard the member for Farrer say that people can go out and scuba dive during their recess break. That is absolutely ludicrous. A example of injury would be when somebody working at Telstra or a contractor has their break, walks across the road to the shop—because there is nothing on site for them to purchase during that break—and is hit by a car. It is a farce to think that the opposition could compare scuba diving with going across the road to buy sustenance in a break. It just shows the level that those on the other side will stoop to when it comes to attacking workers. They do not like workers. They do not believe that workers should have any conditions and they do not believe that they should have proper coverage when they are injured at work. If workers do have coverage, they believe that it should be minimal. It is all about reducing the liability to the employer, not ensuring that an injured worker has the proper coverage so that they can retrain or receive the medical treatment they need and then retrain and return to the workforce.

A Senate committee looked at this legislation and it was no surprise whatsoever to find out that the coalition senators took the view that an employer's liability to an employee should not be sustained if they are injured during their recess break. We on this side of the House know that the opposition has no commitment to workers. We have only to look back at the previous Work Choices legislation to see what they think of workers and their commitment to workers. I think the reinstatement of off-site recess breaks and coverage during off-site recess breaks is an important aspect of this legislation. It should not be trivialised in the way that I have heard from opposition speakers this morning.

The next point I would like to deal with relates to medical costs and whether they should continue to be paid where a worker's weekly compensation benefits are suspended for refusing to participate in the rehabilitation process. As I mentioned earlier, I come from a background where I worked with injured employees and I know that one of the most important aspects of a person's rehabilitation program and return to work is certainty. Quite often the person who has been injured feels that they are incapable of undertaking a return-to-work program because they feel that the status of their injury still has not been clarified and they feel that if they do participate in the rehabilitation program they will further injure themselves. Discontinuing the payment of medical costs creates greater uncertainty and can inhibit the rehabilitation process, and it can actually inhibit the person's ability to return to work. Everybody knows that it is quite often the person who has the injury listening to their body and knowing that things are not right and knowing that if they undertake certain activities they will injure themselves further. The last thing we want in this parliament is a situation where workers are forced to return to work and further injure themselves.

That is a very important aspect of this legislation and I think it is important for us to look at what the coalition senators on the committee said when the committee looked at this legislation. It was no surprise to find out that the coalition senators strongly
disagreed with the amendment, expressing their concerns that the amendment to the suspension of payment provision under the SRC Act may facilitate a culture of noncompliance by rewarding employees who do not comply with their obligations. I think nothing could contrast more the approach by the opposition and the approach by the government than that statement by coalition senators.

We on this side of the House know that it is important to address the medical status of somebody who is injured, even if they have declined to be involved in a rehabilitation process and return to work. We know that by resolving the medical problems that a person has we have the best chance of their returning to work, while those senators in the coalition are only interested in noncompliance. One side of this House cares about workers and cares about returning them to the workforce and enabling them to be productive members of our society while the other side of this House is more concerned with punishing workers and making it harder for them. Anyone who has been involved in that process knows that if medical expenses are not being paid, it is very difficult in some cases for an injured worker to be involved in the process; it makes it very hard for them to pay for the treatment they need to receive. The opposition stands condemned for the position it has taken on that aspect of this legislation.

Another part of the legislation I would like to concentrate a little on is the introduction of the statutory time limits within which claims must be determined by Comcare as a means to encourage timely determination of workers compensation claims. It is very important and I am pleased to report to the House that when the opposition looked at the issue in the Senate they agreed with that aspect of the legislation. It is very surprising to us when we hear in this House that the opposition agreed with any aspect of any piece of legislation. The one thing they are very good at doing is saying no, but they agreed with the statutory time limits and that is vitally important. Most of the state workers compensation systems have incorporated statutory time limits and, as such, it is vitally important to the effective operation of the system. This piece of legislation also gives Comcare access to the Consolidated Revenue Fund. The Comcare scheme's premium system was introduced in July 1989. The system provides a financial incentive to employers to improve their injury prevention and management systems by linking the size of their premium to their performance in these areas. That is vitally important. It encourages employers to take responsibility for their workers. It encourages a better outcome for Comcare, for the government and for injured workers.

In 2006 a decision of the full Federal Court, in Comcare v Etheridge, on matters unrelated to the funding of Comcare's liabilities closed off Comcare's access to the CRF in respect of liabilities for long latency diseases. As a result, Comcare was forced to use premium funds to pay for these liabilities. The rationale behind the premium system will be undermined if Comcare is to pay for liabilities that predate the premium system's introduction.

The amendments contained in this bill will realign the operation of the SRC Act with the original policy intention by restoring Comcare's access to the CRF to pay for workers compensation liabilities arising pre 1 December 1988. That covers things such as asbestosis and other diseases that do not become apparent until further down the track.

This is good legislation. It is about ensuring that workers have the protection
that they need at the appropriate time. It is about restoring some of the elements that the Howard government took away in their savaging of workers, in their anti-worker campaign, and recognising that to have an effective system you need effective coverage. That is what this legislation will ensure. I commend the legislation to the House.

Mr MELHAM (Banks) (10:32): I rise to give my support to the Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2011. This is a worthwhile bill and is importantly part of the Labor tradition in looking after the rights of workers. The bill provides protection for workers—protection which was, in part, removed by the previous government. The bill is a second attempt by the government to redress the inequities introduced by the changes in April 2007 to the Safety, Rehabilitation and Compensation Act 1988.

In 2007 the government announced a review of the Comcare scheme. The review was to ensure that the Comcare scheme had suitable occupational health and safety and workers compensation arrangements for self-insurers and their employees. On 26 November 2009 the Occupational Health and Safety and Other Legislation Amendment Bill was introduced into the House to implement the improvements recommended by the review. The bill lapsed when parliament was prorogued. This bill now will implement those improvements arising from the review of the Comcare scheme through amendments to the Safety, Rehabilitation and Compensation Act 1988.

The primary purposes of the bill are as follows. It will amend the SRC Act to enable Comcare to access the Consolidated Revenue Fund to pay compensation claims in respect of diseases with a long latency period such as asbestos and mesothelioma. It will allow for continuous workers compensation coverage for employees who are overseas and who are in a declared place, or who belong to a declared class of employees—for example, those DFAT officials who are required to work in Afghanistan or Iraq. It will reinstate claims arising from off-site recess injuries—for example, if an employee is injured at lunchtime. It will allow compensation for medical expenses to be paid, where payment of other compensation is suspended. For example, in a case where an employee has sustained a workplace injury but is reluctant to undertake rehabilitation, medical bills will continue to be paid even if compensation is discontinued. And the bill will allow for time limits for claim debate termination so that employees are not kept waiting unnecessarily for a decision to be made in relation to their claim for compensation.

When the original bill was introduced in 2009, it was referred to the Senate Education, Employment and Workplace Relations Legislation Committee for inquiry. Not surprisingly, the coalition senators produced a minority report stating that there was insufficient reason to merit the changes proposed by the bill in relation to off-site recess breaks. A number of difficulties have resulted from the 2007 removal of coverage of off-site recess break claims. Firstly, there is a basic equity issue in the case of employees who are not provided with on-site facilities; secondly, it is difficult to determine what would and what would not constitute an off-site recess break where employees such as Telstra workers are required to undertake their work off site and their usual place of work is their vehicle; thirdly, there is also inconsistency in the fact that an employee would be covered if attending an employer-sanctioned off-site training program but would not necessarily be covered during lunch breaks; and,
fourthly, reinstating coverage for off-site recess breaks will realign the Comcare scheme with the majority of jurisdictions.

In my own electorate office, we were faced with the inequity of the April 2007 amendments to the act when an employee fell in the street outside the office during a lunchbreak and was unable to claim workers compensation. In my office we have a lunchbreak between 1 and 2 pm, although it should be noted that the employees and I still answer the phone. It is ridiculous that someone who had to go and get their lunch from a place across the station, and who fell in the street during that lunchbreak, is not entitled to claim workers compensation. This amendment bill will fix that, as it should.

It was a mean-spirited approach by those opposite to have taken this away in the first place. Indeed, it was the mean-spirited approach by the former government that saw their demise at the 2007 election, in relation to the Work Choices policies that they introduced. They went too far in this area. It was an ideological pursuit of workplace conditions by the former Prime Minister—an ideology, in fairness to him, that he had held in all his public life—but he was repudiated at the 2007 election. I think it was a good thing that he was the Prime Minister at that election and was repudiated by the electorate particularly in relation to his view of the world when it comes to workplace legislation. During the Senate committee’s hearings, DEEWR provided an explanation of the practical difficulties in its submission No. 1, on page 3:

One concern was the difficulty in determining what would and what would not constitute an off-site recess break where, for example, employees worked off-site or where no facilities were provided for lunch breaks. Another concern was the inconsistency between the fact that an employee would be covered when attending employer-sanctioned courses at educational institutions either within or outside normal working hours but not necessarily during lunch breaks.

The majority of state and territory jurisdictions already provide coverage for off-site recess breaks. At the same time, DEEWR made it clear that there are other provisions in the SRC Act whereby compensation would still not be payable in respect of self-inflicted injuries and that would also carry over to recess breaks or as a result of serious or wilful misconduct on behalf of the employee. The committee majority report viewed this particular amendment as an important reinstatement of workers' rights which had been removed under the 2007 changes—that is the reason, no doubt, that the coalition senators did not support the amendment.

The access to consolidated revenue for long latency claims is an important aspect of the bill before the House today. As part of its claims management role, Comcare collects premiums from Commonwealth agencies to finance its administration and pay for the cost of claims. This system did not commence until 1 July 1989. Therefore claims that accrued before that date were paid for from consolidated revenue as no premium-paying employer could be held accountable for those earlier injuries. As an indirect result of the Full Federal Court decision in Comcare v Etheridge, Comcare's access to the Consolidated Revenue Fund to discharge its liabilities for one particular category of these earlier claims was closed off. In particular this impacts on long latency diseases such as asbestosis and mesothelioma. Obviously this is not acceptable. We all know how long and how hard unions fought on behalf of workers affected by these terrible diseases. While its omission is inadvertent, it is vital that the provisions be reinstated. It is simply not acceptable for workers diagnosed as having
asbestosis, for example, to be excluded from potential workers compensation payment because of an unexpected consequence of a court decision.

Another amendment concerns the continued payment of medical bills when incapacity payments are suspended. The SRC Act provides that workers compensation payments will be suspended when an employee fails to participate in reasonable rehabilitation. This suspension currently includes the suspension of payment of medical benefits. Obviously this suspension could well be counterproductive to the employee's recovery and eventual return to work. To that end this bill, as did the OHSOLA Bill, seeks to amend the SRC Act to protect the payment of medical and related benefits to claimants notwithstanding the suspension of their weekly benefits. Similar arrangements are contained in workers compensation legislation in several other jurisdictions; for example, in Victoria, Tasmania and the ACT. An example of the real world implication of this could be the case where an employee is on stress leave and perhaps dealing with a mental illness. That employee may, in the course of his or her illness, refuse rehabilitation. If this amendment is not enacted, that person, because of the nature of their illness, would not have their medical bills paid. That is not a reasonable or equitable outcome given that the person's eventual recovery and return to work could be directly impacted by the nonpayment of medical bills.

Another aspect of the bill which should be noted is the mechanism whereby certain employees of the Commonwealth will have the benefit of continuous 24/7 workers compensation coverage while overseas. The usual proviso applies, of course, that the injury must have arisen out of, or in the course of, his or her employment. That is, the provisions will not apply if the employee sustained an injury because he or she voluntarily and unreasonably submitted to an abnormal risk of injury. This provision arises from the introduction of the Australian Civilian Corps Bill 2010. The Civilian Corps will comprise civilian experts who can be rapidly deployed to assist in international disaster relief, stabilisation and postconflict reconstruction efforts. When that bill is enacted, according to Bills Digest No. 35 prepared by the Parliamentary Library at pages 3 and 4:

The Australian Civilian Corps will comprise a register of up to 500 civilian specialists in areas such as public administration and finance, law and justice, engineering, health administration and community development. Specialists will be chosen for inclusion on the deployment register based on their expertise and demonstrated experience in relevant areas. It is intended that personnel will be sought from both government and the broader Australian community and will remain in their regular employment until accepting a deployment.

Given the role of the Australian Civilian Corps, it is, of course, important that workers compensation provisions apply while they are serving overseas. At the same time the changes also address the need to ensure that other Commonwealth employees deployed in such high-risk areas as Afghanistan and Iraq have workers compensation coverage during the time of that deployment. For instance, there are a number of officers from the Department of Foreign Affairs and Trade currently working in Afghanistan. The amendments will also provide for the minister to declare high-risk places to be places where the 24/7 coverage will apply.

This bill is a direct response to the Government's Comcare review. The measures it contains are designed to improve the Comcare scheme by reducing injuries, strengthening the focus on rehabilitation and return to work and increasing benefits for
injured workers. I commend the bill to the House.

Mr LAURIE FERGUSON (Werriwa) (10:43): I rise to speak on the Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2011. There was a time in Australian politics when John Howard was able to persuade a significant number of workers, particularly in the outer suburban seats of this country, that his party represented the working class and had an interest in working class conditions. People who had been concerned about the deterioration of industry in this country and who were mystified by the reduction in tariffs were, in a sense, liable to the appeals of social conservatism that Howard represented. It is in bills such as this that we see some of the realities of where the current opposition stand in regard to workers conditions. That appeal to social conservatism was accompanied by rhetoric about the unnecessary—as they saw it—hope for working-class students to go to university. I heard constant references to the fact that people should lower their expectations; they should perhaps be content to go into the workforce, into TAFE et cetera. Of course, that was not accompanied by any significant expenditure by the previous government on TAFE. One of the major initiatives of this last budget was in regard to the apprenticeship system: (a) the expedition of outcomes; (b) the mentoring; and (c) the delivering of more money et cetera. There has been a doubling in the course of this government.

As I say, it is when we come to bills like this that we have some recognition of where the opposition really stand in regard to the average worker in the western suburbs of Sydney and their conditions, because, as I see it, we are today rectifying a major attack on their conditions in relation to, for instance, off-site injuries. It is interesting to note the estimate of the minimal cost of this for Australian taxpayers. It is about $2 million. When we look at the size of the budget of this country, that is infinitesimally small, and yet the coalition were prepared to go out of their way to legislate so that workers injured whilst on their lunch breaks could not have coverage.

The previous speaker, the member for Banks, has given an example of exactly what occurred in the real world to one of his employees. The member for Farrer typified the kind of rhetoric and conservative reaction on this matter with fanciful suggestions that what we are trying to do here is cover somebody who goes scuba diving. I have been privileged, like most members of this parliament, not to have been in workforce situations where I had to travel to get my lunch. Perhaps the only times in my life were a few university jobs on the Water Board. I recall that people had to go to shopping centres from distant areas in suburbs that were having Water Board sewerage laid. Most of us here have not experienced that reality, but Australian workers do. The opposition suggest that basically we should not give them coverage for something that is in their working day—when they would rather be sitting on the couch at home doing nothing. But, if workers are part of the workforce and they need to get their lunch away from the work site, I think the majority of people in this country would believe that they should be covered if they are hit by a car or, as the member indicated, injured as the result of a faulty footpath. The opposition are trying to save $2 million on this measure but, in a real sense, that just represents their lack of attention to and interest in working-class conditions.

As another member indicated earlier, the backdrop to this is the move towards harmonisation of workers compensation measures around the country, an attempt to
make sure that we have a degree of regularity across state and territory borders. The measures in this bill, besides the question of coverage of people on lunch breaks, are also practical, necessary and in the interests of public servants. I should note, when we talk about the attitude of the opposition, that I recall in 1996 the elevation of the Howard government and the massive swathe of redundancies and sackings that occurred in the Public Service in this country and particularly in this city as a result of their policies.

In this bill we see a number of other measures that are commendable. If, for a variety of reasons, people are not fully cooperative about rehabilitation, they do at least receive their medical costs during that period. I listened to the New Zealand High Commissioner this morning talking to the foreign affairs committee about the trauma after the events in Christchurch and the very deep concerns in the New Zealand psyche about what is going to happen to the people who have endured that. We cannot predict the reaction of every person in this country if they are injured or how they will react afterwards. There can be a variety of reasons why they do not wish to participate in or do not participate in rehabilitation. It should not be accompanied by measures that restrict their ability to get medical assistance, because in the long term all that can mean is that their rehabilitation is delayed or it does not happen, and there are even more long-term costs to the Australian taxpayer in the rectification of their problems. So it is right and proper that in this legislation there are measures to make sure that those medical expenses are covered.

Another measure here is to get some more expeditious reaction by the fund in its clearing up of cases. It was mentioned earlier that, when this was investigated, the degree of finalising claims in this sector was quite low by any comparison with state and territory jurisdictions. I find that a bit surprising because of what I would expect about the nature of the workforce and the jobs they do in the Australian Public Service compared to other sectors. One would expect perhaps the reverse. But, as I say, there are measures here to try and make sure that there is a more expeditious reaction in how these matters are finalised.

I commend the legislation. It is an indictment of the opposition that their senatorial representatives found ways to quibble about it and to try and throw fanciful possibilities as reasons that we should not legislate to protect workers in this fashion. This bill comes as a result of investigation into the system. It is not separate from what was found at that inquiry. I commend the legislation.

Dr LEIGH (Fraser) (10:50): In 2006, a Commonwealth public servant in Queensland told the story of having sprained an ankle just two metres from the front door of his building while going out for a lunch break. Would any of us reasonably think that that was not a workplace accident? Would any of us reasonably seek to deny someone who suffered such an injury fair compensation? The Safety, Rehabilitation and Compensation Act 2011 may look technical, but in its essence it is about fairness and it is about equity. If you have ever been injured at work, you know that it can be a time of incredible stress and uncertainty. This bill provides greater assurance to employees covered by the Safety, Rehabilitation and Compensation Act about their rights and entitlements. This bill also expands the application of the SRC Act to ensure that people deployed on dangerous missions, whether here or overseas, have greater certainty about their workers compensation coverage.
The recess breaks amendment reinstates a previously held entitlement to workers compensation insurance coverage for workers on unpaid recess breaks. Leaving work for a coffee, for lunch or for an appointment during your own time currently leaves public servants without workers compensation coverage. This means that public servants participating in a lunchtime stroll around Lake Burley Griffin are left without workers compensation coverage, even when the walk is part of a charity activity supported by their department. People who slip on the frosty Canberra grass on a winter's morning on their way to warm up with a coffee or a hot chocolate are denied coverage for any injury they sustain.

Under current arrangements, workers on a recess break may only claim some compensation through their motor vehicle insurance. So the workers who are punished by these Howard government reforms removing coverage for recess breaks are those workers who are being more socially and environmentally responsible. Restoring this coverage to workers covered by the Comcare scheme is important to me as the member for Fraser, not just because of the significant number of Australian Public Service employees living in my electorate but also because the Comcare scheme covers employees of the Australian Capital Territory government. Additionally, employees of non-Commonwealth licensees that self-insure under the Comcare scheme will see those rights restored to their working conditions. The rights restored by this bill apply to ACT government employees as well as Australian government employees. Unusually for public sector workers, ACT government employees are not able to lobby or negotiate with their direct employer over their workers compensation arrangements. In that respect, as their representative here in the big house in Canberra, I feel an additional duty to ensure that the rights of these workers are improved.

Workers compensation coverage is a basic right in Australia. Most voters would reasonably expect that if an employee is injured by their work or while carrying out their work then they should be compensated for their injury. I need to be clear here and stress again to the House that workers compensation coverage for employees on recess breaks is not a new entitlement. It restores a right previously held by Commonwealth and ACT government employees from the introduction of workers compensation insurance in 1988 right up until 2006 when, as a part of then Prime Minister John Howard's broader attacks on the rights of workers, the Liberal and National parties saw fit to deny their own public servants rights enjoyed by workers across other jurisdictions in Australia. In fact, South Australia and Tasmania are the only two jurisdictions aside from those in the Comcare scheme that do not provide workers compensation coverage for their employees during recess breaks. It is a right enjoyed by most Australian workers that must be restored to workers covered by the Comcare scheme.

As well as restoring rights, extension of workers compensation coverage to recess breaks removes a substantial number of grey areas. Think about the following situations: an employee leaves work for a coffee with their supervisor to discuss a range of work related issues; an employee takes a work related telephone call on their lunch break; an employee runs into a contact or a colleague on their lunch break and proceeds to have a long conversation about a work related matter; and a group of employees attend a work lunch. Restoration of workers compensation coverage for recess breaks means that workers at workplaces that do not provide on-site lunch facilities are not
offered different treatment to workers lucky enough to have on-site lunch facilities. Similarly, work sponsored health and fitness activities that occur off-site during breaks currently leave employees exposed to situations where they are not covered by workers compensation, and have left employers reluctant to encourage off-site health initiatives. I am proud that my local public sector workplaces encourage their employees to get out of the workplace during their unpaid lunch break to undertake community activities, healthy activities and fitness activities. But I am disappointed that the current law acts as a disincentive for people to participate in these healthy activities.

There are plenty of examples around Canberra of healthy lunchtime activities. There are walking clubs, there is netball, Tai Chi, Pilates and Zumba. Department of Defence employees use onsite gyms, badminton courts and pool facilities, participate in lunchtime competitions including volleyball, touch football, basketball and softball, and participate in lunchtime classes including aerobics, weights, resistance training and ballroom dancing. The way the laws currently stand, it is unclear whether the employees would be covered for workers compensation purposes in these situations. Breaks during the working day cannot always be divided neatly into 'working' and 'not working'. We need laws that recognise the diversity and flexibility of working arrangements.

As to time limits, this bill adds further benefits and protections to workers by introducing statutory time limits for the determination of claims. Procedural rights can be just as important as substantive rights to allow people to access their entitlements. Without time limits an application for compensation could technically be allowed to sit with a decision maker for days, weeks, months or years on end before a decision is finally made. Administrative law has long recognised the need for decisions by government to be made in a timely manner. Introducing time limits provides assurance to workers in the Comcare scheme that their claim will be dealt with by a particular date. Making these limits a statutory right rather than an administrative process means that these rights are given greater prominence and certainty. Claimants can rely on the laws to remain constant and reliable.

For those that have suffered an injury at work, uncertainty about their workers compensation claim can cause considerable distress. People who suffer an injury at work, and are unable to attend work as a result, are forced to sit at home and wonder about when they will be able to return to full health and return to work. It can be an incredibly distressing time and it allows plenty of time for the injured worker to worry about their claim and their entitlements. Providing as much assurance and certainty as we can about when and how a worker will know their precise entitlements is a key step forward in ensuring that our workers compensation system is as effective as possible at getting people back into work. Evidence in the Comcare review showed that Comcare had a much lower rate than the national average for assessing and determining claims. Providing statutory time limits should encourage Comcare to provide the same level of service to workers covered under that scheme as workers from other jurisdictions.

I have long supported the principle of policy based on considered evidence. The changes to time limits proposed in the bill arose from the review of Comcare conducted by the Department of Education, Employment and Workplace Relations. Statistics about these time limits leave me convinced that without an adequate statutory
requirement workers will continue to be denied important rights with respect to their workers compensation.

One new aspect of this bill, which was not a part of the Comcare review, is the extension of workers compensation coverage to particular areas or particular classes of employees. The bill amends the SRC Act to provide workers compensation coverage for injuries sustained while an employee is working in a 'declared place' outside Australia. This is above and beyond any existing extraterritoriality provisions and will provide additional certainty for employees on overseas postings about their workers compensation entitlements. This means that the relevant minister can declare high-risk places, such as Afghanistan and Iraq, to be places where workers compensation coverage will be continuous for all Commonwealth employees. The very act of being in a dangerous situation, as determined by the minister, means that a worker is deemed to continuously be at work and any injuries sustained while in that dangerous place as a result of work will be compensable.

The changed coverage also applies where a person is a member of a 'declared category' of employees whose work requires deployment to places outside Australia. The need for this flexibility arises specifically in relation to the establishment of the Australian Civilian Corps, who will assist in disaster relief, stabilisation and postconflict resolution in developing countries and failed states. The effect of these changes will be to provide 24/7 coverage under the SRC Act for employees exposed to unusually high risks while working outside Australia.

I spoke recently at the Lowy Institute about the need for targeted, effective foreign aid. The Australian Civilian Corps is very much in this mould. It will provide expertise where it is most needed: after natural disasters or in times of acute stress. We have a duty to help our neighbours and an obligation to provide our expertise on a global scale. But in providing this aid we should recognise that the Australian government still has a role in protecting its people who are sent into these dangerous situations and should ensure that their workers compensation is assured and not left open to interpretation or confusion. Providing continuous workers compensation coverage for such groups will also assure them, both before and during their deployment, that there is a safety net in case anything goes wrong during their deployment.

I am proud to be part of a political party that always seeks to look after the rights of workers. I am proud to be part of a political party that looks after the substantive and procedural rights of people who are unfortunate enough to be injured at work. This bill goes some way to undoing the damage of the Howard years on public servants in Canberra and throughout Australia—those working for the Australian government or the ACT government, as well as non-Commonwealth licensees. I am also proud to be a part of a political party that recognises its obligations when new and challenging situations arise for people carrying out work in our name in places of high risk or danger. I commend this bill to the House.

Ms KATE ELLIS (Adelaide—Minister for Employment Participation and Childcare and Minister for the Status of Women) (11:03): I thank all members for their contributions to this debate on the second reading of the Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2011. This bill implements the government's response to the review of the Comcare scheme. It also introduces
certain associated amendments. In late 2007 we undertook to review the Comcare scheme—in particular, its self-insurance arrangements, which provide for the entry of private sector corporations into the scheme. This review was designed to ensure that the Comcare scheme has suitable occupational health and safety and workers compensation arrangements for self-insurers and their employees.

The bill implements improvements arising from the review through amendments to the Safety, Rehabilitation and Compensation Act 1988—the SRC Act. It also makes amendments that respond to policy issues unrelated to the review that address Comcare's access to the Consolidated Revenue Fund as well as workers compensation coverage for employees working in high-risk environments overseas. To encourage the timely determination of workers compensation claims, the bill amends the SRC Act to enable the setting of statutory time limits within which claims must be determined. This is because claims determined quickly tend to be shorter in duration and less costly. In addition, the bill amends the SRC Act so that medical and related costs will continue to be paid when a worker has their compensation benefits suspended for refusing to participate in the rehabilitation process.

The bill also reinstates workers compensation coverage for off-site recess breaks. This will realign the Comcare scheme with the schemes of most jurisdictions and remove the inequity in coverage for employees whose employers do not provide on-site facilities for meal breaks.

In the coalition senators' minority report on the Occupational Health and Safety and Other Legislation Amendment Bill 2009, senators recommended that the bill be amended to continue to exclude workers compensation claims arising from injuries sustained during off-site recess breaks. The government does not support this recommendation. A number of practical difficulties have resulted from the April 2007 removal of coverage of off-site recess breaks. These problems include the inequity of coverage for employees whose employers do not provide on-site facilities for recess breaks.

There is also the difficulty of determining what would or would not constitute an off-site recess break. One example is when employees are required to work off-site, such as Telstra technicians whose usual place of work is their vehicle. A further inconsistency arises in that an employee would be covered when attending employer sanctioned courses at educational institutions both during and outside normal work hours but might not be covered during lunch breaks. Reinstating workers compensation coverage during recess breaks does not mean that workers will be automatically covered for all injuries sustained during their breaks. Workers compensation is not payable in relation to self-inflicted injuries, injuries sustained as a result of serious or wilful misconduct on the part of the employee or injuries sustained because an employee voluntarily and unreasonably submitted to an abnormal risk of injury. Reinstatement of coverage of recess breaks will cost Comcare $1.7 million in 2010-11, indexed for future years.

The measures proposed in the bill are designed to improve the Comcare scheme by reducing injuries, strengthening the focus on rehabilitation and return to work and increasing benefits for injured workers. The bill also seeks to make a number of additional reforms to address issues that have arisen separately to the Comcare review. In particular, the bill amends the SRC Act to provide workers compensation coverage for injuries sustained while an employee is...
working in a declared place outside Australia or where the person is a member of a declared category of employees whose work requires deployment to places outside Australia.

The bill will allow the minister to declare certain high-risk places—for example, Afghanistan or Iraq—to be places where the SRC Act will be deemed to provide continuous coverage for all Commonwealth employees. The bill will also allow the minister to declare certain classes of employees to be covered while outside Australia. The need for this flexibility arises specifically in relation to the establishment of the Australian Civilian Corps, who will assist in disaster relief, stabilisation and post-conflict resolution in developing countries and failed states. The effect of these changes will be to provide 24/7 coverage under the SRC Act for employees exposed to unusually high risk while working outside Australia. The fiscal impact of these amendments will be in the order of $2 million per annum.

Other amendments to the SRC Act contained in this bill restore Comcare's access to the Consolidated Revenue Fund to pay for its workers compensation liabilities and associated expenses arising from long-latency injury claims, such as those related to asbestos exposure. Comcare's access to the Consolidated Revenue Fund was closed off as an indirect result of a Federal Court decision in 2006. However, the intention of the SRC Act has been and still is that the Consolidated Revenue Fund should fund these claims because they relate to employment related injuries not covered by Comcare's premium system. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Consideration in Detail

Bill—by leave—taken as a whole.

Ms LEY (Farrer) (11:10): I move:

(1) Schedule 2, item 1, page 4 (lines 5 to 10), omit the item.

It is important to note that there is much in this bill that the coalition agrees to, but we do propose a straightforward, common-sense amendment. The remarks by members opposite have all focused around the issue of an employee being eligible to claim for an injury during a recess break from work and reasons why that might seem perfectly logical. Exception was taken to the example that I previously mentioned about an employee who might be going scuba diving in their break. There may have been an element of rhetorical flourish in that example, but I really make the point that it does illustrate the problem that we have with this bill. In fact, a very similar example was presented to coalition senators.

An employee injured during a break from work, who leaves a work site during a lunch break to purchase a meal at a nearby shop, would not be eligible to claim for such an injury. This would be reversed under changes proposed in this bill, thereby allowing a worker to claim for an injury suffered when temporarily absent from their normal workplace during such a recess. Obviously this expands the extent to which an employer has liability. It also removes the ability of an employer to control the degree of safety compliance of a worker. For example, the worker might choose to cross a busy road rather than use a pedestrian crossing. It comes down to personal responsibility, and employees do need to take that personal responsibility for themselves.
The Productivity Commission inquiry found that the employer's ability to exert control over workplace recess breaks and social activities is actually a relevant consideration. It is not reasonable that an employer should be liable for circumstances that are completely outside the employer's ability to control or to monitor or where they do not have any exercise over what their employee does. The Productivity Commission did recognise that and it recommended that coverage for recess breaks and work related events be restricted, on the basis of employer control, to those undertaken at workplaces and employer sanctioned events. So, in line with recommendation 13 of the government's own review and the Productivity Commission's 2004 recommendation that claims arising from injuries sustained during off-site recess breaks should be excluded, the coalition will amend the bill proposed by the government to remove the changes to recess claims.

Mention has been made by members opposite of the coalition report. Our minority report is instructive in this. During the inquiry, various pieces of evidence were taken by coalition senators, leading them to explain their concerns relating particularly to the reinstatement of claims arising from injuries sustained during off-site recess breaks. The introduction of time limits for claim determination and amending the suspension provisions set out in section 36(4) of the SRC Act. Coverage for off-site recess break claims was removed from the SRC Act in April 2007 through the Safety, Rehabilitation and Compensation and Other Legislation Amendment Act. The department in its report set out the reasons for the removal. The removal of this coverage from the SRC Act in April 2007 was through adoption of a recommendation made by the Productivity Commission in its 2004 report. The principle underlying that recommendation is that employers should be liable only for injuries and illnesses resulting from activities which they are in a position to control. Employers cannot control circumstances associated with journeys to and from work or with recess breaks away from employers' premises. It was therefore decided by the previous government that it is not appropriate for injuries sustained at these times to be covered by workers compensation.

In response to questioning by Senator Back during the inquiry, the department gave evidence confirming that if, during their lunch break, an employee went snorkelling and dived into the water and hit their head they would be covered under the proposed amendment. Senator Back asked:

So what if the person in their lunch break decided they were close enough to the beach, went snorkelling, dived into the water and hit their head? Under this proposed amendment would they actually be covered for that activity?

The response was:

Yes, they would.

Coalition senators considered that this evidence from the department reinforces the principle underlying the Productivity Commission's recommendation that employers should be liable only for injuries and illnesses resulting from activities which they are in a position to control.

In further questioning during the inquiry the department was unable to provide any compelling information as to what had changed since both the Productivity Commission and the department made their recommendations that off-site recess breaks not be covered by the scheme. I commend my amendment to the House. (Time expired)

Ms Kate Ellis (Adelaide—Minister for Employment Participation and Childcare and Minister for the Status of Women) (11:15): The government will not be supporting the amendment put forward by
the coalition, for the reasons that I outlined in my speech in reply to the second reading debate. To reiterate, a number of practical difficulties have resulted from the removal of coverage of off-site recess breaks. These problems include the inequity to some employees whose employers do not provide on-site facilities for these recess breaks. This is clearly an issue that needs to be addressed, but there is also the difficulty in determining what would or would not constitute an off-site recess break. The example I gave previously was a Telstra technician who is on the road and whose work site really is their vehicle. The opposition's suggestion for how to determine what would or what would not constitute an off-site recess break in these examples is puzzling to us.

A further inconsistency arises in that an employee would be covered when attending employer sanctioned courses at educational institutions both during and outside normal work hours but might not be covered during lunch breaks.

These are sensible and important changes which the government is putting forward. The opposition's amendment seeks to remove a major part of the bill before the House and we will be opposing it.

Ms LEY (Farrer) (11:17): I want to reiterate that coalition senators and the coalition generally consider that an employer's liability to an employee should continue to be limited to the circumstances where the employer has that element of control and that it is unreasonable to make employers liable for all types of injuries, and note that the continued exclusion of off-site recess breaks will not preclude an employee pursuing a remedy in the event that they are injured. There are other options available to an employee.

The government commissioned and received a report. The report recommended that claims arising from injuries sustained during off-site recess breaks continue to be excluded. In evidence to the committee, there was no evidence from the department or information from the Productivity Commission that demonstrated a reason for the government not to accept recommendation 13 of the report that it commissioned. I commend my amendment to the House.

Question put:
That the amendment (Ms Ley's) be agreed to.
The House divided. [11:22]

(The Speaker—Mr Harry Jenkins)

Ayes ...................... 68
Noes ...................... 70
Majority ................. 2

AYES
Alexander, JG
Andrews, KL
Billson, BF
Bishop, JI
Broadbent, RE
Chester, D
Cobb, JK
Dutton, PC
Fletcher, PW
Frydenberg, JA
Gash, J
Haase, BW
Hawke, AG
Hunt, GA
Jones, ET
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Moylan, JE
O'Dowd, KD
Prentice, J
Ramsey, RE
Robb, AJ
Roy, WB
Scott, BC
Shultz, AJ
Slipper, PN
Somlyay, AM
Stone, SN
Tudge, AE

...
Third Reading

Ms KATE ELLIS: by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Family Assistance Legislation Amendment (Child Care Financial Viability) Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Ms LEY (Farrer) (11:32): I rise today to speak on the Family Assistance Legislation Amendment (Child Care Financial Viability) Bill 2011. The coalition will be moving a second reading amendment during the second reading debate. We will also be moving an amendment during the consideration in detail phase. This bill reiterates the government's love affair with red tape. The coalition does not oppose sensible regulations. However, when those regulations do not clearly define their mandate and seek to do little more than impose more and more onerous requirements on business, we do need to raise our voices.

The childcare sector is already more than overwhelmed with administrative requirements. At every childcare centre I visit I hear the common message that it is the administrative requirements which are so extensive that take away from the primary purpose of a childcare centre, which is caring for children. I have painted the picture before of the toddler on one hip and the clipboard on the other and the boxes being ticked. I know that is not what this bill is about. I understand that this bill is about something quite separate and I will come to that. However, I do want to make the point that we are dealing with a sector that is completely overwhelmed with red tape, whether it be in the community services area...
or the small business area. We know that because we have heard the message from small businesses that talk to us on this side of the House anyway about the amount of time they have to spend doing book work to satisfy external stakeholders, including government. Remember that all of the time spent on this sort of carry-on is time away from your principal activity, and in the case of a childcare centre that is the care of children.

I have heard from one centre recently that does not care for nought to two year olds but is still required to have cot death information within their sleeping policy. That is one example. Childcare workers are overwhelmed, and that is not because of ratios between them and the number of children, it is not because of busy little toddlers, it is not because bottoms need wiping and faces need cleaning and food needs preparing—it is not because of any of those things; it is because of the paperwork.

The amendment that we are moving highlights this government's lack of understanding of business, constantly trying to make life harder for business and imposing more and more red tape. It is ultimately another broken promise. The Rudd Labor government made an election commitment to ease the red tape burden on business by a one in, one out requirement for regulations. Unfortunately, this promise has been shelved and now the government marches forward madly intent on imposing regulations left, right and centre.

Ultimately, the six or so businesses that will be affected by this legislation have their own measures in place to ensure their financial viability. On that point I will come to the substance of the bill. It seeks to amend the A New Tax System (Family Assistance) (Administration) Act to provide for the assessment and ongoing monitoring of the financial viability of large long day care centre operators of approved childcare centres. By way of background, in late 2008 the largest provider of childcare services in Australia, ABC Learning, went into voluntary administration. At that time they had approximately 1,000 childcare centres nationally. It is well known that the rapid collapse of this provider saw the childcare sector thrown into turmoil. A government bailout of $58 million took a while coming. It was needed to keep these centres open and provide certainty for Australian families and the childcare workers.

During the period of receivership a decision was made to close 55 of the unviable centres. A further 262 unviable centres were transferred into the ABC2 group and sold through a process managed by a court appointed receiver at the request of the Commonwealth. Up to an additional $34 million was allocated in total to keep these centres operating until the final completion of that process in August 2009. A further 26 of these centres closed before being sold. The remaining 720 centres continued to operate until sold by the receiver in 2009 and 2010 with GoodStart being the preferred purchaser for the majority of these centres. That is all a matter of history and a matter of fact.

I do not wish to reflect on the reasons why ABC Learning went the way it did, except to note that it was during the global financial crisis. There may have been factors related to the strategic direction of the company; there may not have been. But I do resist the implication in this bill that there is, because of that instance, something wrong with the private provider model of child care in this country, because we know that the community sector and the private sector each have a role to play in the provision of child care and that there is no one type of centre that is better than the others. I certainly know that they are all
struggling with increasing costs, red tape and the requirements of the national quality framework that are being imposed on them, whether they be community or private providers. From that point of view, they have been put under the pump by this government.

There is no one model to be preferred and I do resist that implication in this bill. There is a subtext running through it that, if you are a large private provider, maybe something could happen to you and you could go broke as a result.

I want to reflect on the regulation impact statement that was produced as part of the explanatory memorandum for this bill and the approach that was taken by the department and the government in looking at a framework for assessing the viability of large long day care providers. As I said, this was part of the national quality framework. In May 2010 the government announced that it would invest $273 million to support the introduction of that National Quality Framework for Early Childhood Education and Care. I have had much to say about that in other forums and will continue to do so, but for the purposes of this bill $1.9 million of the announced funding was to support new regulatory measures to help achieve ongoing stability in the childcare industry following the ABC Learning crisis. So this bill has its particular genesis in the ABC Learning crisis, and that is the slight problem that I have: this implication that there was a problem in the private provision of child care by large operators. It is large operators that are targeted by this bill. You would need, according to the explanatory memorandum, to have 25 sites across Australia in order to come under the ambit of this bill. Currently I understand there are about six large providers who would do so.

According to the explanatory memorandum:

This Regulation Impact Statement (RIS) provides an assessment and information from the consultation process conducted with the child care sector on the two regulatory measures below:

- Developing enhanced measures that required large child care providers to provide financial information in order to assess and monitor their financial viability on an ongoing basis; and
- Creating a new legislative power to enable an independent audit (audit power) of a child care provider to be commissioned where there are concerns about its financial viability and the failure of the provider could have a material impact on the market or a section of the market.

It sounds quite reasonable. There is the possibility of something happening in the sector and of course parents need to be reassured. I agree with that. I agree that when a childcare centre closes it is enormously disruptive to any family. So the principle is sort of okay, but when we look a little bit deeper into the substance of the bill and how it would actually play out in practice, we in the coalition see problems. I alluded to the problem relating to the amendments that I will move at this stage, which is simply the size of the regulatory burden that would be imposed. In providing this information to the Department of Education, Employment and Workplace Relations, centres might have to take even more time out from running their small business or, in the case of a voluntary board, take more time out of their lives in a voluntary capacity to come up with information that might be available on the public record anyway, in which case it is not so much of a problem, might not be necessary and might not be any of the department's business. In other words, I do not agree with the department, because a centre or operator receives childcare benefit, going on a fishing expedition and scooping up information through a provision in this
bill that says, 'Any other information required by the secretary can be sought.' We know that could mean a multitude of things. It could mean that centres are required to appoint outside consultants or financial analysts or wheel their accountant in for another whole round of paperwork during the year just to satisfy the bureaucrats of something. That is essentially where the problem lies.

Coming back to the rationale, which is that large childcare providers might go belly up and we need to know about it in advance, I introduce the suggestion that the centres that are most likely to encounter problems are small ones. The going broke, for want of a better word, of a small centre in a small town with very few alternative options for parents is just as dramatic for families. If the department and the government are satisfied that measures are in place for small centres, and I am satisfied that they are, that would be something that could not be controlled by government. After all, we cannot control everything that happens, but what we can do we have done. If that is okay for small centres in rural areas, if that is okay for operators with less than 25 sites across Australia, why is there the suggestion that it is not okay for operators with 25 sites or more. Would you not expect that the requirements of the Corporations Act, the requirements for centres that are owned by large operators, would demand that they provide this information, that they provide it regularly, that they have it on hand and that they have in fact climbed over those regulatory and business hurdles in the first place?

The financial viability framework costs $1.9 million. Some in the government may say that it is only $1.9 million, but it is going to employ more bureaucrats in the department. It is going to employ more teams of assessors and the problem is that, if those assessors decide that there is a problem with some of the information they receive, or more likely that there might be a problem, the first issue is whether they have the expertise to determine that themselves. I noticed in a report that was commissioned as part of the homework for this particular piece of legislation there was a suggestion that the department actually calculate the financial ratios. I do not think the department should be calculating financial ratios. I suspect they would hive that activity off to consultants. But even more alarmingly, they could send that back to the childcare provider and say: 'You do it. We need this information. We need this set of ratios. We need to know all these things and you pay for it because it is user pays.' So what looks like quite an innocent provision is, I am certain, going to add to the regulatory burden on small business.

The existing regulation of childcare centres is sound. When centres apply for childcare benefit, in other words for the right to receive government assistance, they do have to demonstrate that they are financially sound, they do have to demonstrate that they have got it together and they do have to demonstrate that their operation, not just financially but in every other sense, is a good and proper one. We in the coalition are happy with that. We are quite suspicious of a bill that imposes a greater regulatory burden on the sector. Large providers are accountable to shareholders and boards. There is little point in reinventing the wheel and giving departmental staff access to financial records that they may or may not be able to interpret.

This legislation also fails to clearly restrict the types of evidence that may be called for by the department. That is what I would allude to as a fishing expedition, where something else that the secretary may want the secretary is entitled to ask for.
understand that in drafting laws we cannot be too prescriptive. We do not know what we may encounter down the track so we have to be careful. But I also think that if we leave it wide open we could have overzealous bureaucrats, newly appointed to the financial viability framework for large childcare providers section in the department, deciding that everything is not all right out there and that more information needs to be sought and more statistics provided.

When looking through the types of information to be provided I was alarmed that you need to make the government department aware of such things as other investments the childcare operator might be involved in. I do not know that it is any of the government department's business. It is a government department's business that you are operating a sound organisation and, as I said, you are required to provide that information anyway. But it is not the government's business to know what else you might be investing in or the concurrent activities of other investors in your organisation who may have a 15 per cent— that was the figure quoted—shareholding or investment. Why is all that relevant? There are some transactions that take place in the private sector, within small businesses, that this government has no right to know about. Why should the sector itself be charged with the cost of providing that information? It looks like that is what this bill is going to do.

The coalition is tired of the government's obsession with increasing the burden on business. A prime example of this is its decision to have employers play the role of pay clerk for the Paid Parental Leave Scheme, which I am sure will apply to small businesses in the childcare sector, instead of leaving that role with the Family Assistance Office to enable it to continue to be the pay clerk for the Paid Parental Leave Scheme. After a mere six months of the scheme, the government is insisting that the responsibility go back to small businesses, which just underscores its approach. We want a commonsense approach to ensure that business is not required to hand over all manner of information—frivulous, commercial, repetitive—to the department when there no legitimate need. With this in mind, I move:

That all the words after "That" be omitted with a view to substituting the following words:

"whilst not declining to give the bill a second reading, the House:
(1) notes:
(a) the bill proposes that information will be obtained to determine whether the operators of child care services are financially viable, and likely to remain so;
(b) the bill also proposes that financial information will be obtained relating to large long day care centre operators;
(c) the growing burden of red tape and regulation imposed on small businesses, not-for-profit organisations and industry by the Gillard Government; and
(d) that the increasing regulatory burden represents a broken election promise whereby the Labor Government said that it would only introduce a new regulation after repealing an earlier regulation: a "one in, one out" rule; and
(2) calls on the Gillard Government to immediately adopt the Coalition's red-tape reduction policy which will seek to reduce the cost of the Commonwealth's regulatory burden by at least $1 billion per year."

The DEPUTY SPEAKER (Ms AE Burke): Is the motion seconded?

Mr BALDWIN: I second the motion and reserve my right to speak.

Mr NEUMANN (Blair) (11:48): I speak in support of the Family Assistance Legislation Amendment (Child Care Office to enable it to continue to be the pay clerk for the Paid Parental Leave Scheme. After a mere six months of the scheme, the government is insisting that the responsibility go back to small businesses, which just underscores its approach. We want a commonsense approach to ensure that business is not required to hand over all manner of information—frivulous, commercial, repetitive—to the department when there no legitimate need. With this in mind, I move:

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(d) that the increasing regulatory burden represents a broken election promise whereby the Labor Government said that it would only introduce a new regulation after repealing an earlier regulation: a "one in, one out" rule; and
(2) calls on the Gillard Government to immediately adopt the Coalition's red-tape reduction policy which will seek to reduce the cost of the Commonwealth's regulatory burden by at least $1 billion per year."

The DEPUTY SPEAKER (Ms AE Burke): Is the motion seconded?

Mr BALDWIN: I second the motion and reserve my right to speak.

Mr NEUMANN (Blair) (11:48): I speak in support of the Family Assistance Legislation Amendment (Child Care Office to enable it to continue to be the pay clerk for the Paid Parental Leave Scheme. After a mere six months of the scheme, the government is insisting that the responsibility go back to small businesses, which just underscores its approach. We want a commonsense approach to ensure that business is not required to hand over all manner of information—frivulous, commercial, repetitive—to the department when there no legitimate need. With this in mind, I move:

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(c) the growing burden of red tape and regulation imposed on small businesses, not-for-profit organisations and industry by the Gillard Government; and
(d) that the increasing regulatory burden represents a broken election promise whereby the Labor Government said that it would only introduce a new regulation after repealing an earlier regulation: a "one in, one out" rule; and
(2) calls on the Gillard Government to immediately adopt the Coalition's red-tape reduction policy which will seek to reduce the cost of the Commonwealth's regulatory burden by at least $1 billion per year."

The DEPUTY SPEAKER (Ms AE Burke): Is the motion seconded?

Mr BALDWIN: I second the motion and reserve my right to speak.

Mr NEUMANN (Blair) (11:48): I speak in support of the Family Assistance Legislation Amendment (Child Care Office to enable it to continue to be the pay clerk for the Paid Parental Leave Scheme. After a mere six months of the scheme, the government is insisting that the responsibility go back to small businesses, which just underscores its approach. We want a commonsense approach to ensure that business is not required to hand over all manner of information—frivulous, commercial, repetitive—to the department when there no legitimate need. With this in mind, I move:

That all the words after "That" be omitted with a view to substituting the following words:

"whilst not declining to give the bill a second reading, the House:
(1) notes:
(a) the bill proposes that information will be obtained to determine whether the operators of child care services are financially viable, and likely to remain so;
(b) the bill also proposes that financial information will be obtained relating to large long day care centre operators;
(c) the growing burden of red tape and regulation imposed on small businesses, not-for-profit organisations and industry by the Gillard Government; and
(d) that the increasing regulatory burden represents a broken election promise whereby the Labor Government said that it would only introduce a new regulation after repealing an earlier regulation: a "one in, one out" rule; and
(2) calls on the Gillard Government to immediately adopt the Coalition's red-tape reduction policy which will seek to reduce the cost of the Commonwealth's regulatory burden by at least $1 billion per year."

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(d) that the increasing regulatory burden represents a broken election promise whereby the Labor Government said that it would only introduce a new regulation after repealing an earlier regulation: a "one in, one out" rule; and
(2) calls on the Gillard Government to immediately adopt the Coalition's red-tape reduction policy which will seek to reduce the cost of the Commonwealth's regulatory burden by at least $1 billion per year."

The DEPUTY SPEAKER (Ms AE Burke): Is the motion seconded?

Mr BALDWIN: I second the motion and reserve my right to speak.

Mr NEUMANN (Blair) (11:48): I speak in support of the Family Assistance Legislation Amendment (Child Care
Financial Viability) Bill 2011. I had a look at what the coalition want to do in moving their amendment. I had a look at point 2 of the amendment, which calls on us immediately to adopt their alleged red-tape reduction policy that seeks to reduce the Commonwealth's regulatory burden by at least $1 billion per year. I saw '$1 billion' and thought: 'That rings a bell, the coalition wanting to take $1 billion out of something. Let's have a look back to when those opposite had Mr Howard and Mr Costello at the dispatch box. What was one of the first things they did to the childcare sector? They ripped $1 billion out of the sector.'

So the billion dollars those opposite are talking about here has some resonance for me. I want to remind everyone who listens to this that just about the first thing the then coalition government did after 1996 was to rip $1 billion out of the childcare sector. Those in the childcare sector know very well that that is what they did. When the opposition talk about taking $1 billion of federal government money off the sector, it is a bit rich for them to say they are going to reduce the regulatory burden. You always have to listen to what the coalition do, not what they say. There is an old saying in the Bible that it is not the hearers of the word but the doers of the word who are righteous. Those opposite are not very righteous when it comes to child support or child care. They are not particularly good at all, because they say one thing in this place and when they get into government they do exactly the opposite.

The member for Farrer talked about the Paid Parental Leave Scheme. When the coalition were in government did they show heartfelt sympathy for small business operators who collected the goods and services tax, acting as conduits for the tax office? Did they show any sympathy, love or affection for them, or any empathy? No, they did not. The coalition have never supported families with things like the Paid Parental Leave Scheme, except for the ridiculous and fanciful notion they came up with at the last election. They mentioned the ABC Learning Centres collapse. This happened on their watch. The empire was created on their watch, and we had to deal with the problems created through the lack of a regulatory burden, financial capacity and capability in the sector.

This bill we are supporting today introduces new requirements for large long day care entities to provide financial information. We want to make sure that nothing like the ABC Learning collapse, which affected electorates across the country and communities across the nation, never happens again. Why? Because we had to put in $58 million of taxpayers' money to prop up the sector so that 90 per cent of the kids who went to those centres were able to go to continuing centres—for example, in my electorate where Bush Kidz took over the ABC Learning Centre at the back of the Brassall Shopping Centre, where my electorate office is, we had to provide a $15 million loan to the not-for-profit consortium GoodStart Childcare to purchase 678 ABC Learning Centres. That is taxpayers' money. That is taking decisive steps to support child care to ensure that the mums and dads in small businesses and large businesses across the country who rely on childcare centres are available to work. Their kids can be looked after, educated and socialised and the mums and dads can work, use their labour to support small business to make a profit and help about 2.4 million small businesses across the country.

The opposition say they are supporting small business but they never supported child care properly. They will not even support the regulatory measures which are necessary to make sure the viability of the
system continues. If the opposition were in, it would be a Milton Friedman type of response: complete laissez-faire, let it go, let the market rip and let ABC and all those problems occur again. If they were in power again they would do it. If you do not believe me, listen to the member for Farrer. That is what they want. They feign support for small business but they will not support the childcare centres that allow the mums and dads to work in the small businesses. They feign support for small business by saying, 'We want to take regulatory burdens off you.' But, when they were in power, they never ceased to tax higher than any other government previously, and certainly the burden of taxation on small business is much lower now compared with when they were in power.

This bill will allow the department to get financial information more expeditiously and more frequently to make sure that if a childcare provider is in trouble we can be aware of it. We can take steps to protect taxpayers' dollars and to step in if necessary to give a helping hand, and that is good for business. It is good for both large and small businesses, and mums and dads everywhere across the country are in need of it.

It is the case that many Australians need to use child care. The last record I could find showed that there were about 870,000 children in child care. That is 628,000 families with parents working and building our economy. There are nearly 14,000 childcare services creating jobs. Once again, those opposite are negative, not supporting the sector. But then, they have form. The member for Farrer talked about the GFC and somehow blamed the GFC. They never like to talk about the GFC. It is almost something they do not want to talk about because they have a record on the GFC. Just as we had to support the childcare sector, the retail sector and the construction sector during the GFC, those opposite would have let 200,000 Australians lose their jobs, including in the childcare sector. I really do wonder if they had been in power in 2008 what they would have done about the ABC Learning Centre collapses. Would they have propped them up? Would they have provided child care? Their record would indicate that they probably would not have done so.

We are undertaking further reform and this legislation that we are debating today is important. It proposes amendments to allow for civil penalties and sanctions if the provider does not provide the financial requirements and comply with the burden. When you read what it is all about, I think it is not difficult for them to provide information because they do that anyway. Business provides information and childcare centres do as well. The legislation defines which providers are large long day care providers and specifies certain related persons who have to provide that information. It makes amendments to allow for the commissioning of an independent audit of large long day care providers where there are concerns about a particular provider's financial viability. There are amendments which enable an audit team accompanied by an authorised officer to enter premises to carry out an audit. This is really important to protect taxpayers' dollars.

As alarming and potentially dangerous as the collapse of the ABC Learning Centres could have been, our quick action prevented it and so there were no locked doors. Those opposite are in favour of locked doors. Those opposite are in favour of locked doors. That is the case because they have taken every step they possibly can to prevent reform in the childcare sector. We have introduced a range of measures since 2008 to strengthen the approval processes and establish a penalty regime. We have assisted families across the sector with that. In fact, with respect to child care, we have provided $20
billion over four years for early childhood education and child care.

Those opposite say they are supporters of child care. But I want anyone who is listening to note that the $20 billion we are providing for early childhood education and child care is almost $12.8 billion more than that provided by the previous Howard coalition government over the four years. That is an enormous increase in funding for the sector. A billion dollars was ripped out by those opposite. First act, what did we do? We massively increased financial support for the sector, and we are providing $16.4 billion to help Australian families annually with their costs.

One of the big burdens for families who engage with the childcare sector is the actual cost of child care. What did we do? Those opposite said, 'Thank you very much, we'll provide a childcare rebate.' They wanted to pay it annually and, when they left office, it was $4,354. We increased that by 72 per cent, to $7,500, and so we have helped nearly 740,000 Australian families since 1 July 2008 with additional assistance, including about 5,600 families in Ipswich and the Somerset region in my electorate of Blair. We have provided additional assistance for 640,000 low- and middle-income families through the childcare benefit. We have also, as I said before, stepped in to help GoodStart to purchase those nearly 678 ABC Learning Centres. We have established 38 priority early learning and care centres across the country, including one in my electorate at Yamanto, at Amberley District State School, and I was very pleased to be there with the minister to open it.

With the states' help, we have integrated the kind of assistance we provide and focused these centres in areas of high disadvantage. So we are helping with child care, playgroups, the childcare rebate, the childcare benefit, the Paid Parental Leave scheme, tax cuts three years in a row and the national quality standards that we are bringing in to make sure there are new training requirements and a ratings system to help families make decisions about the best service for their children. And there is the Healthy Start for School program. So a broad range of funding programs have been rolled out across the country since the election of this federal Labor government in November 2007. It is a record unparalleled by those opposite.

When I went to the last election as a candidate, I looked at the policies of those opposite. It was a bit like a football team looking at video clips or DVDs of matches; I had a look at their policies and checked them out to see which ones were all right and which ones I thought might be a bit of a problem. In politics, you punch, you defend, you feint and you have a look around. I had a look at what the coalition were saying with respect to child care, child support and family support, and I worked out something about the way the coalition operate. I always knew this in the past, but I became even more convinced of it.

The coalition always claim they support business, but they do not act like they support business. They claim they support families and put families first, but they do not—because family values are about education, accommodation, child care, good health care and all the things that really count every day in a person's life. They claim they are supporters of family values, but they are not. Family values are the values that Australians really believe in, and I emphatically believe that they are the values that the Labor government and the Labor Party support: decent child care, help for families, good jobs. Those opposite always, when given the opportunity, put the burden...
on business. They want to make good employers into bad employers by changing industrial relations and they want to rip money out of child care. They do not support families and they do not want a watch on money. They are the party of waste with respect to money. They are the party of burden on business. They are the party that will not support families.

This legislation is good. The opposition should support it. They should not be coming in with the nonsense they have moved as a second reading amendment to this bill. That amendment is simply a political document without any policies. That is the point I want to make finally. They went into an election without a policy. All they are is mindless and negative. Any policy they have is null and void. I think at the next federal election the people in this country will vitiate them and declare that they are simply not suitable and competent to be, or capable of being, on this side of the House once again. They do not deserve it because they just do not care about Australian families and Australian business. Do not listen to what they say; look at what they do.

**Mr FLETCHER** (Bradfield) (12:03): The question before the parliament as we consider the Family Assistance Legislation Amendment (Child Care Financial Viability) Bill 2011 is not whether the collapse of ABC Learning in 2008 and early 2009 was a bad thing and caused great inconvenience and uncertainty to parents. Of course the collapse of ABC Learning was a bad thing and caused great inconvenience and uncertainty to parents. Speaking as the parent of a 2½-year-old who presently attends long day care, I can absolutely empathise with parents about the disruptive consequences of the collapse of a childcare centre when they had made their arrangements in reliance on the ongoing operation of that centre and were suddenly required to rapidly make alternative arrangements.

That is not the question before this House. We are all in agreement that the collapse of ABC, or indeed of any childcare centre, is a bad thing. Nor is the question before this House whether it would be a good thing, if it were possible to do, to prevent the risk of such a collapse—to ensure against the possibility of any childcare centre ever collapsing. Clearly, if that could be done, that would be worth doing. The question is this: will the measure which is before this House be of any material benefit in actually reducing the risk of the collapse of a childcare centre, and how is such benefit as may fairly be attributed to this measure to be weighed up against the costs of imposing this measure?

I want to put three arguments to the House in the brief time that I have available to me. Firstly, I think there are grounds to doubt whether this measure makes any real difference at all. Secondly, I do believe there is a risk that this measure could impose significant costs and burdens on childcare operators, particularly in view of the breadth of the drafting of the provisions in this legislation. Thirdly, there is, I submit, real doubt as to whether this measure actually achieves anything or is simply a piece of window dressing.

Let me turn to the first issue. On a fair and reasonable assessment, what practical difference will this measure make? There are two key elements in the bill. The first is a requirement for large childcare centre providers to report certain information to the Department of Education, Employment and Workplace Relations on an annual basis. The second is the power for the secretary of that department to call, should he choose to do so, for an audit of individual large childcare centre operators. The premise underlying
these measures appears to be that officials of the Department of Education, Employment and Workplace Relations will have some superior capacity to assess the risks of the financial collapse of a childcare centre operator, a superior capacity beyond that presently available to and exercised by the other bodies which have regulatory responsibility for the ongoing financial viability of companies of all kinds.

I think it is worthwhile testing the viability of this assumption by having a look at what actually happened in relation to the collapse of ABC Learning. I reiterate that it is not contested that the collapse of ABC Learning was a bad thing and caused deep inconvenience and anxiety to many thousands of parents. ABC Learning was a publicly listed entity subject to continuous disclosure obligations. That meant it was required to provide all kinds of detailed financial reporting to the stock exchange and there is an obligation on the directors and senior management of a publicly listed company to provide, effectively immediately, any information which materially changes the assessment that an investor would make of the value of the securities in that entity. Having myself been a member of the senior management team of a listed company responsible for complying with those continuous disclosure obligations, I can testify that they are onerous and that they exercise, quite properly, the continuing attention of the senior management team and directors of any listed company.

The second point to make is that such information as was disclosed under this regime by ABC Learning was subject to continuous scrutiny and examination by a whole class of expert financial analysts: equity analysts employed by the major investment banks, investors in ABC Learning who had a clear financial incentive to be watching like a hawk for any indication that something was wrong. As the historical record shows, ABC Learning collapsed in 2008-09 but concerns about the financial viability of ABC Learning had been raised significantly earlier. In fact, according to one press report that I have reviewed this morning, concerns were raised with the corporate regulator, the Australian Securities and Investment Commission, in 2006.

I do not argue that the continuous disclosure obligations immediately and instantly picked up signs of trouble as the historical record clearly shows it took some time for the consequences of ABC Learning's financial management to be realised. But the question I simply ask is this: if the specialist corporate regulator, with all of its resources in relation to financial management, or if all of the organisations and individuals who had an incentive to monitor and scrutinise the information disclosed by ABC Learning under the continuous disclosure obligations, were unable to identify until very late in the day that there was a serious problem with the financial viability of ABC Learning, then on what possible basis can we believe that officials of the Department of Education, Employment and Workplace Relations will in some way have such superior financial acumen and such an enhanced capacity to see into the financial future that they are going to identify risks which are not identified by the regulator—which is specifically responsible for corporate and financial activities—and which are not identified by all of the players that have a clear incentive to be looking out for such signs of trouble?

It is instructive, I believe, that the regulatory impact statement prepared as part of the explanatory memorandum for this bill says the following:

The options assessed in this RIS are:
Option 1: No change
Option 2: Legislate for the ongoing annual assessment of financial viability...

Self-regulatory and quasi-regulatory options are not explored for several reasons.

I will tell you the main reason that they were not explored. It is the philosophy of this government that whenever there is any doubt you simply hand more power to a bureaucrat and that in some miraculous way is going to solve the problem. But we have not seen any explanation of the rationale for giving these powers of financial scrutiny to a department which has no competence or experience or specialisation in this role. I do not say that to be in any sense critical of that particular department. It does important work. I am simply making the point that this is not their core mission and this is not their area of expertise. Nor have we seen adequate demonstration in the materials provided to this House in respect of the existing regulatory mechanisms to scrutinise and monitor the financial performance of companies of all kinds and all organisations of all kinds including the obligations on directors not to trade while insolvent, including the obligations to provide annual accounts and including, in the case of listed companies, the continuous disclosure obligations. We have seen no evidence that this additional measure is going to provide any extra level of support. I do not say, lest my arguments be mischaracterised, that the present arrangements are perfect and automatically and instantly pick up signs of trouble. Of course, they do not. We live in a complex and difficult world and no human institution has yet been devised which can achieve that. But I will say this to the House: I am very confident that the particular institutional measures proposed in this bill will not advance the cause. They do not in any material way add significant useful, reliable tools to achieve the purported objective.

The second point that I want to make in the brief time available to me is that there is one thing that these measures certainly do, and that is to impose additional regulatory costs and obligations. There is an annual reporting requirement and there is also a questionnaire about which the explanatory memorandum is troublingly opaque. But let me make this confident prediction: the length of that questionnaire will increase each year. Every year somebody will have new ideas about what should go into that questionnaire. There will be people whose career assessments, whose performance assessments within the department, depend upon how long and voluminous that questionnaire is. The reporting obligations will grow and grow and grow—and, of course, the reporting obligations under this measure have the force of law.

There is a long list of people upon whom obligations can be imposed by virtue of a notice being issued by the secretary of the department to provide financial information, not just the operator of a childcare centre but a person who at any time owns 15 per cent or more of the operator; 'a person who, at any time during the financial year, is owed a debt by the operator'; or a person who acts, or is accustomed to act, 'in accordance with the directions, instructions or wishes of, or in concert with' the operator or 'if the operator consists of more than one person—any of those persons'. The draftspeople have gone to town. This is a textbook example of bureaucrats—I do not say this critically but I say it analytically—filling out the pages to make this measure look as substantial as possible because they know in their hearts that it materially does very little indeed.

But of course there is a press release on this matter, issued by the Gillard
government, and the unfortunate public officials have been charged with coming up with some piece of window-dressing that can be alleged to substantiate the wafty, broad claims made in the press release dated 11 May 2010. We are told that there will be, amongst other things:

... $1.9 million to support new regulatory measures to help achieve ongoing stability in the child care market in the wake of the ABC Learning crisis. This includes developing measures that require large child care providers entering the market to prove their financial viability.

I pause parenthetically to make the point that the measures which are before the House today do nothing towards this stated objective of requiring large childcare providers entering the market to prove their financial viability. In fact, they are a set of measures that require existing participants in the market to file annual accounts. Indeed, the explanatory memorandum is somewhat conflicted, because on the one hand we are told that this is a sweeping measure which will deliver new security, new confidence, new assurance, to parents all around Australia but on the other hand we are told, 'Oh, well, in fact all that you'll need to do to comply with this is to provide the financial accounts which you are already required to provide under other reporting requirements.'

This again raises the very obvious question that I have already asked: if these organisations are already required to provide these accounts under other reporting obligations, what is the possible purpose of imposing this additional piece of bureaucratic artifice? It allegedly provides additional safety and security to parents but in reality provides a piece of convenient window-dressing to substantiate a couple of lines that were whacked into a press release in a desire to demonstrate to parents around Australia, who are naturally and properly concerned about the risk of a childcare centre collapsing, that this government has a measure to deal with it.

This measure does nothing seriously or materially to address the risks which it purports to address. Indeed, if you look at the expert commentary, one of the real issues that arose with the collapse of ABC Learning was that it had such a large share of the market, a very high degree of concentration. This measure does absolutely nothing to deal with that issue, but it does one thing with certainty. It imposes additional regulatory requirements and obligations on businesses, and for that reason I think the case for it has not been made. (Time expired)

Mr PERRETT (Moreton) (12:18): I am pleased to speak in support of the Family Assistance Legislation Amendment (Child Care Financial Viability) Bill 2011. It has been great to hear from the previous speakers, particularly the member for Bradfield and the member for Farrer, the old free marketeers when it comes to kids in child care. But strangely, when it comes to our kids' future in a carbon constrained environment, they are not free marketeers. They do not believe in the market when it comes to pricing carbon. They have a completely different approach. They are free marketeers when it comes to sending our kids off to child care, but when we talk about our kids' future, the future of the planet, which every reasonable person understands is what we are talking about in terms of carbon pollution, there would not be a person in this House—oh, I beg your pardon; there would not be a reasonable person—who takes a scientific approach to it who would not understand that we were going to have—
has made his point of order. The member for Moreton could return to the bill. Mind you, some latitude has been given to other speakers, but the member for Moreton will refer to the bill before the chair.

Mr PERRETT: As I said, Madam Deputy Speaker, I was just comparing the different approaches to the market in terms of child care versus carbon pricing. I would have thought that was very relevant, but nevertheless I will defer to your fine judgment, Madam Deputy Speaker.

The DEPUTY SPEAKER: Yes, I get to decide what is relevant, actually, so the member for Moreton will proceed.

Mr PERRETT: Obviously. This bill builds on the Labor government's strong commitment to child care and supporting Australian families. In fact, this week marks the three-year anniversary of the Australian government's increase to the childcare rebate. I am sure the opposition party room had a little cake to celebrate that. We did not have one in our caucus room, but we did acknowledge the three-year anniversary of the increase to the childcare rebate.

Madam Deputy Speaker, you would remember that we increased the rebate from 30 per cent all the way up to 50 per cent to help take the pressure off Australian families by making child care more affordable. It enables parents to claim up to $7,500 per child per year. We know about cost-of-living pressures. We understand that. We are a Labor government. We actually get it. We have had three years of tax cuts; three years of making sure that people are in jobs. We have created nearly 700,000 jobs. We have had an increase for the pensioners. This is a government that continues to drive changes to support families and the childcare sector.

From July this year families will be able to choose to have their childcare rebate payments made fortnightly or weekly, a much more effective approach to the family budget, as well as the current options for annual or quarterly payments. Parents can also choose to receive a reduction on their bills or continue to receive the rebate as a direct payment. This is a government that understands flexibility. I take this opportunity to remind parents to contact Centrelink and choose a payment option before 17 June.

All these reforms have transformed the childcare landscape in Australia. While families are still not without their cost pressures—we acknowledge that—the Gillard Labor government can be very proud of the difference we have made in the area of child care. All good economists know that money invested now in child care and children's lives saves us money later down the track.

These innovations have not been without their challenges. All of us would remember hearing the news in November 2008 that ABC Learning Centres was in voluntary administration. It was not just a company in limbo but almost 100,000 families around the country were uncertain about their childcare arrangements and 16,000 childcare workers faced the prospect of losing their jobs, with very little notice. It was a very tough time and, as we heard from the member for Bradfield, the Howard government was aware of this back in 2006, I think he said. So, with that many people being affected and particularly when they included society's most vulnerable, our children, obviously that was not a good state of affairs.

The Labor government sprang into action to support the childcare centres, ensuring that 90 per cent of the centres were able to continue operating. The government also worked to find new places for families when their centres closed. As a person with a two-
year-old I know how hard it can be to find places for your children and, with the juggling act of careers, bills and mortgages, how crucial it can be to ensure that your children go into a childcare centre. This event showed just how vulnerable the childcare sector was and how much upheaval could be caused by one operator failing, especially when that operator was the biggest in the country.

The ABC Learning child care collapse also put a spotlight on the effectiveness of the regulatory framework for childcare centres. If we look back at the history of ABC Learning and Eddy Groves, we are talking about a milkman who was lucky enough to have a milk run where they plonked down a shopping centre, which meant he and his wife, who was a childcare operator, I think, were from there able to build a centre, and ABC Learning grew like topsy. It was under the Howard government's watch, but these things happen. I remember it being the darling of the stock exchange. Once I think they were deemed to be an ethical investment, because it was child care rather than a coal mine or something like that, and the shares took off. That is why in May last year the Labor government announced $273.7 million to introduce a new national quality framework for early childhood education in child care. This funding includes $1.9 million over four years to cover the costs involved in monitoring the financial viability of large long day care centre operators. We are not talking about the single, standalone, community run, not-for-profit or smaller centres. We are talking about those that have more than 25 sites. As has been suggested by the member for Farrer, we are probably talking about only six operators in Australia.

This bill will help ensure that we have a more stable childcare industry by creating a critical early-warning system. This will help prevent collapses such as occurred with ABC Learning from ever happening again. The bill gives the government the power to request financial information about large long day care providers. This 'no surprises' policy will enable the government to assess the financial viability of a childcare provider. Where there is concern about a provider's ongoing financial viability, the government will have new powers to commission an independent confidential audit of a particular provider. It also authorises an audit team to enter premises and seek documents to carry out the audit. This will enable the government to take timely action to help address the risk of wholesale closures of large long day care centres.

As a condition of the childcare benefit, long day care providers will be required to demonstrate that they are financially viable, and they must continue to demonstrate that every year. This will also give families greater confidence in the reliability of their childcare service. The Labor government, having averted disaster following the ABC Learning collapse, could have sat on its hands and let the childcare market rip—if we had had the same approach to markets that those opposite seem to have—and let it be the status quo. But we cannot let a major collapse like that happen all over again. It is not the Labor government's style. We moved quickly to put in place measures to ensure a more viable childcare industry in the future. We believe in the market but on occasions you need the guiding and watching hand of government, especially when it comes to our children's future.

The Gillard Labor government will proudly ensure that childcare workers, families and governments do not again face that kind of unexpected upheaval. I commend the bill to the House.
Mr TUDGE (Aston) (12:27): I rise also to speak on the Family Assistance Legislation Amendment (Child Care Financial Viability) Bill 2011. This bill seeks to amend the A New Tax System (Family Assistance) Act 1999 to provide for the assessment and ongoing monitoring of the financial viability of large long day care centre operators of approved childcare services. This is a case where the intent of the bill is fine but I have some serious reservations about the practical implementation of the bill.

With this government it is not enough just to look at the intent of what their actions are. You need to go into the details of what they are proposing in order to implement their intent. We know that they have had fine intent in other matters that have ended in disaster. They had the intent of helping households out with home insulation, and we know the result of that. They had the intent of supposedly being more compassionate to illegal entrants to this country, and we know the result of the practical implementation of that, also. So it is very important to look at what is actually going to be delivered rather than just the fine rhetoric about trying to save private providers from collapsing.

The intent of this bill is that it seeks to prevent the collapse of large childcare operators, such as occurred with ABC Learning in 2008, and that is an admirable intent. No-one wants to see the collapse of a single childcare centre in Australia let alone many childcare centres as occurred in 2008 when ABC Learning went into voluntary administration. At that particular time, 55 of its 1,000 premises were closed down immediately and a further 26 were subsequently closed down before it was sold. That had a large repercussion for thousands of families across Australia. I understand that. I have young children myself. My children have been in childcare centres in the past. I personally know the importance of childcare centres and what they do and how they facilitate parents being able to work. So the intention to put measures in place to prevent a childcare centre from ever going into voluntary or involuntary liquidation is a particularly good one. But, as with a lot of things, how the intent is enacted is the problem with this particular bill. My concern is that this bill will contribute little towards implementing the fine intent of preventing any childcare centre from collapsing in the future but will have some considerable downsides.

What does the bill actually impose? It requires the largest childcare operators to submit a financial viability assessment each year when they reapply for childcare benefit approval. The explanatory memorandum provides a list of the types of financial proof that will have to be submitted. It is quite a lengthy list. It includes a statement of comprehensive income, a statement of financial position—that is, the balance sheet—a statement of cash flows, notes to the accounts, material changes to the financial situation over the reporting period, breaches of debt covenants, ownership structures et cetera.

The childcare operators—and six will be affected by this piece of legislation—have to provide this information to the government. What will then happen to that information? That we do not know. We do know that $1.9 million is set aside to facilitate this—$1.9 million over four years. That equates to just a little under half a million dollars per year for the government to assess the financial viability of six childcare providers. Each childcare
provider will have one public servant all of its own to assess the financial viability of its operations. That public servant will have the whole year to assess that. At the end of that year the childcare provider will get a new set of accounts, and the public servant will have a whole further year to assess the financial viability of that one particular childcare operator. It sounds a bit like the Sydney Harbour Bridge. You just finish painting the Harbour Bridge and then you have to start all over again. Is this what is going to occur with this particular bill?

What are the public servants going to be doing when they get this financial information from the childcare operators? Presumably they will look at some financial ratios, at debt to equity, at some of the forecasts, at whether the balance sheet is sufficiently strong to enable the operator to grow according to its forecasts, and at some of its revenue projections. I was a financial analyst myself in a previous career. I went to one of the top business schools in the world. I know the type of financial analysis that would have to be done to make any reasonable assessments of the financial viability of an organisation. It does not take a year, I can tell you that, but it does take a certain amount of skill. I mean no disrespect to anybody working in Canberra, but I question whether a public servant in DEEWR is going to be able to do a better financial viability assessment than what financial analysts are already able to do or indeed what internal financial analysts in these companies are already doing.

So I seriously question whether this is going to have an impact. These companies already have to abide by the corporations law. They already have certain obligations: they cannot trade when insolvent, and the directors have certain duties to act in the best interests of the shareholders, as you know. There is a governance framework already in place. I seriously question whether this will actually deliver on the good intent of this bill. My further concern is that we are not only expending more money for arguably little intent but are adding a further layer of regulation upon private businesses.

This government have talked a lot about deregulation. They changed the name of their minister. It is the minister for 'deregulation' now rather than 'regulation'. They have very good rhetoric in relation to deregulation across the economy. Indeed, one of the government's election promises was that whenever they introduced a new regulation they would remove a regulation. It was their one-in one-out policy. It sounded like a pretty good idea. But what do the government do in practice? They regulate and they regulate and they provide more regulations and they provide more regulations. Since 2007 there have been an extra 20,000 members of the Commonwealth Public Service to develop and administer those regulations. Let me tell the Labor government something: you cannot regulate a business to succeed. Yes, you can put in place a good governance structure—absolutely. And by and large we have good corporate governance structures in place. You can put other laws in place which require directors to act in the best interests of their companies, and they are already in place. You can put insolvency laws in place, and they are already in place. You can put other good corporate governance laws in place, which can make a difference. But you cannot regulate a business to succeed. It is something that this government does not quite understand, possibly because so few of its members have ever worked in either a managerial position or owned their own business. If they did, they would understand that it is not regulation that actually causes business to succeed. Good corporate governance can assist that, but it has to be...
the good operation of the particular business in place.

If this government were fair dinkum about their rhetoric on regulation then they would support the amendment which we have put forward. There are several parts to the amendment, and let me highlight a couple:

(c) the growing burden of red tape and regulation imposed on small businesses, not-for-profit organisations and industry by the Gillard Government; and

(d) that the increasing regulatory burden represents a broken election promise whereby the Labor Government said that it would only introduce a new regulation after repealing an earlier regulation: a “one in, one out” rule; and

(2) calls on the Gillard Government to immediately adopt the Coalition’s red-tape reduction policy which will seek to reduce the cost of the Commonwealth’s regulatory burden by at least $1 billion per year.

It is a good and worthwhile amendment that is indeed in keeping with the rhetoric of the government in relation to deregulation, so I would hope that the government would indeed support the amendment put forward by the shadow minister.

We do not need a further six bureaucrats in Canberra for this particular measure. The six companies in question do not need their own dedicated public servant looking over their shoulder year in, year out. The taxpayers do not need to spend a further $1.9 million for very little impact. We know that this government has already spent billions of dollars for very little impact on all number of things. It does not need to spend a further $1.9 million for very little impact. I reiterate that the intent is right. Of course we never want to see any private business collapse. We particularly do not want to see private businesses, private organisations and non-profit organisations—which provide such important services in our community, such as childcare—collapse. Of course we do not.

But I am not convinced this particular bill will actually make any difference in relation to that fine intent.

The government should accept our amendments. It should deliver on its own promises and on its own rhetoric and it should let the childcare centres get on with doing their job.

Ms O’NEILL (Robertson) (12:40): I rise to speak in support of the Family Assistance Legislation Amendment (Child Care Financial Viability) Bill 2011. I do strongly support this bill because I believe it is essential that our childcare sector is stable and that it provides quality, affordable childcare. As a mother of three children, and having the pleasure of also having a career and wanting to work, I do not know how my family would have functioned if my children had been of the age that they required early childhood care if, at the time of the collapse of ABC Learning, my family had been caught up in that. There are a lot of pressures on families these days, and excellent childcare is a critical part of how a healthy family functions. The instability that was caused by the collapse of ABC is something that cannot be allowed to happen again, and it is for this reason that this bill is before the House today.

The collapse of the ABC childcare provider in 2008 absolutely had a detrimental impact on parents, children, childcare workers and indeed the Commonwealth. The collapse of the ABC Learning business was completely unanticipated, and that is a vital part of why this bill is being put before the House today. The fact was that it put at risk the provision of child care for over 120,000 children in more than 1,000 centres right across the nation. The word ‘insolvency’ is one that people do not want to ever hear. They certainly do not want to hear it with regard to
the care of their children in a childcare setting, for which parents have some reasonable expectation that there will be longevity of service and that there will be stability in addition to high-quality delivery.

As the minister said in her second reading speech, over 100,000 families were affected by the collapse of ABC Learning. Let us not underestimate what that means in terms of the flow-on effect into local communities. This is 100,000 families who, overnight, were completely left with a total lack of certainty about whether or not they might be able to access the child care or long day services that they needed in the next 24, 48 or 72 hours. That uncertainty undoubtedly had an impact on unsettling families and parents. But families and kids are very tight units, and I daresay that the flow-on would certainly have been felt by all of those little preschoolers as well as they soaked up the concerns that their parents would have had at that time. Thankfully, this government responded very quickly and decisively and ensured that 90 per cent of these centres continued to operate for Australian families today.

These issues were certainly pertinent in my electorate of Robertson due to the importance of child care for families where parents commute to work daily or move around the coast for local work daily. For these families and families right across the nation, child care is a necessity, and uncertainty about its provision can have incredibly detrimental short-term and long-term impacts. This legislation is designed to ensure that we actually learn from that experience. My father-in-law had a great saying, 'Had the experience, keep the receipt', and this legislation is a response to that practical wisdom. It is designed to provide for the assessment and monitoring of the financial viability of large long day care centre operators of approved childcare services. As stated in the explanatory memorandum to this bill, this is in the context of the approval and continued approval of such services for the purposes of the family assistance law. This bill also enables the secretary of the department to carry out an independent audit of operators where there are concerns about their financial viability. This is about shining light into a place that obviously was quite dark at the time that the ABC centres collapsed. The provisions of this bill will prevent history from repeating itself and provide for much-needed stability and certainty in the childcare sector. Child care and long day care should not be a means of profiteering from families nor should it be a sector subject to abject speculation and unsustainable risk taking, and that is what we have seen in the past. We need to construct a regulatory framework that dissuades people who would employ such dangerous business practices from entering into this field ever again. And we need to make sure that Australian families are certain about the continuity and quality of care that they will receive in their local communities.

These are indeed the circumstances that resulted in the collapse of ABC Learning, a large public company that controlled what proved to be an unsustainable share of the childcare market. It was those opposite who allowed this situation to occur and allowed the childcare market to be dominated by a company that engaged in these unsavoury practices. The additional powers given to the secretary of the department through this bill will provide for a critical early warning system, which will ensure that childcare and long day care providers are accountable for their financial decisions. The Australian government had very little warning when this happened last time. It had very little warning about the financial circumstances when ABC Learning collapsed. For this
reason, the department and its secretary clearly needed greater powers to ensure that governments are better warned of issues confronting the childcare and long day care sector.

I understand that long day care and child care are predominantly privately run in Australia, and I understand the desire to ensure that childcare operators are not burdened unnecessarily with red tape. Despite this, and I think with the assent of those operators who have an ethic of care for the great work that they do in our community, the government need to ensure that the people who do the right thing are supported by good practices. We need to do our best to prevent a situation like the ABC Learning demise happening again. It caused far too much stress for families, far too much stress for children and far too much stress for those great childcare workers who are so important in helping our young children grow, socialise and get used to participating in a great democracy—and the sandpit is where we start to practice that.

The first means through which this legislation will provide for greater accountability is the additional powers granted to the secretary of the department to request detailed information about large long day care providers. This information is to be used to assess their financial viability on an ongoing basis and the information will only need to be provided by these large long day care providers. That means that smaller, family-run childcare centres and long day care providers will not be required to comply. I think that that really does counteract some of the points made by the member opposite who spoke just before me regarding onerous compliance. We need to be clear about the capacity for small operators to continue to do what they do without incredible oversight.

The large long day care providers who are defined under the bill as:

... a person who operates, or proposes to operate, 25 or more approved centre based long day care services at any time during the financial year; or

... 2 or more persons who, between them, operate, or propose to operate, 25 or more approved centre based long day care services during the financial year—

subject to certain ownership criteria. Parents and families often rely on these large long day care providers because of their ability to provide a quality and stable childcare service. This quality and stability, however, is contingent upon these providers actually being financially stable and viable.

The collapse of a long day care provider with 24 or more centres is not something small or insignificant. Twenty-five centres reach out into communities right across the nation. Any sort of future collapse of some such structure is likely to have an incredible impact on the availability of care for children and families. The flow-on effects of that for workplace participation, security, family budgeting and mortgage payments should not be underestimated either. This is a critical part of the social and economic infrastructure of our country upon which we have come to depend. It needs to be carefully organised. It needs to be carefully audited. It needs to be carefully managed. This is what this bill will achieve.

Representing a suburban electorate with a large commuter population, I am committed to ensuring that everything is done to enable all the people in my area to access every opportunity to participate in our society and to provide the opportunity for those who have children to participate, confident in the knowledge that their children will be in a centre that will be open when they show up the next morning.
This bill will also allow the commissioning of an independent audit of large long day care providers where there are concerns about the provider's financial viability. It will enable an audit team, accompanied by an authorised officer, to enter premises and to carry out an audit on the financial viability of a long day care centre. This is an important audit that can be triggered in response to concerns raised.

It is imperative that this government ensures that child care and long day care is accessible, affordable and of sufficient quality. It is also absolutely important that the government act to ensure that these centres remain open. This action is absolutely needed because the ABC Learning insolvency shows that there are potentially significant risks to the continuity of care and we need to address those risks by changing the practices that allowed such an awful situation to arise. We need to have the capacity to identify risks of insolvency. This legislation allows for that.

We need to provide women in particular with greater capacity. Women are so often charged with the responsibility for organising and managing child care. I have to confess that, despite the wonderful participation of my own husband and very many men in the children's upbringing these days, I did meet many more mothers dropping children off before we went to school than I did fathers. I think this is an issue for women: the decision to participate in our economy. It is wonderful that we have unemployment down to 4.9 per cent. It is an opportunity for women who might never have thought that they would participate to come back after having their children, decide that they want to give their talents and capacities to the workplace, and participate with confidence that the child care that they establish will still be there when they show up ready to drop their child off before work.

For all these reasons I commend this bill to the House.

Mr MITCHELL (McEwen) (12:52): I rise in support of the government's Family Assistance Legislation Amendment (Child Care Financial Viability) Bill 2011. This bill will amend the A New Tax System (Family Assistance)(Administration) Act 1999 and set up new requirements for large long day care bodies to continuously administer their financial viability. The passage of this bill is critical to ensure we can sustain and monitor the financial foundations of our childcare centres so that these centres do not collapse, like when ABC Learning centres went into voluntary administration in 2008.

The bill will also allow for the secretary to request financial information more frequently if there are concerns about a provider's financial viability and make amendments to allow for civil penalties and sanctions if the provider does not comply with the requirements to provide financial information. The bill will also make clear what constitutes a 'large' long day care provider, who in turn will be required to provide financial information. So we are creating a more transparent and accountable childcare system. This bill will protect and strengthen our childcare system, with new powers to commission an independent, confidential audit of providers where there are concerns about a provider's ongoing financial viability.

The Gillard Labor government recognises the importance of a stable childcare market to Australian families. The unprecedented collapse of ABC Learning affected families across the country because it impacted on the availability of childcare places, jobs and operations around Australia. However, because of the government's swift and decisive action 90 per cent of these centres continue to operate for families today,
including ones in my electorate, and we have provided certainty and options for our working families. We will continue to strengthen the financial foundations of our childcare system so that we do not see those sorts of events again.

If we had not provided support for almost 100,000 Australian families, they may have been faced with the prospect of finding alternative care arrangements with little or no notice, and some 16,000 employees would have found themselves with no work and no future. Again, it underlines the strength of this government's commitment to jobs and ensuring that our families have every opportunity.

The Senate Education, Employment and Workplace Relations References Committee report into child care found that by 2008 ABC Learning was the largest provider of childcare, holding around 20 per cent of the long day care market and providing care to about 100,000 children. The purpose of that inquiry was to look at the condition of childcare provisions with the intention of informing the current debate over the most desirable practices to pursue as part of a national policy.

As I said, ABC Learning employed around 16,000 staff. The company sold 45 of its childcare centres in July 2007, which contributed to a reduction in the number of centres in 2008. In researching the growth of the company between 2001 and 2006, the Australia Institute noted that ABC Learning achieved close to 100 per cent growth between the financial years of 2004-05 and 2005-06. The collapse of ABC Learning raised serious questions about the regulatory framework for childcare centres. The Commonwealth government and state governments moved swiftly to understand the impacts that the collapse might have on families through the reduced availability of childcare places, jobs and operations around the nation.

In May 2010 the Australian government announced that it would invest $273.7 million to support the introduction of a new national quality framework for early childhood education and child care. Of the announced funding, $1.9 million was to support new regulatory measures to help achieve ongoing stability in the childcare industry following the ABC Learning crisis. This included developing measures that require large childcare providers entering the market to prove their financial viability. The bill will create an early warning system to help prevent such collapses. For parents to receive the child care benefit, large day care providers will have to demonstrate each year that they are financially viable.

When ABC Learning collapsed in 2008 we immediately stepped in with $58 million to ensure continuity of care for 68,000 families and, as I said, around 90 per cent of the centres are still operating today. The government are increasing diversity through a $15 million loan to the not-for-profit consortium GoodStart Childcare to purchase 678 ABC Learning centres. This will allow for greater diversity in the childcare market through a balanced mix of not-for-profit and for-profit providers. This will also give Australian families more choice when it comes to childcare providers.

The establishment of the MyChild website helps parents easily identify child care that suits the needs of their families and provides updates on childcare centres like the ABC Learning centres. The Gillard government are also funding an unlimited number of childcare places. The number of childcare centres in Australia has increased from 11,342 in 2007 to 13,417 in 2010—an 18 per cent increase. We believe in supporting families and giving every child the best
possible start in life. This is why we are implementing measures like those in this bill to ensure that childcare providers are sustainable not only today but also in the future.

Research undertaken in a study titled *Growing up in Australia* has shown the positive effects of child care and its importance to Australian families and children. The study found that the childcare sector assisted parents of those children, particularly those who worked or wanted to further their studies or other activities outside the home. It also pointed to the vast damage to family budgets, as well as to the national economy, that could occur if a significant number of parents gave up work due to a lack of child care. The long-term social benefits that child care brings are vital. The report states that the benefits extend beyond the personal or family domain to the nation's future health, educational achievement, workforce participation and social connectedness. The New South Wales Commission for Children and Young People submitted:

The quality of children's early experiences, including of early childhood education and care, has a significant impact on children's lives. The quality of early childhood settings impacts on children's daily experiences, their healthy brain development, as well as their response to experiences at school and throughout their lives.

There are so many benefits child care brings to families, children, our economy and society, which is why the Gillard Labor government is taking many other measures in addition to this bill to support families and child care. We are helping families access more affordable child care by putting $14.9 billion over four years into assistance for families through the Child Care Benefit and the Child Care Rebate. That is a total spend of $20 billion over four years that we are investing into families and children.

The Child Care Rebate has been increased from 30 per cent to 50 per cent of parents' out-of-pocket expenses. The annual limit for each child also increased from $4,354 to $7,500—an increase of 72 per cent. This has been helping more than 735,000 Australian families since 1 July 2008. The rebate is now paid quarterly rather than annually so that parents do not have to wait until the end of the year to get the childcare assistance they need.

In addition we are providing assistance for 640,000 low- and middle-income families each year through the Child Care Benefit. A low-income family using full-time child care now has around 80 per cent of their childcare fees covered. This bill shows the government's commitment to young families across Australia as we continue to ease the cost-of-living pressures through tax cuts, improvements to family payments, childcare assistance, the education tax refund and, of course, Australia's first ever Paid Parental Leave scheme.

Unfortunately, not all members in this place support young families. The Liberal Party opposed the Paid Parental Leave scheme and, as the workplace relations minister, the Leader of the Opposition said that paid parental leave would be introduced over his government's dead body. Guess what? That happened: they are a dead body of a government. A good government came in and actually contributed to helping families across the nation. The Leader of the Opposition displays mindless negativity, opposes everything and has no real plan to support families when a child is born or to deliver affordable and sustainable child care when they need it.

The government is serious about our childcare sector and is ensuring that it is financially viable today and into the future so that we do not see any collapses of providers.
like we did in 2008. We, unlike those opposite, are continuing to support young families and children to ensure that they get the best possible start in life, and this bill plays a big role in doing that. As I said, the Gillard government is committed to doing everything in our power to ensure continuity and reliability of child care across Australia, and that is why I strongly commend this bill to the House.

Ms LIVERMORE (Capricornia) (13:03): I give my strong support to the Family Assistance Legislation Amendment (Child Care Financial Viability) Bill 2011. The name of this bill says it all: child care financial viability. We know what this bill wants to achieve very clearly and we know what it seeks to avoid. Members have already talked about the spectacular collapse in 2008 of the ABC Learning company.

We all want to know, and the government wants to know, that companies running large numbers of our nation's childcare centres are well run and financially stable. To do that, this bill gives the government much-needed powers to monitor and assess the financial viability of companies that operate a large number of long day care centres. The bill introduces new requirements for large long day care entities to provide financial information to the government. This will enable the government to assess on an ongoing basis the financial viability of those companies. Under this legislation, the secretary of the department will be able to request financial information more frequently if there are concerns about a provider's financial viability. Also, following the passage of this legislation there will be power to commission an independent audit of large long day care providers where there are concerns about that provider's financial viability.

I am supporting this legislation because I never want families in my electorate to go through what they went through when ABC Learning collapsed almost overnight in 2008. I never want the dedicated and hardworking childcare workers in my electorate to go through what they went through, wondering whether their jobs were safe as the fallout from the ABC corporate meltdown became apparent in suburbs and towns across Australia.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

**Appropriation Bill (No. 1) 2011-2012**

**Report from Main Committee**

Bill returned from Main Committee without amendment; certified copy of bill presented.

Ordered that this bill be considered immediately.

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

to which the following amendment was moved:

That all words after "That" be omitted with a view to substituting the following words:

"while not declining to give the bill a second reading, the House:

(1) condemns the Government for incorporating in an annual appropriation bill provisions to increase the limit on government borrowings above the total of $200 billion;

(2) recognises that a special case must be made for such a significant increase in borrowing limits and that the Government must explain any special circumstances that it believes justify such an increase; and

(3) demands that the Parliament be given the opportunity to consider separately and vote on the proposed increases in borrowing limits set out in Part 5 of Appropriation Bill (No. 2) 2001-12."
The DEPUTY SPEAKER (Mr S Sidebottom): The question is that the words proposed to be omitted stand part of the question.

Mr SHORTEN (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (13:06): I am pleased to bring the second reading debate on Appropriation Bill (No. 1) 2011-2012 to a close and I thank those members who have made a contribution. Despite the devastating impacts of the natural disasters at home and abroad, Australia’s economic prospects remain strong and the budget remains on track to return to surplus in 2012-13. The need to return the budget to surplus has not been diminished by the impacts of natural disasters nor a weaker near-term outlook for tax receipts.

Constructing this budget meant taking some tough decisions on government expenditure in the long-term national interest. Led by the Treasurer, and of course the Prime Minister, we have done that. While the terms of trade have been good for both this government and our coalition predecessors, Labor in office remain determined to be fiscally prudent. Because of our fiscal prudence, spending growth is increasing under this government by just one per cent. By comparison it is now a matter of public record that under the coalition’s last seven budgets it was 3.3 per cent. In the coalition’s final term of office it was actually 3.6 per cent.

I believe it is also very important to note in this place that, under this government, the tax-to-GDP ratio has dropped from 23.5 per cent in 2007-08, when we came to office, to 21.8 per cent in 2011-12. We are determined to keep Australia’s tax-to-GDP ratio at or below the level we inherited, on average, as part of an economy where taxes are fair, simple, sustainable and pro-growth.

While the natural disasters have dampened growth in 2010-11, the strong economic outlook highlights the importance of returning to surplus to avoid compounding capacity pressures that are expected to re-emerge. That is why we have made $22 billion in difficult savings, around two-thirds of which are from reductions in spending, to keep the budget on track to return to surplus. These savings have also provided scope for the government to invest in Australia’s workforce and to deliver reforms in a number of key areas.

This budget has focused on measures aimed at expanding the productive capacity of the economy and ensuring that all Australians have access to the opportunities and prosperity of mining boom mark 2. The core of this budget is jobs. We do not just believe, we understand fundamentally, that the best way to ease the cost-of-living pressures for Australian families and households is to make sure they have jobs with decent pay and fair conditions.

This budget also contains a blueprint to build Australia’s strengths—a plan to build a more productive workforce for our economy; a plan for better schools, hospitals and health care; investments in a sustainable and internationally engaged Australia; and new assistance for small businesses, manufacturers and of course families themselves. This budget includes funding to build Australia’s future workforce. This funding will help get skilled workers into industries, modernise apprenticeships and ensure more Australians are employed. Under our conservative predecessors, Australian apprenticeships were largely forgotten about—ironic, given the Leader of the Opposition’s rhetoric of late about forgotten Australians. Under the Gillard government and this budget, apprenticeships are shown to be what they really are—an...
engine room of our productivity and skills base.

The government will implement a new approach to training, including the $558 million National Workforce Development Fund, which will deliver 130,000 new training places over four years; supporting apprentices by providing $101 million for a national mentoring program and $100 million for more flexible training models; providing funding for 30,000 additional places in the Language, Literacy and Numeracy Program, which provides job seekers with basic skills essential for employment, and allocating 16,000 skilled migration places to the regions. The government will also invest $233 million in new support programs and targeted wage subsidies to get the very long-term unemployed into work.

In addition to building productive capacity through the investments in training and participation, the government is also investing in infrastructure. We are providing $36 billion for vital roads, railways and ports, including the Moreton Bay Rail Link in Queensland, the Gateway WA Project, the Western Ring Road upgrade in Victoria and additional funds to duplicate the Pacific Highway. Infrastructure Australia will also receive extra funding and greater independence to produce the national construction schedule which will give superannuation funds and other investors the confidence they need to invest with confidence.

I note that the new governance arrangements for Infrastructure Australia have been warmly welcomed by the private sector, including with some strong words of endorsement from the Australian Industry Group. So, again, where for over a decade under the conservatives infrastructure investment in our country was neglected and undermined by political interference, under this government we are prioritising the productivity agenda and administering infrastructure investment as it should be.

The Gillard government is committed to investing in better health care and education for all Australians wherever they live. The government will provide $1.5 billion for new initiatives to address mental illness as part of a $2.2 billion package which will deliver better care. The package will focus on support for the severely ill and includes funding for organisations coordinating clinical and social support for the severely ill and their families. A further $419 million is being provided to headspace and to early psychosis prevention and intervention centres to assist with the prevention and early detection of mental illness in young people. In addition to the funding being provided to address mental illness, a total of $1.8 billion will be invested from the latest round of the Health and Hospitals Fund for regional hospitals and health care, an investment of $717 million over five years will expand access to diagnostic imaging services and make new medicines and immunisations more affordable and access to public dental services will improve as a result of the $53 million provided by the government.

This budget also includes over $800 million of new investment in schools, including $425 million to reward top-performing teachers, $18 million for the Teach Next Initiative, which provides new pathways into a teaching career, and $200 million to support school students with a disability. On this side of the House we are pleased and proud to be providing some $200 million to students with disabilities to improve their educational chances in life. The new funding in this budget is about giving children with a disability the best possible education outcomes.
This budget also helps families under financial pressure, regions under pressure and businesses under pressure to modernise, to grow and to prosper. It also helps industries under pressure from the rising dollar. The government is helping families through a range of tax relief initiatives, including increasing family tax benefit part A for older teenagers. The government’s commitment to developing regional Australia will be met with a $4.3 billion dollar investment in essential services and infrastructure. This will include initiatives to improve hospitals, health care, universities and roads. The government will also provide $232 million dollars to partner with state governments in projects that address the particular needs of individual regions. The government will provide small business and manufacturing with support through improved taxation arrangements. We will replace the narrow entrepreneurs tax offset with wider reforms for small business. These reforms include an immediate deduction after $5,000 for small businesses to purchase vehicles. We will also help business to free up cash flow by reducing tax instalment payments by $700 million in the 2011-12 financial year. The government will provide further tax relief to small businesses by implementing the cut to the company tax rate early for small businesses, funded by the minerals resource rent tax.

This budget also recognises prisoners of war from World War II and the Korean War with an additional fortnightly payment of $500 from 20 September 2011.

While the amendments to the Commonwealth Inscribed Stock Act 1911 are part of Appropriation Bill (No.2) 2011-2012, given the number of comments on this which members made as part of the debate I will spend a little bit of time explaining, particularly to those opposite, the rationale behind this sensible move. The need to increase the government's borrowing limit at this time is an inevitable consequence of the impacts of recent natural disasters and weaker-than-expected revenues. It has always been the case that the government's borrowing limit would need to be increased. This has been clear from previous budgets. In the 2009-10 budget, the impacts of the global financial crisis on the budget position meant that gross debt was expected to reach at least $300 billion by 2012-13. Our sustained fiscal discipline has meant that gross debt will now peak significantly below this level. The increase in the legislative limit on debt from a total of $200 billion to $250 billion is a modest increase that will provide for the government's financing requirement over the forward estimates. It will also provide the flexibility to maintain a liquid and efficient government bond market in the years to come, a policy that has bipartisan support.

Historically, the bills to borrow funds in deficit years were typically introduced as part of the budget on budget night. The new borrowing arrangements introduced in 2008 mean the actual loan acts are no longer required. It is therefore appropriate that the CIS Act amendments are included in the appropriation bills as they relate directly to the government's financing requirements over the forward estimates. The amendments to the CIS Act will also repeal the special circumstances provision and establish two special appropriations for the expenses associated with borrowing and debt management activities.

The appropriation bills have been prepared to accord with the government's existing interpretation of the Senate executive compact. In response to concerns raised by the Australian Greens and several Independents in the Senate more generally, the government is considering a number of alternative arrangements and in this regard
has commenced discussions with relevant parties. At this stage it is too early to assess the timing for implementation of changes.

This is a budget that gets the balance right. It maintains our drive to surplus, it carefully addresses the circumstances of an economy in transition and it looks after all parts and people in our community—all at the same time. If you have children in child care, we are giving you the choice of claiming childcare payments more regularly, getting the money in their pocket or off their bills. If you have children in school, you can now use the education tax refund to claim for school uniforms. If you have teenagers between 16 and 19, we are increasing the family tax benefit payment by up to $160 a fortnight. If you want some training to earn a higher wage, we are creating 130,000 training spots. If you want to be an apprentice, or have a teenage son or daughter who does, we will provide more support for them to complete—through mentoring, guidance and allowing good apprentices to get their qualifications faster.

If you are a tradesperson or a small business and are buying a new ute or vehicle, you can claim $5,000 back in tax. If you are a low-income earner, you will get more in your pay packet each week through the low income tax offset, which will mean another $300 in your pocket during the year rather than at the end of it. If you are finding it tough to get a job, there will be 35,000 wage subsidies for very-long-term unemployed job seekers to help them get a job and 30,000 training places for single and teenage parents to get the skills they need to be in the workforce. If you are worried about your local hospital, there will be $3.4 billion for emergency departments and elective surgery, and there is $613 million to make new medicines and immunisations more affordable. If there is a teacher in your family or you are a family that places a high value on the quality of your child's teacher, there is $425 million to reward our top-performing teachers across the nation.

This is a government building on its record of successfully steering Australia through the global financial crisis, of managing the evident forces of an economy in transition and of setting our sights on securing the next wave of national prosperity. This budget is a bridge to that future. I commend Appropriation Bill (No.1) 2011-2012 to the House.

Question agreed to.

Original question agreed to.

Bill read a second time.

Reference to Main Committee

Mr SHORTEN: by leave—I move:

That the order of the day be referred to the Main Committee for further consideration.

Question agreed to.

Aged Care Amendment Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr CRAIG THOMSON (Dobell) (13:21): It appears that the opposition does not have a lot of interest in aged care and could not make it down to the chamber. I welcome the opportunity to speak to the Aged Care Amendment Bill 2011—a very important bill in a very important area of government policy. It is a shame that when the opposition was in government it did not have the same attention to detail on this bill as this government has taken. This bill is part of the reforms to aged care that this government is looking to put in place. The purpose of the bill is to amend the Aged Care Act 1997 to strengthen protections for accommodation bonds paid by care recipients to providers of residential and flexible aged-care services. In particular, the
proposed amendments will limit the permitted uses for accommodation bonds taken after 1 October 2011 such that providers of aged care may still use bonds for capital improvements to aged-care services and prudent financial investments but may not use bonds for operational purposes. However, it will provide a two-year transition period to allow time for the sector to adjust to the new arrangements.

The amendments to this bill will: introduce new criminal offences where significant misuse of bonds has been identified; introduce new information-gathering powers to enable the Secretary of the Department of Health and Ageing to better monitor approved providers that may be experiencing financial difficulties or using bonds for non-permitted uses; and remove restrictions on the use of income derived from bonds, retention amounts and accommodation charges. This gives aged-care providers an unrestricted source of income, offsetting the proposed restrictions on the use of accommodation bonds.

The bill will also introduce complaints principles, replacing the existing investigation principles, which will improve the process of handling aged-care complaints. The legislation will also make other minor amendments to remove redundant provisions.

Since the introduction of the Aged Care Act 1997, there has been strong growth in the value of accommodation bonds. During the four years since 30 June 2006, the total value of bonds held has doubled. As at 30 June 2010, approved providers held more than $10.6 billion in bonds on behalf of more than 63,000 aged-care residents. The average total bond holding held by an individual approved provider was $11.2 million and the average accommodation bond held was $167,000. The total value of bonds held by providers has increased by around 20 per cent per annum. This constitutes significant amounts held by approved providers.

Currently, a care recipient may be asked to pay an accommodation bond when entering a low-care or extra service high-care aged-care facility, and approved providers have a responsibility to refund the bond when a care recipient exits the facility. The original policy intent was that accommodation bonds be used for capital funding for investment in building stock and retirement of associated debt. However, this is not clearly articulated in the legislation with respect to the principal amount of the accommodation bond.

Bonds are, in effect, an interest-free loan to the provider and care recipients are unsecured creditors, with the Accommodation Bond Guarantee Scheme as the only protection currently available to ensure they receive their bond refund. Given the significant and increasing amount of funds that approved providers are holding, it is appropriate that residents have some reassurance that their funds are being used for the intended purpose, that there is transparency about the use and that there is sound regulation in place to monitor and protect their savings.

On 12 April 2010, the government announced it would increase protection for aged-care residents' savings. The announcement was made as part of More Support for Older Australians in the National Health and Hospitals Network. Since then, the Department of Health and Ageing has undertaken extensive consultation with industry, community and government stakeholders on the options for enhancing prudential regulation of accommodation bonds to: identify the best means by which to ensure, as far as possible, that the financial interests of residents are protected; maintain
effective regulatory safeguards for accommodation bonds; provide a regulated source of capital funding for investment in aged-care infrastructure; provide a regulatory framework that is commensurate to the risk associated with the exponential growth of accommodation bond holdings, which is currently over $10 billion; and promote public confidence in the aged-care system.

As a result of the consultation process, it is proposed that the following changes be made to the act to strengthen consumer protection for accommodation bonds. The bill proposes to make amendments to address the lack of clarity in the act to ensure investment in aged-care infrastructure by clearly articulating that accommodation bonds should be used only for capital works, investment in financial products, loans associated with capital works, investment in financial products and refunding bonds. The bill proposes to make amendments to also introduce new criminal offences where a misuse of bonds has been identified. The bill proposes that an approved provider would commit an offence when there has been a misuse of bond funds and, within two years of that misuse, the provider becomes insolvent and fails to refund bonds. In the very worst cases, offences will also apply to individuals within the organisation, such as when the individual knew bonds were being used for a non-permitted use and was in a position to take reasonable steps to prevent the misuse but had not done so.

The bill proposes to introduce new information-gathering powers for government in circumstances where concerns exist regarding the capacity of an approved provider to repay accommodation bonds and, finally, to remove restrictions on the use of income derived from bonds, retention amounts and accommodation charges. This will focus the regulation more on the associated risks of the bond principle rather than on the income derived from the bond, retention amounts and accommodation charges. It is proposed that the changes take effect from 1 October 2011, with provision for a two-year transitional period to allow the sector time to become more familiar with the new requirements. Initially in the transition period, approved providers would continue to be able to use bonds in line with the current regulatory requirements and prepare for the start of the new requirements. Later in the transition period, approved providers not ready to meet the new requirements could continue to use bonds for existing purposes but would report to the department on this use and on actions being taken to become compliant.

In relation to the impact of the proposed reforms on the Productivity Commission's current inquiry into aged-care there is movement here as well. The proposed prudential reforms are consistent with the direction of the Productivity Commission's draft report. The proposed prudential reforms reinforce the requirements that accommodation bonds should primarily be directed to investment in aged-care infrastructure. The Productivity Commission acknowledged the ongoing need for prudential regulation and that these prudential reforms were currently under consideration.

A second part of the legislation relates to the complaints scheme. The bill proposes amendments to the act which would enable the investigation principles, which currently describe the investigation process in relation to complaints, to be replaced with complaints principles. The Aged Care Complaints Investigation Scheme provides a means through which concerns relating to the delivery of residential, community and flexible aged-care services, subsidised by the government, can be investigated. In July 2009, in response to industry and community
concerns about the scheme's operation, the then Minister for Ageing commissioned an independent review to identify areas of improvement to ensure the scheme achieves best practice aged-care complaints management arrangements. The review recommended a number of changes to improve the operation of the scheme in terms of timeliness, transparency and consumer focus.

Following consideration of the review and further consultation regarding proposed amendments to the act, proposed new complaints principles will describe the improved new complaints scheme and will have a stronger focus on resolution rather than investigation of complaints. The bill proposes to shift the focus of the system from investigation, whereby the department investigates complaints and determines whether there has been a breach or not, to a more flexible scheme, whereby the department can employ a range of mechanisms for assisting to resolve a complaint—including early resolution, conciliation and mediation—that encourage the parties to resolve the issues themselves.

Other amendments contained within the bill will make some minor operational changes to remove redundant provisions relating to aged care. Amendments to the Aged Care Act 1997 will strengthen consumer protection around accommodation bonds and the arrangements for managing complaints. The purpose of the bill is to amend the Aged Care Act 1997 to address current legislative inadequacies regarding the permitted use of accommodation bonds. In particular the proposed amendments will clearly articulate the permitted use of accommodation bonds, introduce new criminal offences where misuse has been identified, introduce new information-gathering powers and remove restrictions on the use of income derived from bonds, retention amounts and accommodation charges. The bill will also enable the making of the complaints principle in place of the existing investigation principles, which will improve the process of handling aged-care complaints and make other minor amendments to remove redundant provisions.

Subject to the passage of the bill through parliament and the development of associated changes to delegated legislation, it is proposed that the reforms regarding accommodation bonds will take effect in relation to new accommodation bonds taken by approved providers from 1 October 2011. A two-year transition period until the end of September 2013 will allow the sector time to become more familiar with the new requirements. It is proposed that the introduction of the new aged-care complaints scheme will take effect from 1 September 2011 with a limited transition period for existing complaints to be transferred to the new arrangements. To ensure smooth implementation, the government will continue to work collaboratively with providers and key stakeholders and listen closely to all their views. It is proposed that the effectiveness of any changes to the legislation be monitored by the department and that a post-implementation review be conducted. Given the two-year transition periods for reforms to accommodation bonds, it is anticipated that the review is likely to be conducted in 2014-15.

These are important changes to aged care that aim to ensure there is better regulation around the operation of accommodation bonds to give greater confidence to the public and also to set in place a new complaints regime so that the public can have greater confidence in the operation of our aged-care sector. This is an important bill and I commend it to the House.
Mr DUTTON (Dickson) (13:33): The Aged Care Amendment Bill 2011 introduces a number of changes to the Aged Care Act 1997. The act describes a regulatory framework within which Commonwealth government subsidised aged-care providers, known as approved providers, must operate in order to obtain funding. Amongst other things, the act describes the rules relating to the charging and use of accommodation bonds, which is the money given to approved providers by residents of aged-care services. In effect, the accommodation bonds are interest-free, unsecured loans to the provider from the resident due for repayment when the resident leaves the home.

The amendments in this bill seek to limit the permitted uses for accommodation bonds, specifying that the bonds may be used for capital works, investment in financial products, loans for those purposes and refunding accommodation bonds. At the same time, the amendments are claimed to provide greater flexibility for aged-care providers in managing their cash flows by removing restrictions on the use of income derived from the accommodation bonds, retention amounts and accommodation charges. The bill will introduce new criminal offences where misuse of accommodation bonds has been identified and the approved provider has failed financially, owing accommodation bond refunds. It also introduces new information-gathering powers to enable the Secretary of the Department of Health and Ageing to better monitor approved providers that may be experiencing financial difficulties or using accommodation bonds for non-permitted uses.

Additionally, the bill will make amendments in relation to complaints against providers about Commonwealth funded aged-care services. It will enable the making of complaints principles in place of the existing investigation principles. The bill's explanatory memorandum states that this will improve the process of handling aged-care complaints with increased focus on achieving outcomes for care recipients, their families and other representatives by allowing DoHA to adopt a range of approaches such as conciliation, mediation and investigation to resolve complaints cooperatively with care recipients and providers of care. In short, the Minister for Ageing says the bill will increase protection for accommodation bonds and strengthen complaints management. The amendments relating to the accommodation bonds will take effect for bonds taken after 1 October 2011, with a two-year transition period to allow the aged-care sector to become familiar with the new requirements. The new complaints principle will take effect from 1 September 2011.

The aged-care sector is at crisis point. In its 2011-12 budget submission, the Aged Care Industry Council stated:

A snapshot of the industry at the start of 2011 does not depict a sustainable system: only 40% of residential aged care services are operating in the black; hours of service are decreasing; hours of care provided under community aged care packages have fallen; and many providers are not building new residential care beds. The situation is worse in rural and regional areas where providers face generally higher costs with less ability to manage their income streams.

There are approximately 1,400 approved providers of aged care in Australia and over 970 of these providers hold accommodation bonds. Sixty-three thousand residents of aged-care facilities have paid accommodation bonds amounting to, on average over the last financial year, $232,000, according to the minister. Those moneys no doubt represent a significant part of each resident's life savings. Since the introduction of the Aged Care Act 1997 the
value of accommodation bonds has risen from $500 million to more than $10.6 billion. During the four years since 30 June 2006 the total value of bonds has increased by around 20 per cent per annum, effectively doubling in that time from $5.2 billion. Prudential requirements for aged-care providers were introduced in 2006, as was the Accommodation Bond Guarantee Scheme, to cover residents when operators failed and bonds were not repaid. Since then 652 approved providers have been found to be non-compliant with the prudential standards. This amounted to noncompliance with the prudential standards by over 15 per cent of the aged-care industry. When I first read that figure I was struck by it because it is a significant number of providers who have been captured by this alleged breach.

Part of the problem that this government have is that they have an industry which is in a complete state of flux. They are concerned about whether there is going to be stability in the marketplace going forward, they are concerned about increasing burdens of regulation imposed by this government at every turn and they are concerned about withdrawal of capital investment by this government into the sector. They are certainly of the view that the Labor Party, this government in particular, simply do not understand small business or business and the way in which business operates or indeed not-for-profit operates in this sector. In the same timeframe, the risks of underwriting provider failures through the guarantee scheme has cost the Commonwealth $24.5 million.

A Grant Thornton aged-care survey of November 2007 found that 40 per cent of all providers were operating in the red. Given that aged care is in crisis and in need of reform, the financial viability of the sector is very much an issue. Any measures that can help make the sector more viable and able to meet the growing needs of an ageing population are essential. The minister tells us these measures are structured to ensure that crucial investment in aged-care infrastructure is maintained. We will wait to see. In 2007 the then Prime Minister Rudd promised Labor would deliver 'new directions for frail and older Australians', to quote him directly. What was delivered of course has been a period of sheer neglect. Rather than strengthen the sector, the then minister established an atmosphere of fear and worked against providers. In an admission of the failures in aged care the minister was later dumped. It was an unusual event in a number of areas, if you look back on the history, but there was of course a litany of reports and reviews right through that period. Again, as usual, the outcomes were ignored or were responded to with still more inquiries. The National Health and Hospitals Reform Commission outlined a framework for reform which pointed to a need for greater competition in the sector, less regulation and more consumer involvement. The Rudd and now Gillard government response was underwhelming, to state the obvious.

The aged-care sector is in meltdown. Under this government 2,000 beds were cut in the 2008-09 aged-care approvals round and the industry is rejecting government funded beds with a shortfall in residential bed licences. In recent Aged Care Approval Rounds, ACAR, providers are handing back licences, beds are left empty and senior Australians are having to wait longer and travel further to find a bed, all the while placing extra pressure on our public hospitals. Providers have gone to the wall or have been forced to sell to larger entities in the sector.

Since this government has come to power there have been budget cuts and little new spending in the area of aged care. Aged care
has been overlooked at a time when the government has thrown billions of dollars out the door in failed stimulus packages, the list of which is long and getting longer. The Prime Minister oversaw the biggest of them all. Building the Education Revolution cost more than $16 billion, blown out by $1.7 billion and possibly $8 billion of the spending has been wasted. Think what just a small part of those billions of dollars could have done for aged-care services. Then of course there was the pink batts scandal, otherwise known as the Home Insulation Scheme. It was closed after it caused workers' deaths and at least 100 home fires, all at a cost of $2.5 billion. There is also the myriad of so-called green schemes instituted by this government and subsequently closed down because of their inefficiency. Who knows how much was wasted there? Into the future we have the $350 million being handed out for set-top boxes and the billions after billions that will be spent into the forward estimates and well beyond to the National Broadband Network.

Ageing and therefore aged care could be the biggest social issue facing Australia with our rapidly ageing population, yet under this government it has virtually been overlooked. The government tells us the measures contained in this bill are part of its so-called health reform. That does not inspire a great deal of confidence, though. Just this week in Senate estimates hearings the litany of failure in the Gillard version of health reform has again been exposed. We have a bill to establish a National Health Performance Authority before this House, a so-called key element of Labor's reforms according to the Minister for Health and Ageing. It will never proceed in its current form. It has been introduced but it has since disappeared. Why has that occurred? It has occurred because many of the states say the bill as presented is unacceptable to them because it does not reflect what was agreed to during the COAG process.

The National Health Performance Authority is supposed to be in operation on 1 July. That is just one month away. Yet the legislation to establish it has not even passed the parliament. From Senate estimates we learn that it is the subject of ongoing dispute between the Commonwealth and the states. It is a dispute so serious that Minister Roxon had to convene a teleconference of health ministers last week to try and avert yet another Roxon-made crisis. No resolution came from that conference and now she is seeking a face-to-face ministerial meeting sometime in the next week.

The performance authority is not the only debacle in this government's attempt at so-called reform. With the 1 July start date looming for many elements of Labor's health reform, the department of health revealed in Senate estimates that it still does not know how many local hospital networks there would be across Australia. It did not know how many would be ready to start on 1 July. Of course local hospital networks are at the core of Labor's reforms. Remember that line so often repeated: 'federally funded and locally controlled'? Well, there will not be very much local control from 1 July when the government does not know how many local hospital networks there will be.

Then there are the Medicare Locals, 15 of which are also supposed to start operating on 1 July. The House might be interested to know that not one exists at the moment. None have been formed. Indeed, none have even been contracted. At Senate estimates the department could not tell us how or when clinician groups would be established. What it could reveal was that the centrepiece of reform, the so-called Independent Hospital Pricing Authority, the organ that will decide
how the nation's public hospitals will receive their funding under Labor's reforms—

The DEPUTY SPEAKER (Hon. Peter Slipper): Order! The debate is interrupted in accordance with standing order 43. The debate may be resumed at a later hour. At that time the honourable member will have the opportunity to continue speaking when the debate is resumed.

STATEMENTS BY MEMBERS

Flinders Electorate: Worley Hospital

Mr HUNT (Flinders) (13:45): In January 2008 Warley Hospital on Phillip Island closed. Warley Hospital had been pledged $2½ million by the coalition government to remain open to allow it to continue the work of over 80 years of commitment to the people of Phillip Island. It was a great shame and an unacceptable situation that the incoming government refused to match that grant and support the people of Warley Hospital.

The money received from the sale of the hospital has allowed a fund of $1.4 million to be established. I call upon Minister Nicola Roxon to match that money to allow the reopening of the hospital as a subsidiary of the Bass Coast health network. This was a community based hospital which had served the people of Phillip Island for decades and decades. It is a tragedy that the hospital, which would have remained open under a coalition government, was allowed to close. Phillip Island has a significant permanent population. It attracts up to two million visitors each year, I am told. This hospital must have matching funding from the federal government. (Time expired)

McEwen Electorate: Legends of Racing Gala

Mr MITCHELL (McEwen) (13:46): On Saturday night I had the honour of attending the legends of racing gala evening at Kilmore Trackside. Local racing identities and members of the broader community alike attended this event to witness the unveiling of three amazing paintings by renowned artist Brian Clinton. Brian's work is without peer, and I can see why he is an internationally renowned artist. The level of precise detail in his paintings of racing greats Phar Lap, Carbine and Makybe Diva was a sight to behold.

The evening was organised by Mr John Gaffney, a McEwen local who is the embodiment of a true gentleman. John has a strong history of community spirit and we are lucky to have him as a McEwen resident. Joining John was Brother Doug Walsh, who spoke about the passion and support for the Bagong Barrio Education Fund, which supports the educational needs of the children of Bagong Barrio, the second largest slum in Manila. One hundred per cent of the sponsors' money goes directly to the students. Their mission statement says:

Our program aims to support education in the hope that it will serve as a means of empowering an individual to break out of the cycle of poverty. I encourage all members to get on the BBEF website and read 'My trip to Australia' by Maurice Gravidez, a truly wonderful story of one of the sponsored children who benefit from this wonderful program.

The night's entertainment was provided by Deb Cotton, who wowed the audience with her outstanding and powerful voice. It was a wonderful evening, and I again thank John for organising and delivering this event and for his continued dedication. It was stated that from little things big things grow, but it takes a big heart and John Gaffney embodies that big-hearted spirit.

Boothby Electorate: Club Marion

Dr SOUTHCOTT (Boothby) (13:48): I recently had the pleasure of attending the opening of the Marion Sports and
Community Club extension. This was a project which the club committee had long had on the drawing board. One of my election commitments in 2007 was that a grant of $1 million be given to the club. This was matched by the Labor Party in 2007. Club Marion raised and spent an additional $2.1 million for the extension.

The club has been an important part of the community dating back to 1908 as the Sturt Recreation Reserve. It is an umbrella club which has 16 active sporting clubs: Marion Men's Bowling Club, Marion Tennis Club, two soccer clubs, the South Adelaide Basketball Club, Marion Swimming Club, Marion Cricket Club, Marion Football Club and many others.

I want to pay tribute to the chief executive, Terry Zajer, and the chairman, Darryl Gray, for the leadership they have shown in completing this facility. I also want to say that Club Marion does a lot for grassroots community sport in my electorate. I am very concerned about the proposal for mandatory pre-commitment, which Clubs SA estimate may impact on the revenue of their member clubs by 30 to 40 per cent. I, for one, will not be doing anything which will harm this important community club.

**Kennedy Electorate: Economic Development Program**

**Mr KATTER** (Kennedy) (13:49): A thousand million dollars has been found in this budget for refugees, but we were not able to find $25 million for the economic development program put before the government by the Mayor of Hope Vale Aboriginal Shire Council and the mayors of Yarrabah, Palm Island, Woorabinda and Cherbourg. If there is generosity then generosity should start at home.

I speak with the authority of Percy Neal, the Yarrabah mayor and one of the architects of this economic development program, when I say that the program in his area requires an extension of the supermarket so that people can shop locally instead of having to drive a 50-kilometre round trip to Gordonvale or Cairns. It involves the building of a rock wall to provide safe anchorage so that tourist boats can pull in and we can get some dollars out of Cairns, the great tourism centre, which is only 20 or 30 minutes away by boat. It will, we hope, create a coffee club and a pharmacy in the little shopping centre that is to be built. An area of some hundred hectares of land will be put under cultivation for bananas, and another 200 hectares are to be brought under cultivation with cane.

These things will be discussed with the people of the area, and we hope that they will meet with their approval. At present we cannot do any of these things because we have no money. There has been no issue of title deeds and there is no Indigenous local labour. *(Time expired)*

**Manufacturing**

**Mrs MIRABELLA** (Indi) (13:51): The government stand condemned not only because they want to introduce a carbon tax to destroy manufacturing but because they are continuing to make decisions to disadvantage and punish Australian manufacturers. We heard yesterday in Senate estimates that the DMO has locked out Australian defence companies from tendering for the design of Australia's next generation of combat uniform fabrics and garments. If it was not embarrassing enough for the government to have backflipped on allowing contracts for that to be made in China, we now hear that Australian companies were locked out and a contract worth $7.8 million has gone overseas to the US. Worse still is that there are Australian companies with extraordinary capability that are actually more qualified to provide this
particular service, but they were utterly ignored. We have seen not only a breach of procurement guidelines on priority industry capabilities, but also a government that has refused to reinvest in the critical DMTC soldier survivability program but has given $7.8 million to a firm in the US. We ask the question: why does this government continue to punish Australian companies for their innovation and their investment and their employment in Australia?

**Leeding, Senior Constable Damian**

*Mrs D’ATH (Petrie) (13:53):* Any partner of a police officer's worst fears are hearing that their partner, their husband or wife, has been injured or killed on the job. Sonya Leeding's worst fears were realised on Sunday evening when her husband, Senior Constable Damian Leeding, was shot while performing his duties on the Gold Coast. Just in the last 24 hours the family has notified that they are making the very difficult and heart-breaking decision to switch off his life support sometime in the next 24 hours. Mr Leeding's wife, Sonya, is also a police officer and knows better than most the risks associated with the job. Today they are going through a very, very difficult time. Sonya, her son, Hudson, and baby, Grace, are really doing it tough today. This chamber passes on its thoughts. They will be in our hearts. We will be thinking of them today as they face this difficult decision, and also of his colleagues at the Coomera CIB, who I know would also be dealing with this very difficult time in their own way. I will talk in more detail in this House later, but our thoughts are with the family today.

**Chapman, Mr Philip**

*Mr TONY SMITH (Casey) (13:54):* On behalf of all of us in the opposition, we associate ourselves with the eloquent remarks of the previous speaker. I rise today to pay tribute to the life of Phil Chapman, who passed away on 23 May at the age of 85. Phil was a local in the Casey electorate from Wandin East. He was the husband of Betty, a father of five and grandfather of 12. He was a very active member of the local community. He was a member of the Rotary Club of Wandin since its chartering back in 1984 and was recognised as a Paul Harris Fellow. He participated in all of the club's activities on every occasion. He will be remembered for his cheery grin and for his service over so many years to so many functions and events to assist Rotary and the local community. He was an active member, as you would expect, in so many other organisations. He was a member of the Wandin Silvan Field Days Committee and previously involved with the Victorian Cherry Growers Association and Silvan growers association. He was also a director of Silvan Fruit Processors Limited and Wandin Valley Farms. On behalf of everyone in the Casey electorate, I pay tribute to him and to members of his family at this sad time.

**Quarantine**

*Ms PARKE (Fremantle) (13:56):* The Parke family are fourth generation fruit growers in Donnybrook in the south-west of Western Australia. My great-grandfather John Stanley Parke was the first person to export Granny Smith apples and he did so in 1922 through the port of Fremantle. I grew up on the apple orchard that my dad, George Parke, still operates today. So it was natural that I would attend an event this morning held by the Australian apple and pear industry. The issue of overwhelming concern to the growers is in relation to the prospective importation of apples from New Zealand and the recent announcement by Biosecurity Australia that standard orchard practices in New Zealand are to be regarded as a sufficient quarantine standard when it comes to protecting the Australian industry.
from the possible transmission of pests and diseases that New Zealand has but Australia does not. By far the worst is the bacterial disease fire blight, which is fatal to pear trees and severely impacts on apples. My father has told me that the accidental introduction of fire blight to Italy some years ago wiped out 14,000 hectares of pears in a few years. Once fire blight has been established it has never been eradicated from any country. It is the horticultural equivalent of the cane toad. The only known spray to limit the damage of fire blight is the antibiotic spray streptomycin—a banned spray in Australia.

Given the significant risk to our disease- and pest-free status, I regard as entirely reasonable the request by the Australian apple and pear industry that any new importation arrangements with New Zealand must apply the highest inspection and monitoring standards to ensure Australia remains disease free. The industry and the Australian community are entitled to expect such a commitment from government.

Girl Guides NSW & ACT

Mr FLETCHER (Bradfield) (13:57): On Saturday I was very pleased to attend the annual general meeting of Girl Guides NSW & ACT held at the Girl Guides Glengarry state training and activities centre located in North Turramurra in my electorate of Bradfield. I am also pleased to note that Commissioner of Girl Guides NSW & ACT Ms Belinda Allen is a constituent of mine in Bradfield. For nearly 100 years the Girl Guides have shown a commitment to volunteering, to participation and to the empowerment and engagement of girls and young women. There are some 10,000 girls and young women who are members of Girl Guides in NSW and the ACT. The organisation relies heavily on volunteers to serve as leaders of youth. At the annual general meeting I was struck by the large number of people—mainly women but also some men—who had come from around the Sydney metropolitan area and from around New South Wales and the ACT to discuss the organisation's priorities. I was impressed to learn of their plans to upgrade their facilities in North Turramurra, but most importantly I was struck by the enthusiasm and dedication of the people in the room. Often drawn into Guiding to support their own daughters, they have generously given of their time and skills to lead, befriend, encourage and teach many girls and young women. They told me of their innovative work, including attracting Muslim girls and young women into the Girl Guides through the formation of guide units in locations including Raby, Greenacre and Smithfield. It is fashionable to talk about the breakdown in social capital in modern Australia, but in my opinion that talk is often overrated, as the evidence of the Girl Guides demonstrates.

Launceston General Hospital

Mr LYONS (Bass) (13:59): I rise to acknowledge the opening of the $40 million Health and Hospitals Fund project at the Launceston General Hospital. This was the opening of a medical day procedure unit. I want to acknowledge Dr Alistair McDonald, Director of Medicine, for his promotion of this project and John Kirwen, the CEO. I also acknowledge the central auxiliary of the Launceston General Hospital for their major contribution to the hospital over many years. This is the biggest project in northern Tasmania for 30 years and I commend it to the House.

The SPEAKER: Order! The time for members' statements has concluded.
CONDOLENCES

Jones, Lance Corporal Andrew Gordon

Case, Lieutenant Marcus Sean

Ms GILLARD (Lalor—Prime Minister) (14:00): I move:

That the House records its deep regret at the deaths of Lance Corporal Andrew Gordon Jones and Lieutenant Marcus Sean Case on 30 May 2011 while on operations in Afghanistan, and place on record its appreciation of their service to the country and tender its profound sympathy to their families in their bereavement.

The House and the nation shared the sorrow and the pride yesterday of two Australian families and we continue today to share that sorrow and that pride. Andrew Jones was killed on 30 May while serving on operations in Afghanistan. He was from the 9th Force Support Battalion and was serving with Force Support Unit 4 in the Chora Valley. He was an Army cook by trade, an Australian soldier by profession, on duty in uniform the day he died. He was 25 years old.

Marcus Case was killed on the same day in a separate incident. Marcus was a member of the Sydney based 6th Aviation Regiment. He began his training as a reservist, deferred his university studies to serve in the Army full time, trained as a commando and was deployed to East Timor. Marcus then trained as a pilot and had deployed to Afghanistan as a Heron unmarked aerial vehicle operator. On Monday he was taking part in a resupply sortie in southern Afghanistan when the helicopter he was in crashed. He was 27 years old.

The Chief of the Defence Force, the Minister for Defence, members of this parliament and I have all spoken, yesterday and today, to express our nation’s grief and our resolve of the loss we feel of two good, young men gone and the determination we share as a nation to see the mission through. Today the Jones family and the Case family have spoken beautifully as well in their statements and in sharing their sorrow. I want to share with the House some of what they, the families, have said. The words of Andrew Jones's family speak volumes to me and I am sure to all of us. The family said:

Andrew was a dependable, very cheeky character who we will miss with all our hearts. We believe Andrew was very, very happy serving with his friends, doing the job he loved. We would like to especially thank those that helped Andrew in his last hours. We know you did your best to save him and continue to face the big job ahead of you while also dealing with his death.

The words of Marcus's family too will remain with me for a long time and with all of us. They said:

Marcus was born to fly. His favourite comment was 'Are you ready for this?' before performing some acrobatics to demonstrate his incredible skills.

Marcus will be sorely missed by his loving and very proud family as well as by his large group of supportive friends. He was an idol to his niece and nephews who, upon seeing a helicopter, would point at it and gleefully say, 'There goes Marcus.'

Marcus and Andrew were professionals, trained to serve, ready for a day like this. These days are very hard, but we owe it to Marcus and Andrew and their mates to be ready too. It is in our nation's interests to continue our deployment in Afghanistan, to make sure that Afghanistan does not again become a safe haven for terrorists, to stand firmly by our ally the United States. Transition will take time. We must not transition out only to transition back in. We must not leave a security vacuum which terrorists who threaten us would fill.

Australia will see the mission through in Afghanistan. Today, we share the sorrow of the Jones and Case families. We cannot truly
share their suffering, but today I want the Jones family and the Case family to know this: you are not alone. You are Australians—you are never alone—and the sacrifice your boys have made will not be forgotten.

Mr ABBOTT (Warringah—Leader of the Opposition) (14:05): I rise to support the words of the Prime Minister. Lance Corporal Andrew Jones was always quick to volunteer for dangerous or difficult missions and had previously served in East Timor. Lieutenant Marcus Case had also served in East Timor and, most recently, had served in Queensland where he helped with flood assistance missions earlier in the year.

In expressing our grief to the families and friends of these dead, brave soldiers we should also express our appreciation for their professionalism, their selflessness and their devotion to duty. Inevitably, when we have these incidents—particularly a tragedy arising, it seems, from the treachery of an ally—people's determination is inclined to waver. But this, in the end, goes to the sort of country that we want to be. Are we going to be a country that takes up burdens when they are easy only to drop them when they are hard? I believe that, on reflection, all of us would want Australia to be a country that can be relied upon in hard times as well as in good times. We as members of parliament, and in the case of the members opposite senior members of the government, are all conscious of the price our soldiers pay for the decisions that this parliament and its members make. I am sure that all of us remain determined that the deaths of these two brave soldiers should not be in vain. On behalf of the coalition, on behalf of the Liberal and National parties, I extend our deepest condolences to their families.

Mr STEPHEN SMITH (Perth—Minister for Defence and Deputy Leader of the House) (14:07): I associate myself with the remarks of the Prime Minister and the Leader of the Opposition in both expressing condolence to the families of Lance Corporal Andrew Jones and Lieutenant Marcus Case and reaffirming our mission and our resolve in Afghanistan.

Following on so quickly from the death of Sergeant Brett Wood, this terrible news has reverberated throughout our country. Lance Corporal Andrew Jones was a young man of 25 years from the 9th Force Support Battalion in Amberley, who had served in the Army for seven years. His first operational deployment was to East Timor in 2008 and his second, to Afghanistan, commenced in November last year. Lance Corporal Jones was a loyal, reliable and trustworthy soldier who was dedicated to serving his country and his people. He is described as a team player who loved doing his job. He had a quiet personality but enjoyed a joke with his mates. He was a skilled cook but was always the first to volunteer for any task. The circumstances of his death have been particularly difficult for his family and for his nation.

Lieutenant Marcus Sean Case was 27 years old, from the Sydney based 6th Aviation Regiment and was deployed to Afghanistan as a Heron unmanned aerial vehicle operator. His first deployment was as an infantryman to Malaysia with Rifle Company Butterworth in 2005. In 2007, he deployed to East Timor with 1st Commando Regiment, and in 2008 he transferred to the Army and became an Army helicopter pilot. In January this year he provided much-needed flood assistance in Queensland. He deployed to Afghanistan in May this year. He was keen and motivated and excelled as a pilot. He was described as the go-to man who was always able to get the job done.
The deaths of Lance Corporal Jones and Lieutenant Case bring to 26 the number of fatalities in Afghanistan since our operation commenced almost a year ago. In these terrible circumstances it is important to reflect upon why we are in Afghanistan and the basis on which we are there. We very strongly continue to believe that it is in our national interest to help stare down international terrorism. Our mission in Afghanistan continues to be authorised by a United Nations mandate which has been in existence for a decade and successively renewed as part of a nearly 50 country international security assistance force in Afghanistan. In the face of this devastating news this week our resolve must continue. This parliament shares the anguish and distress of family, friends and mates. This parliament shares the grief and pain of our men and women in uniform. We express our condolences to the families with our age-old refrain: Lest we forget.

Mr ROBERT (Fadden) (14:10): Two more poppies have just sprouted in Flanders fields, resolute, brilliant in the sun, young men of promise, young leaders of praise, men who put duty first. I join the Prime Minister, the Leader of the Opposition and the Minister for Defence in honouring these men, Lieutenant Marcus Case and Lance Corporal Andrew Jones, who were tragically killed in Afghanistan on Monday, and to lend our prayers to those wounded.

Two more poppies now grow in a field alongside 24 others. They stand as a testimony that we as a people will never submit to tyranny and never flee from terrorism. We will fight it where it stands until it stands no more. This heart-wrenching loss may shake our resolve in the now but it will never break our commitment to the rightness of our cause. So as the ubiquitous Afghan fighting season rises to meet us let all Australians mirror the commitment of our fighting men and women through our support for their service and sacrifice. What we at home offer our troops transcends distance, for it is a chorus of praise that buoys their spirits through the difficult and demanding times ahead. Our troops deserve nothing less.

Lieutenant Case and Lance Corporal Jones are the first non-infantry, armour or engineers to be killed in action in Afghanistan. For every single Australian soldier mans the walls, joins the patrols and is prepared to fight regardless of their profession. Combat surrounds all of them every day. As a pilot Lieutenant Case, based in Kandahar with our UAV detachment, worked 12-hour shifts to keep eyes in the sky to support our ground forces. His work meant that Special Forces retained vital imagery of the adversary they fought; his work saved lives.

Lance Corporal Jones, a young cook, was serving with men from the 5th Battalion in one of the most remote patrol bases in the Chora Valley, a base hard fought to attain in one of the most dangerous regions of Oruzgan, where temperatures soar to 50 degrees following a winter of minus 20. All the time, this young leader fed the men, patrolled the valleys and manned the battlement.

To the loving parents, siblings and girlfriends, the nation grieves with you. Lads, we will remember you as a pilot of daring and a tough soldier of fortitude, men who knew the great dangers, flew the tough missions and manned the tough posts. We honour you as we mourn your loss, for two more poppies have just sprouted in Flanders field today.

The SPEAKER: Order! As a mark of respect, I invite honourable members to rise in their places.
Honourable members having stood in their places—

The SPEAKER: I thank the House.

Debate adjourned.

Reference to Main Committee

Mr ALBANESE: by leave—I move:

That the order of the day in relation to the deaths of Lance Corporal Andrew Gordon Jones and Lieutenant Marcus Sean Case be referred to the Main Committee for debate.

Question agreed to.

QUESTIONS WITHOUT NOTICE

Economy

Mr HOCKEY (North Sydney) (14:16): My question is to the Treasurer. I refer the Treasurer to the fact that the economy went backwards in the first three months of this year. Treasurer, why is the government hitting Australian households and businesses with a carbon tax, a mining tax and a flood levy when we now know that a mining boom cough can lead to economic pneumonia?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:16): I am simply stunned by that question from the shadow Treasurer. He refers to the contraction in the March quarter as a 'mining boom cough', when in fact we have had a contraction in the March quarter of 1.7 percentage points because of the impact of the biggest natural disaster in Australia's history. They do not accept that on that side of the House. I am completely stunned as to how out of touch they have become. There was a contraction in the March quarter of 1.2 per cent, but minus 1.7 per cent came from the natural disasters—from the floods in Queensland, from Cyclone Yasi, from the floods in northern New South Wales, from the floods in the north-west of Western Australia. And they come into this House and describe that as a mining boom cough. This is just extraordinary.

I think I can understand why they are so out of touch. We had a clue to this a few weeks ago. The Leader of the Opposition came into this House and gave a speech for 30 minutes and did not once mention the impact of the floods, Cyclone Yasi or the weather events in the north-west of Western Australia—not once in a 30-minute speech. Then we had the shadow Treasurer go to the Press Club, supposedly to deliver some alternative to the budget, and not once, in a 30-minute speech, did he mention the impact of the floods, Cyclone Yasi and other weather events. This just shows how out of touch, how incompetent, they are and how they do not understand the challenges facing the Australian economy.

The fact is that the fundamentals of our economy are strong. If you have a look at the figures today, you will see that consumption, dwelling investment and business investment are all making positive contributions to growth, but the big negative in the figures today is the impact of those cyclones and those floods. Those opposite want to stick their heads in the sand and pretend that they never happened. This is incredible.

I do not think there has been an opposition this incompetent, this out of touch, in the history of this country. They want to ignore too the very strong pipeline of business investment that we have. They want to ignore the fact that, if we are going to cope with that in the years ahead, we have got to bring our budget back to surplus. But they are intent on wrecking that surplus. This is incredible.

I do not think there has been an opposition this incompetent, this out of touch, in the history of this country. They want to ignore too the very strong pipeline of business investment that we have. They want to ignore the fact that, if we are going to cope with that in the years ahead, we have got to bring our budget back to surplus. But they are intent on wrecking that surplus. They come into the House and complain about deficits. They have never seen a deficit that they did not want to make bigger, as they come into this House and oppose saves. They are opposing vital savings measures in this House. They are trying to wreck the government surplus. It has got so bad, and they have got so negative, that they are now opposing their own policies. Can you believe
that? They are opposing a policy of the Howard government that goes back to 2004 because they are so negative.

Mr Pyne: Mr Speaker, I rise on a point of order. The Treasurer could not be being more irrelevant to the question he was asked. He is required to be directly relevant, and he is straining over every subject other than the question he was asked—and 'straining' is the word.

The SPEAKER: As I have reflected in the past, less debate would be helpful, but I think that the Treasurer should keep in mind that he needs to relate his material directly to the question.

Mr SWAN: They pretend that the global financial crisis is a hiccup and that the natural disasters, the floods and cyclones, did not happen. That is how incompetent they are, how negative they have become and how unqualified they are for high office.

Economy

Mrs D'ATH (Petrie) (14:21): My question is to the Prime Minister. Will the Prime Minister outline the strong prospects for our economy? What has been the impact of recent natural disasters on the national account figures today and how is the government acting to keep our economy strong?

Mr Hockey: More tax!

The SPEAKER: Order! The member for North Sydney was not asked the question.

Mr Hockey: I'll answer it.

The SPEAKER: No, he will sit there quietly and whoever on my right was giving the member for North Sydney advice will keep his advice to himself.

Ms GILLARD (Lalor—Prime Minister) (14:22): I thank the member for Petrie for her question. As a Queensland representative in this parliament, she knows what it was like for the people of Queensland to live through the summer that they lived through. We know that the natural disasters that hit our nation were not just confined to Queensland, though Queensland was so badly affected. We were not the only nation on earth to suffer at that time. We remember what happened in Christchurch and, of course, we all remember the scale of the tragedy that hit Japan. All of these things had a pressing, tragic impact for individuals and their families and many people are still recovering, and they have also had an economic impact. When we look at today's national account figures, we see that economic impact very clearly. Our economy is set to grow by four per cent in 2011-12. The fundamentals of our economy are strong. We will create half a million new jobs by 2013. Our unemployment rate is set to fall to 4½ per cent. Of course, this comes on top of the creation of 750,000 jobs since 2007 when many economies around the world have been literally seeing millions of jobs lost.

Today's national account numbers do show a contraction due to the impact of the natural disasters that we have seen. The floods and the cyclones alone are estimated to have reduced growth by 1.7 percentage points over the March quarter. That is because those events had an impact on commodity exports—$5.3 billion dollars was wiped out from coal and iron ore. That is to do with flooding of mines and, obviously, flooding of supply routes. And there were other sections of the economy that were hit. But we should not lose sight of the strong performance in the rest of our economy that we see in today's figures. Consumption, dwelling investment and business investment all made positive contributions to growth in the early part of this year, and that is welcome indeed. Over 50,000 jobs were created in the March quarter and they are part of hundreds of thousands of more jobs...
to be created in the next few years. The terms of trade are at their highest levels in 140 years.

We are already seeing the economy coming back strongly as we recover from the floods. Mines that were flooded only a few months ago have now resumed production and that will drive a rebound in export earnings. Coal exports jumped 14 per cent in March after falling almost 30 per cent in February, so that shows you how quickly some mines were able to bring their economic production back on stream. And there is a massive pipeline of investment with the Bureau of Resource Economics estimating $430 billion planned for resource projects to come.

We have to keep rebuilding the Queensland economy. The government put in place a responsible package to fund the flood recovery. Unfortunately, those opposite when they tried to pass that test were unable to put a funding package together. The only funding package that the parliament has ever seen that has added up and worked is the one brought to it by the government. That funding package has enabled us to contribute a billion dollars already to support rebuilding efforts and a further billion dollars will be advanced by the end of the month, and $411 million has already been distributed to 53 local councils to help them get on with the job of rebuilding. There is much more to do but we are rebuilding and we will see, as a result, a rebound from the figures announced today through the national accounts.

**DISTINGUISHED VISITORS**

The **Speaker** (14:26): I inform the House that we have in the gallery this afternoon Dr Guido Westerwelle, the Minister for Foreign Affairs of the Federal Republic of Germany. He is accompanied by a delegation. On behalf of the House I extend to him a warm welcome.

**Honourable members:** Hear, Hear!

**QUESTIONS WITHOUT NOTICE**

**Carbon Pricing**

Mr **ABBOTT** (Warringah—Leader of the Opposition) (14:26): My question is to the Prime Minister. I ask the Prime Minister: will she repudiate Professor Garnaut's proposal for an unelected, unaccountable body to set emissions reductions targets?

Ms **GILLARD** (Lalor—Prime Minister) (14:27): As my colleagues have observed, the Leader of the Opposition has already grown bored with discussion of the economy and he is back to the only thing he knows how to do, which is to distort things in pursuit of a fear campaign. What he is doing today is distorting the words of Professor Ross Garnaut in an incredibly irresponsible way. To anybody who has listened to the Leader of the Opposition's question let me say this to them very clearly. The Leader of the Opposition has misrepresented Professor Garnaut. We always see the Leader of the Opposition do this because he cannot mount an argument that deals with the facts. It is impossible. He knows he cannot mount an argument that deals with the facts. He never wants to hear the facts because as soon as the facts are on the table his fear campaign falls away. So at every opportunity, including every opportunity in this parliament, he walks in with distortions.

Professor Garnaut did not say what the Leader of the Opposition put into his question. That did not happen. What Professor Garnaut talked about was the kind of climate commission they have in the United Kingdom where a body makes recommendations to government, which then performs its democratic role in the way that
governments do. Of course, our democracy is filled with bodies that make recommendations to government. The Productivity Commission is just one such body that makes recommendations to government. If we look at the way that works in our democracy, it has worked for years without anybody taking the kind of silly political point we are seeing the Leader of the Opposition take today. I have never heard the Leader of the Opposition walk up to the dispatch box or indeed any other microphone and say that his Conservative counterpart David Cameron is not exercising an appropriate democratic—

The SPEAKER: The Prime Minister will resume her place. The Manager of Opposition Business.

Mr Pyne: Mr Speaker, I raise a point of order. The Prime Minister was asked a very specific question. These needlessly negative debating points that she is making are quite out of order, and I ask you to draw her back to the question she was asked.

The SPEAKER: The Manager of Opposition Business will resume his seat. No matter how he characterises the argument in the response, in the standing order the only requirement is that the response be directly relevant, and the Prime Minister is aware of the need to be directly relevant.

Ms GILLARD: I had a distortion of Professor Garnaut's words put to me. I am correcting that distortion. No-one should believe it to be true. It is not true. I am pointing out the truth of what Professor Garnaut said. You can see examples of the kind of arrangement that he is thinking about around the world, including in the United Kingdom, where Conservative Prime Minister David Cameron very recently received recommendations from a climate commission and determined to act on those recommendations. I did not hear the Leader of the Opposition say at that time that he thought his Conservative counterpart was not behaving appropriately as Prime Minister, so let us not listen to any of this nonsense.

I think the Australian people will increasingly be asking themselves: why is it that the Leader of the Opposition can never engage in the climate change debate by dealing with the facts? Why is it that he always has to rely on falsehoods and fear? You rely on falsehoods and fear when you do not have a rational argument, and that is the Leader of the Opposition's problem. He has no rational argument, no rational policy, no rational belief in the science; all he is peddling is fear and falsehood, and every Australian should understand that.

Mr ABBOTT (Warringah—Leader of the Opposition) (14:31): I ask the Prime Minister: does she agree with the Minister for Climate Change and Energy Efficiency or does she endorse the recommendation of Professor Garnaut?

Mr Pyne interjecting—

The SPEAKER: Order! The member for Sturt!

Mr Albanese: Mr Speaker, I raise a point of order. That was clearly not a supplementary question, which must relate to the original question and the answer given by the Prime Minister. It brought in material relating to the member for Lyne and had...
nothing to do with the original question asked.

The SPEAKER: I am satisfied by its conclusion that it related sufficiently to the original question, and I will allow the question.

Ms GILLARD (Lalor—Prime Minister) (14:33): A question based on a falsehood and a supplementary question based on a falsehood—why is it that the Leader of the Opposition cannot tell the truth when it comes to climate change?

Opposition members interjecting—

The SPEAKER: Order!

Ms GILLARD: Let us go to the truth of what Professor Garnaut said. This is the truth, and I say to those members opposite who are yelling, who may have been misled by the falsehood that their leader just spoke in this parliament: this is what Professor Garnaut said. Professor Garnaut is proposing, in terms of governance arrangements around a carbon price, the following. He is proposing an independent committee which would not set targets or price—

Mr Pyne interjecting—

The SPEAKER: The member for Sturt is now warned.

Ms GILLARD: but would make recommendations to government. I will just run those words past everybody again so we do not hear this falsehood repeated by the Leader of the Opposition. This misrepresentation of Professor Garnaut should stop here. Professor Garnaut said the independent committee would not set targets or price but would make recommendations to government. Under his proposal the setting of targets and scheme caps is something that would remain firmly under the democratic control of the government of the day.

The Leader of the Opposition today has come in and he knows he cannot debate carbon pricing based on the facts. He is peddling falsehoods and he is peddling fear, because he is a man with no belief in the science and no answer on the policy. No-one should believe these falsehoods. The Leader of the Opposition should stop distorting Professor Garnaut's words. He really owes Professor Garnaut an apology for this conduct.

Budget

Mr CRAIG THOMSON (Dobell) (14:35): My question is to the Treasurer. Will the Treasurer outline for the House the importance of saving measures to return the budget to surplus? How has the approach been received, and what is the government's response?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:35): I thank the member for Dobell for that very important question, because it is important to bring the budget back to surplus. Our economy has taken a significant short-term hit from natural disasters, but it has not been knocked off its long-term path. We have falling unemployment. Unemployment is at 4.9 per cent. We have the prospect of something like 500,000 additional jobs in Australia. We have record terms of trade, and we have an unprecedented investment pipeline. Investment is at something like 50-year highs. And, of course, we have the forecast from ABARES of an investment pipeline of something like $430 billion. It is absolutely vital that we ensure that we do not compound the price pressures which will flow from that investment pipeline.

That is why it is so important to constrain spending and to put in place savings. That is why we have spending growth of only one per cent over the forward estimates on average. Those opposite, when they were last
in power, had spending growth in real terms of 3.7 per cent and made the mistake of going on a spending spree at the height of mining boom mark 1. In this budget, importantly, we have put in place $22 billion worth of savings—important savings to make sure that we do not compound those price pressures. Of course, that is why we have to bring the budget back to surplus in 2012-13.

If you are serious about economic policy you accept the economics of that. From time to time there have been some on the other side of the House who have been serious about economic policy, including Senator Minchin, who of course is the mentor of the Leader of the Opposition. This is what he said about the importance of savings, following the debacle in the party room last week:

When we take decisions to cut revenue and government we have to find ways to replace revenue.

That is a perfectly reasonable point. But of course it is not one that is going to be followed by those opposite, who are intent on wrecking the surplus and have now announced that they are going to go out and oppose a Howard government initiative of over five years ago. This ‘just say no’ strategy is not an alternative to putting forward an economic policy, of which they have none. They are so incompetent. They have no economic policy, no alternative framework and no embarrassment or shame at their political opportunism. They cannot come into this chamber and support important reforms. There is no alternative. What they prove is that they are completely incompetent when it comes to national economic policy.

**Carbon Pricing**

**Mr BALDWIN** (Paterson) (14:38): My question is to the Prime Minister. I refer the Prime Minister to a letter from New South Wales Premier Barry O'Farrell raising concerns that the imposition of a carbon tax will destroy $5 billion in the value of New South Wales power generation assets and cause the loss of 13,000 jobs and $1.2 billion in economic activity in the Hunter region. How will the government compensate the people of the Hunter when they lose their jobs and all of New South Wales when power supplies are placed at risk? To show that there can be no misrepresentation I seek leave to table the letter from Premier Barry O'Farrell.

Leave not granted.

**Ms GILLARD** (Lalor—Prime Minister) (14:39): I say to the member for Paterson’s that once again if you deal with the facts and do not peddle falsehoods then things become clear. Let me just go through the facts.

Mr Baldwin: Mr Speaker, I rise on a point of order concerning relevance. I offered to give the facts in the letter, which she already has, and she refused to have it tabled.

The SPEAKER: Leave has been refused and I will not be putting that question to the House again. The House will come to order. The Prime Minister has the call.

Ms GILLARD: I say to the member for Paterson that I assume he probably does want to tell his constituents the truth. Let us go through each assertion he has put and actually get to the truth.

Opposition members interjecting—

The SPEAKER: The member for Sturt has been warned.

Ms GILLARD: Number one: on the question of energy generation and the impact of carbon pricing, let me refer him to a report released last month by the Minister for Resources and Energy. It is a report by Deloittes and I think he would find it
interesting reading. The report's modelling shows that delaying the introduction of a carbon price will cost Australian electricity users between $1 billion and $2 billion annually, rising to as much as $5 billion a year by 2025. That report is telling you that uncertainty about carbon pricing is causing difficulties with investment in energy generation, and we need to end that uncertainty. As the member knows, being a member in New South Wales, his constituents have seen increases in electricity prices.

Ms GILLARD: They have seen increases in electricity prices and that of course is not about a carbon price. There is no carbon price in operation now, so he cannot possibly be saying to his constituents that the current increases in their electricity bills relate to that. As he well knows, the current increases in their electricity bills relate to underinvestment in distribution networks. That underinvestment needs to be made up for. That is putting price pressure on electricity now and the last thing we should do is add to the uncertainty and add to underinvestment with all of the problems that that would spell for long-term power pricing, as outlined by Deloittes.

Let me go to the member for Paterson's claim about 13,000 job losses and let us try looking at the truth about that. He is referring to a study by Frontier Economics, which is from a few years ago and relates to the Carbon Pollution Reduction Scheme. What he should perhaps tell his constituents is that the Frontier modelling is showing that employment would still grow in the Hunter. That is the truth. More jobs in the Hunter. Then, he may want to tell his constituents the truth about the investments that this government is making in the Hunter to enable it to transition to a clean-energy future. For example, Newcastle is home to the Australian Solar Institute—a $150 million commitment as part of our clean energy initiatives. Is the member opposed to investment in solar energy and the Hunter?

Mr Baldwin interjecting—

Ms GILLARD: No he is not, he says. Then, that is co-located with the CSIRO Energy Centre in Newcastle. Is he opposed to that clean energy future?

Mr Baldwin interjecting—

Ms GILLARD: No, he is not. Then we committed $30 million to the Newcastle Institute for Energy and Resources. Is he opposed to that?

Mr Baldwin: It is a lie anyway.

Ms GILLARD: He is not sure about that one. And it stands alongside our $100 million Smart Grid, Smart City investment. Is he opposed to that?

Mr Baldwin: If only you managed it properly.

Ms GILLARD: I thank the member for Paterson for his support for our clean energy investments in his area. They are showing how a clean energy future can be built.

Pharmaceutical Benefits Scheme

Mr WILKIE (Denison) (14:44): My question is to the Prime Minister. Tasmanian grandmother Dorothy Thurley has been fighting bowel cancer for eight years and is being kept alive by a drug not covered by the PBS. Too sick to work, Mrs Thurley has applied for a credit card to help her cover the $60,000 a year cost of buying the drug, even though she is broke from spending $20,000 on another drug, which has stopped working. Why on earth are people like Mrs Thurley in such circumstances when we live in one of the richest countries in the world? Please, will the government reconsider its decision
to pause new PBS listings so that people like Mrs Thurley do not have to take out loans to save their lives?

Ms GILLARD (Lalor—Prime Minister) (14:45): I thank the member for Denison for his question. I understand that he is genuinely and deeply concerned about the circumstance of his constituent and I think many members in the parliament have seen similar representations from their constituents. You always want to try to give a helping hand, so I understand his motivation in raising this question and I am very concerned to hear about the circumstances of his constituent Mrs Thurley.

I assure the member for Denison that we continue to work through the processes that have guided Australian governments on pharmaceutical benefits listing. They are processes that have enabled us as a nation to afford medicines, to get them to people and to ensure that we share that burden equitably through our budgeting arrangements. Indeed, our PBS is very much envied by nations around the world. But in order for it to continue to work we need to go through stages of assessment.

First and foremost we need to take the advice of the Pharmaceutical Benefits Advisory Committee. They are the experts who make recommendations, and we cannot as politicians substitute our sense of what should be listed for what is on the PBS. We do have to listen to the advice of the PBAC. We of course respond to that advice. We work through and deal with the financial issues. The government is well used to that, because Labor has added 500 new medicines or brands to the PBS since coming to government, costing around $4 billion over four years. We continue to work through them and have listed a considerable number of new medicines. For example, we very recently listed, as a supported vaccine, pneumococcal vaccine. That was important, and we funded the catch-up program.

We will continue to do those assessments with advice from the Pharmaceutical Benefits Advisory Committee. There are always decisions to work through. There are always questions of how to deal with the funding of medicines. We work through them and will continue to work through them. I understand that the member is concerned about his constituent and I am very happy to keep him informed on this particular medicine as the government works through its assessments.

The SPEAKER: Order! The Prime Minister has concluded. I apologise that I did not see earlier that the member for Denison is on his feet.

Mr Wilkie: Mr Speaker, a point of order on relevance: my question goes to the fact that new PBS listings have been paused as a result of the budget. My question was: will the government—

The SPEAKER: The member for Denison will—

Honourable members interjecting—

The SPEAKER: Order! I could quite easily have indicated to the member for Denison—

Mr Pyne interjecting—

The SPEAKER: Order! I remind the member for Sturt of his status. Whilst I am not a high roller I might take a risk. The Prime Minister had indicated that she had finished her response. I had been distracted and had not called the member for Denison earlier. That is the only reason I allowed him to put on record what was to be his point of order. We are ready to move on. I now really regret that I talked about high rolling—in his presence especially!
Infrastructure

Mr NEUMANN (Blair) (14:49): My question is to the Minister for Infrastructure and Transport. How are the government's infrastructure investments through the economic stimulus package and the flood and cyclone reconstruction leaving a lasting legacy? How have these investments been received by the broader community, and what is the government's response?

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (14:49): I thank the member for Blair for his question. He is of course very proud of what this government has done, in particular for the Ipswich Motorway in Brisbane. We took the hard decision to invest in infrastructure during the global financial crisis, not only to stimulate the economy and to support jobs in the short term but to leave a lasting legacy in our communities, just like the government are doing right now through our flood and cyclone reconstruction package. Something like two-thirds of the roads that were damaged in Queensland have already been repaired and are open and running—a remarkable performance.

Through the stimulus we funded a number of projects. On Saturday night I was at an important opening—the opening of the Gold Coast stadium. I attended the first home game of the Gold Coast Suns to open and kick off the new stadium. On the way there I passed the construction site for the Gold Coast Rapid Transit system, another of our important infrastructure investments and the first ever Commonwealth investment in a light rail project. Construction is underway and jobs are underway on the Gold Coast.

Back in May 2009 we announced an allocation of $36 million for the stadium, the single largest allocation for a community infrastructure project. Just two years later it is built, opened on time and on budget. It was a sell-out game, with all 25,000 seats full. Seven thousand fans made the journey from interstate, particularly fans of Geelong. They got on planes, went to the Gold Coast and created jobs in tourism, jobs in the hotels, jobs in the restaurants and jobs at the venue—all tourism dollars going into the local economy.

Opposition members interjecting—

Mr ALBANESE: I am amazed that they seem to be opposed to job creation in our economy—but we know they are always opposed to everything. There were a few people there who were supportive on Saturday night. The Queensland Premier was there; the Gold Coast City Council mayor was there; even the local member was there—the member for Moncrieff—showing his support for the project. He did not bring his vuvuzela, so the crowd did not have that annoying noise. The member for Warringah has the opposition's vuvuzela, where he just says, 'no, no, no'. The fans were actually cheering on Saturday night, and so was the member for Moncrieff. Even though he voted against the stadium, he was there. Whether they vote against the stadium or they vote against the reconstruction that is taking place in Queensland, nothing can stop them turning up to a sod-turn or an opening—nothing whatsoever. They are always there for the ribbon cuttings; they are always there to claim credit. Yet when you raise it, when they have an opportunity to vote in this House, they are never there; they are always against it. But give him credit—at least he turned up to vote on the economic stimulus package, which is more than the Leader of the Opposition did because he missed six votes.

The SPEAKER: Order! The Leader of the House will come back to the question.
Mr ALBANESE: He could not be bothered speaking on the legislation and missed six votes—

The SPEAKER: The Leader of the House will come back to the question.

Mr ALBANESE: It is more than the member for Wentworth has missed in his entire career!

Honourable members interjecting—

The SPEAKER: Order! This is not the terraces at a football match. I would think that members could at least behave for a couple of minutes—even just a couple of minutes!

Mr Pyne: Mr Speaker, I rise on a point of order. I am assuming that you are going to ask the Leader of the House either to sit down or to return to the question he was asked, because he could not possibly be being relevant to the question he was asked.

The SPEAKER: The Manager of Opposition Business will resume his seat. The record will indicate that that was exactly what I was doing when everybody went into apoplexy. The Leader of the House has the call. He knows the requirement to directly relate his material to the response. He was straying a little bit, but I am sure that he will come back.

Mr ALBANESE: I do know indeed that it is relevant. It is relevant to know who has an interest in economics and job creation, because we know that the Leader of the Opposition has no interest in economics—just ask Peter Costello. We know his answer to everything is to oppose it—just ask Nick Minchin. We know he is a master of the negative—just ask John Hewson.

The SPEAKER: The Leader of the House will bring his answer to a conclusion.

Mr ALBANESE: All opposition and no leader.

Carbon Pricing

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (14:55): My question is to the Treasurer. I refer the Treasurer to his remarks in the House yesterday on the carbon price:

We will use every cent from that price paid to assist households and to assist industry.

Treasurer, is it not a fact that the government has committed to paying a proportion of the carbon tax revenue to the United Nations Green Climate Fund? How does the Treasurer reconcile that fact with his statement to the House yesterday?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:56): I thank the member for her question. She obviously has a deep desire to be the shadow Treasurer, but I am not sure that is going to happen any time soon.

Honourable members interjecting—

The SPEAKER: Order!

Mr SWAN: We have had a series of questions in this House which have sought to distort what Professor Garnaut has had to say and to distort what others have had to say.

Mr Simpkins: You said it! You said it yesterday!

The SPEAKER: The member for Cowan is warned!

Mr SWAN: I make no apology for the fact that we are going to use the revenue raised from the 1,000 largest polluters in our economy to give back and assist households and other climate change programs, and I have said that consistently. I have said it in terms of industry, said it in terms of renewable energy, said it in terms of all our responsibilities. Yet again, this is simply part of the scare campaign that those opposite are running because they do not have any alternative policy framework whatsoever.
We on this side of the House will concentrate on getting the fundamentals right in our economy and for the future. We will put our hand up to do the difficult things that are required in the economy to support jobs and to reduce carbon pollution. Those on that side of the House will just continue to be negative, with no alternative policy whatsoever. For them to come into this House and claim that they have got some knowledge or some expertise is simply incredible. They have come into the House and described the global financial crisis as a hiccup. They have come into this House and said there was another hiccup—

**Mr Pyne:** Mr Speaker, I raise a point of order. He was asked how he reconciled a comment yesterday with the facts. He has shown that he cannot reconcile it. Now he should sit down. He is merely engaging in rhetoric.

**The SPEAKER:** The Treasurer will relate his material directly to the question.

**Mr SWAN:** I certainly will, because we on this side of the House will concentrate on getting the big economic calls right. That is what we will concentrate on. We will have no part of the negative strategy that those opposite are following. We will get the big calls right, as we did during the global financial crisis, as we did when the floods hit Queensland and as is required with reducing carbon pollution.

**Social Inclusion Agenda**

**Ms RISHWORTH (Kingston) (14:59):** My question is to the Minister for Human Services and the Minister for Social Inclusion. Would the minister inform the House about how the government's Social Inclusion Agenda is ensuring that all Australians are treated equally and with respect? How has this agenda been received and what is the government's response?

**Ms PLIBERSEK (Sydney—Minister for Social Inclusion and Minister for Human Services) (14:59):** I really want to thank the member for Kingston for that very important question, because it is true that we on this side believe that all of our homes, our communities and our workplaces should be safe places, where people feel respected. Our government is helping to build resilient, stable and safe communities by undertaking things like changing our workplace laws; getting rid of Work Choices; working with the not-for-profit sector on building a national compact; taking a place based approach to ensure that the benefits of the mining boom flow, even to our most disadvantaged communities and our most disadvantaged people; focusing on long-neglected issues like mental health and homelessness and closing the gap on Indigenous disadvantage; and recognising that the success of government programs depends not just on what is delivered but on how we deliver those programs.

The relationships that we have as a government with our community have to be respectful and they have to be adult. When conflicts arise, we need to deal with those matters as adults. We need to argue on the issues based on the facts that are available to us. That is why it was so very disappointing today to see the attack on the Minister for Finance and Deregulation by Senator Bushby. In fact, estimates is a terrific opportunity for—

**Mr Abbott:** Mr Speaker, I rise on a point of order. Lest one of the standing orders about imputations and offensive words be infringed, I should indicate to the House that Senator Bushby has apologised to Senator Wong.

**Honourable members interjecting—**

**The SPEAKER:** Order!
Mrs Mirabella: Where were you when Belinda attacked an unborn child, feminist hypocrite!

The SPEAKER: Order! The member for Indi is not assisting at all.

Honourable members interjecting—

The SPEAKER: It may not be the time. The Leader of the Opposition has taken that opportunity to place on record something that he thinks of moment. The minister has the call.

Ms PLIBERSEK: First of all, Senator Bushby’s spokesperson said that Senator Wong was overly sensitive and using her gender to hide her overreaction to a simple request, but later, I acknowledge, the senator did tell news.com.au that he had not intended to attack Senator Wong because she was a woman. Senator Bushby said:

Her reaction to the issue of the secretary’s appearance was like that of an angry cat. It could have been a male or female cat. So I thought she was like an angry cat, the way they sometimes strike out. I like cats.

Honourable members interjecting—

The SPEAKER: Order! The minister will resume her seat. I simply say to the whole House that the House should proceed with absolute care.

Ms PLIBERSEK: Thank you, Mr Speaker. I think everyone in this House agrees that there is room for humour in this House and in the other place. I think we all agree that there is room for rough and tumble. I think we all know that politics is a business where there is a degree of conflict. But what I am tired of—and what so many women are tired of—is that whenever there is conflict we have the Leader of the Opposition and his senior shadow ministers reverting to this sort of sexist language.

Honourable members interjecting—

The SPEAKER: Order!

Mrs Mirabella: Remember Latham?

The SPEAKER: The member for Indi is warned!

Ms Julie Bishop: Mr Speaker, on a point of order, I would counsel the minister very strongly against adopting this tactic and I would ask her to withdraw the imputation she has just made against the coalition.

The SPEAKER: Order! I simply say again that, whilst it is often characterised that this is a robust chamber, there have to be limitations. I have placed on record that I am uncomfortable about the amount of debate that goes on in question time and I indicate that, if this is to be pursued by way of debate, it would be better if there were a question before the chair. I just hope that everybody takes that on board when the minister proceeds to conclude the response. I ask that people be very careful whether they have the call or not.

Ms PLIBERSEK: I will wind up, because—

Ms Julie Bishop: Mr Speaker—

Ms PLIBERSEK: No, I just want to finish this.

The SPEAKER: Order! The minister and the Deputy Leader of the Opposition will resume their places. Occupants of the chair have been placed in this predicament on many occasions and often come to the conclusion that the only basis for not requiring a withdrawal is that this is a robust chamber. Regrettably, I am in a position that I believe that this is a marginal call, but I am very discomfited by the proceedings. That is what I have tried to convey and that is why I would appreciate it if the House could slow down and lower the temperature of this discussion.

Ms Julie Bishop: Mr Speaker, I ask the minister to withdraw, and I repeat my request that she withdraw. In order to
conclude this debate with a degree of civility I ask the minister to withdraw.

Honourable members interjecting—

The SPEAKER: Order! The Deputy Leader of the Opposition will resume her seat. The Deputy Leader of the Opposition has now placed that on record twice. I have made a comment to that and I am now calling the minister, in conclusion.

Ms PLIBERSEK: Thank you, Mr Speaker, I am not in a position to withdraw the comments of other members of parliament and senators but I will say, as the Minister for Social Inclusion—

Honourable members interjecting—

The SPEAKER: Order! The minister will resume her seat. The Deputy Leader of the Opposition has now placed that on record twice. I have made a comment to that and I am now calling the minister, in conclusion.

Ms PLIBERSEK: Thank you, Mr Speaker, I am not in a position to withdraw the comments of other members of parliament and senators but I will say, as the Minister for Social Inclusion—

Honourable members interjecting—

The SPEAKER: Order! The minister will resume her seat. The proceedings are not being helped by anybody interjecting across the chamber. I would hope that everybody realises that there is a high degree of sensitivity at the moment. The Manager of Opposition Business on a point of order.

Mr Pyne: Mr Speaker, I rise on a point of order. The minister imputed that the Leader of the Opposition and senior members of the leadership team are sexist. I am a senior member of the leadership team, I take offence at that and I ask the minister to withdraw it.

The SPEAKER: I am not in the habit of marking homework, but that word was not used.

Honourable members interjecting—

The SPEAKER: Order! The minister has not changed my position. I have endeavoured to get members to focus on how close this is to being absolutely unseemly. The minister has the call, in conclusion.

Ms PLIBERSEK: Thank you, Mr Speaker. As Minister for Social Inclusion I have seen this government promote respectful relationships campaigns between young Australian men and women. We have asked our Defence Force young people to treat women better—

Ms Julie Bishop: Mr Speaker, I rise on a point of order. In far less sensitive circumstances than the one we are facing now you have required members to withdraw unconditionally and in the interests of civil debate they have done so. In relation to this matter, as a senior member of the leadership team of the coalition, I take offence at the imputation, the Manager of Opposition Business has indicated that he does, and I am sure the rest of my colleagues feel the same way. In the interests of civil debate, Mr Speaker, please ask the minister to withdraw and then we can move on.

Honourable members interjecting—

The SPEAKER: Order! This is now the third occasion that the Deputy Leader of the Opposition and the Manager of Opposition Business have put forward a point of view. I have emphasised the importance that that point of view has been put by those individuals. I have indicated my comments and I think that, without giving the direction, I have indicated that no matter how I characterise robust debate there is discomfort, but I am not taking it further and I have invited the minister to conclude her answer.

Ms PLIBERSEK: Mr Speaker, there is no place in this House of Representatives, in the Senate or in our committees for the sort of sexist language that we have heard today and for the sort of sexist language that we have heard in the past. As Minister for Social Inclusion I do not think it is right that half our population should feel excluded by this type of language.

Honourable members interjecting—

The SPEAKER: Order! The minister has concluded.
Mrs Bronwyn Bishop: Mr Speaker, I would refer you to page 501 of the Practice where it says:
It is not in order to use offensive words against, make imputations against, or reflect on another Member by means of a quotation or by putting words in someone else’s mouth.
The minister has been quite out of order and when she was asked to withdraw she properly should. She is quite out of order.

Emissions Trading Scheme
Mr ROBB (Goldstein) (15:13): My question is to the Treasurer. I remind the Treasurer that the government's former emissions trading scheme proposed to increase industry compensation over time, while Professor Garnaut proposes to reduce industry compensation over time. Treasurer, which one of these ideas is government policy?

Mr Dutton interjecting—
The SPEAKER: Order! The member for Dickson is warned.

Mr Dutton interjecting—
Mr Sidebottom interjecting—
Honourable members interjecting—
The SPEAKER: Order! The member for Dickson is saved by the member for Braddon. The House will settle down.

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (15:14): Professor Garnaut has produced a very good report, a quite important set of findings to deal with dangerous climate change which emphasises just how important it is to our future economic prosperity that we reduce carbon pollution. He makes the point so strongly that the cost of not acting is far greater than the cost of acting and, therefore, we as a nation need to come to grips with this fundamental challenge. We will come to grips with this fundamental challenge because everybody on this side of the House believes in the science of climate change, unlike those opposite. Everyone on this side of the House knows we have to do something about it. Those on that side of the House do not understand it whatsoever.

Dr Jensen interjecting—
The SPEAKER: The member for Tangney.

Mr SWAN: They are so politically opportunistic that we get questions like this day after day that are simply a nonsense. They know that the recommendations that Professor Garnaut has made will come to the government—

Dr Jensen interjecting—
The SPEAKER: The member for Tangney is warned.

Mr SWAN: and we will make up our mind in consultation with the multi-party committee about the direction in which we will go. But they want to come into the House, because they are so embarrassed about their clear lack of an alternative, and make all sorts of assertions which are simply not true. The thing they are most embarrassed about is the finding by Professor Garnaut that their so-called direct action policy, which is really a no action policy, will cost taxpayers billions and billions of dollars every year. This is what Professor Garnaut has had to say:
Other people's taxes have to rise to pay for expenditures under direct action.

Mr Robb: Mr Speaker, on a point of order: the question was extremely clear. Will the government propose to progressively increase or decrease compensation to industry? That was the question—nothing about direct action.

The SPEAKER: Order! The Treasurer will directly relate his response to the question.
Mr SWAN: We have made it very clear that we will use the revenue from the carbon price—which will be paid by the 1,000 largest polluters—first of all to assist households and then to assist industry and to invest in important climate change programs. We have made that absolutely clear.

Professor Garnaut has made a series of recommendations. We will follow some maybe and we may not follow some. We are considering these in a methodical way, working through all the issues with the multi-party committee, consulting with business and consulting with the wider community. That is the perfectly rational way to go about making policy and it is the way in which the Australian people expect us to go about making policy. But those on that side of the House have become so negative and so apparently bitter now that there is no rational thought process going on at all on the opposition front bench. If you listen to their questions today, question after question is simply being wasted. It has been an abject performance and one which reflects very poorly on all of them.

Tobacco Products

Mr GEORGANAS (Hindmarsh) (15:17): My question is to the Minister for Health and Ageing. What are the government's positions in regard to plain packaging of tobacco and the interaction of tobacco companies with the policy development process? How have these positions been received and what is the government's response?

Ms ROXON (Gellibrand—Minister for Health and Ageing) (15:18): I thank the member for Hindmarsh for his question. The member for Hindmarsh was a very heavy smoker some years ago and kicked his own habit and is living a much healthier life as a result of it, and I am sure he will have a long life as the member for Hindmarsh as well.

Yesterday I had the opportunity to congratulate the Leader of the Opposition for finally deciding to support our plain-packaging measures on tobacco. Of course, this is long overdue support for a measure that has been supported by the World Health Organisation, the AMA, the Cancer Council and many other health experts. It took the opposition over a year since this was announced to make up its mind that it would support this measure. That only came after a damaging split on the other side with a number of backbenchers expressing their views. So it is little wonder—

Opposition members interjecting—

Ms ROXON: The interjections will confirm the view of many Australians. It is little wonder that there are concerns about the influence of tobacco companies on public policy debate in Australia. The fact that the coalition has taken $3 million from big tobacco in the last 12 years would obviously raise questions for many. We know that they are the donor of choice for British American Tobacco—97 per cent of their worldwide donations coming into the pockets of the Liberal Party and the National Party.

Dr Southcott: Mr Speaker, a point of order on relevance: the question was on the government's position, how it has been received and what is its response. The minister seems to be devoting all of her answer to none of those three.

The SPEAKER: Order! The minister is responding.

Ms ROXON: Thank you, Mr Speaker. I can understand why a member who is a doctor when he comes to this House would be sensitive about this.

The SPEAKER: Order! The minister will come back to the question.

Ms ROXON: I was asked about the influences of tobacco companies on public
policy debate and that is absolutely what I am talking about. But, of course, there is good news. There is good news that the tide is turning. There is good news because internationally we are seeing conservative leaders like David Cameron refusing to take tobacco donations. At the state level we see Liberal Premier Colin Barnett refusing to take such donations. It is reported in the media today that there are a number of backbenchers who also support a ban on the coalition taking donations. I quote the member for McMillan. He is in the Age saying that donations should have ended during John Howard's time and 'I'm confident Tony Abbott will end this while he is the leader'. This is great news that Mr Abbott is apparently going to stop taking donations from tobacco companies. Of course, this would be a big turnaround from last Friday when he went on television asking for extra donations. Now there is an allegation or a suggestion that he might be preparing to change his position. I would like to offer the Leader of the Opposition an opportunity to come to a joint event—

The SPEAKER: Order! The member for Casey will sit down. The minister has the call.

Ms ROXON: I would like to invite the Leader of the Opposition, if these reports of a change of heart are indeed true, to come to a joint event. I know the Cancer Council, the AMA and many others would like to stand up together with every party in this parliament to say that tobacco donations are no more in Australian politics. That would be something we would be proud of.

Mr Tudge interjecting—

The SPEAKER: Order! The member for Aston is now warned.

Ms ROXON: We in fact could have a massive banner behind us saying, 'Mr Abbott has kicked his habit.' Unfortunately, we do not know if this is true. I call on the Leader of the Opposition to state whether he is going to refuse tobacco donations, take the lead from his backbench and start leading his own party.

Carbon Pricing

Mr RAMSEY (Grey) (15:22): Mr Speaker, my question is to the Treasurer. I refer the Treasurer to an article by Australian Workers Union National Secretary Paul Howes in The Australian Worker magazine, which reads:

The AWU has made it clear that not one Australian steel worker, aluminium worker, cement worker, glass worker or any other member should find their job security under threat because of the proposed Carbon Tax.

Has the Treasurer given Mr Howes a guarantee that no jobs will be lost as a result of the government's carbon tax?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (15:23): The very reason we are dealing with dangerous climate change and carbon pollution is so that we can preserve the jobs of the future, so our country does not fall so far behind, so that our important industries like steel and coal are not under threat from carbon tariffs. We understand the need to deal with carbon pollution. We also understand that, particularly when it comes to trade-exposed industries, there will need to be assistance. We understand that. It was understood by the previous government. It was understood by former Prime Minister Howard. It was understood by the member for Wentworth. It is not understood by this Leader of the Opposition and certainly not understood by the shadow Treasurer.

We have a commitment to supporting employment in Australia and making our economy much more prosperous. The only growth future that we have is a low-pollution growth future. If we do not begin to make a
move here, we will be left behind and so many of our important industries will be left stranded. But those on that side of the House do not have the gumption to stand up and take the really difficult decisions. We on this side of the House know how important it is to make sure we make the transition to a low-pollution economy of the future. So we drive the investment in renewable energy; that is why we need a price on carbon. We need a price on carbon so we can continue to be a great trading nation, so that all of those people who work in energy intensive industries are not discriminated against in international trade.

Mr Tony Smith interjecting—

The SPEAKER: The member for Casey is warned!

Mr SWAN: We understand all of these things because we understand the need to really embrace the big challenges of the future. Just as we had the gumption to stand up during the global recession, just as we have had the gumption to deal with the issues that have arisen from the floods in Queensland and elsewhere, we understand the importance of taking the hard decisions. Those on that side of the House do not understand that. They are not tough enough to face up to these challenges. The Leader of the Opposition over there wants to say no to everything. He wants to be a political opportunist.

Mr Ramsey: Mr Speaker, a point of order on relevance: I did ask the Treasurer about an Australian jobs guarantee specifically to Mr Howes. He is straying onto the opposition's attitude on carbon taxes.

The SPEAKER: The Treasurer will relate his comments directly to the question.

Mr SWAN: What motivates everybody in the Labor Party is jobs. That is what motivates everybody on this side of the House. That is what motivates us. We know your record when it comes to jobs.

Honourable members interjecting—

The SPEAKER: Order! The Treasurer will resume his seat until the House comes to order. The Treasurer has the call.

Mr SWAN: During the global recession, we on this side of the House stood up for Australian jobs and they sent up the white flag. Nothing was more embarrassing than the performance of the now Leader of the Opposition. He was up there in the dining room with the former Treasurer when the key vote was going on. He could not muster enough conviction to come into the House and vote for Australian jobs. Everybody remembers that evening in this House because they would not stand up for Australian jobs. They never have and they never will.

Mr McCormack: The only export industry we will have is jobs going out of the country.

The SPEAKER: Order! The member for Riverina should realise this is not the last minute of the adjournment and he has not got the call. He should sit there quietly if he wants to still be here for the last minute of the adjournment. The member for Reid, who has waited patiently, now has the call.

Carbon Pricing

Mr MURPHY (Reid) (15:28): My question is to the Minister for Climate Change and Energy Efficiency. Will the minister outline the government's plans to take strong action on climate change through the introduction of a carbon price? Why is it important that the policy design be based on fact? How have these plans been received and what is the government's response?

Mr Randall: Boring!

The SPEAKER: Order! If the member for Canning has come to that conclusion
already, he might voluntarily go, but he will sit there quietly if he is staying. The Minister for Climate Change and Energy Efficiency has the call.

Mr COMBET (Charlton—Minister for Climate Change and Energy Efficiency) (15:29): Thank you to the member for Reid for his question. To meet the challenge of climate change we need to embark on a long-term transformation of our economy. We have got to break the link between economic growth and growth in our pollution. We have got to continue to improve living standards, improve employment, improve growth, improve productivity, but do it in an environmentally sustainable way. Economies that make that transformation in the 21st century are the economies that will have the competitive edge. Tackling climate change by pricing carbon is going to position our economy to be competitive in the long term. To set up this country and our economy for that historic transformation we have to overcome some old mindsets. We cannot afford to revert to the old discredited, protectionist, anti-market instincts of the past. We have to continue with the tradition of economic reform that has characterised the last 25 years of public policy making in this country, in particular, and we have to be honest about the challenge that is ahead of us. The Leader of the Opposition is failing on both of those fronts. He attempts to deceive, to misrepresent the facts and he has abandoned economic reform.

Consider some of the deceptions and misrepresentations of the facts that the Leader of the Opposition has engaged in. A week or so ago he claimed that the Climate Commission's new science report vindicated his subsidies for polluters policy. In fact, when you look at the report it explicitly states that policies like subsidies for polluters 'have the potential to lock in more severe climate change for the future'. It is an explicit, wilful, misrepresentation of the facts. He has also consistently misrepresented Professor Garnaut's work, including in question time yesterday and again in question time today. He has completely misrepresented, deliberately and wilfully, the proposition put forward for an independent committee to consider the circumstances of setting targets and caps and making recommendations to government and parliament about them. He has been travelling around the country visiting regions and workplaces, consistently misrepresenting—

Mr Pyne: Mr Speaker, on a point of order: the minister must know that making such a charge against the Leader of the Opposition can only be done by a substantive motion, not by rhetoric, and I would ask you to ask him to withdraw it.

The SPEAKER: The qualifier that was used does put it into the bounds of something that I should ask the minister to withdraw. It changes the way in which it is constructed within the House.

Mr COMBET: I withdraw, Mr Speaker.

The SPEAKER: I thank the minister.

Mr COMBET: On his scare campaign, the Leader of the Opposition consistently refers to some modelling done under the Carbon Pollution Reduction Scheme by the Treasury and the scenario of a $26 a tonne carbon price and then goes on to completely misrepresent the findings in relation to the price impacts. One clear example on his scare campaign tour around the country has been his claim that there would be a five per cent increase in food prices when the publicly available modelling that he is relying upon clearly demonstrates and states a 0.6 to 0.8 per cent increase in food prices. He is completely misrepresenting the facts and totally and conveniently ignoring the fact that under that arrangement the
government had undertaken to provide generous household assistance. It goes on and on and on. The opposition leader's record on this issue is a disgraceful catalogue of serial misrepresentations, mindless negativity—no, no, no; stop, stop, stop—and it is unbecoming of a person who seeks the leadership of this nation.

Ms Gillard: I ask that further question be placed on the Notice Paper.

MATTERS OF PUBLIC IMPORTANCE

Carbon Pricing

The SPEAKER: I have received a letter from the honourable Leader of the Opposition proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The imminent threat posed by the government's carbon tax to key sectors of the Australian economy, particularly manufacturing.

I call upon those members who approve of the proposed discussion to rise in their places.

More than the number of members required by the standing orders having risen in their places—

Mr Abbott (Warringah—Leader of the Opposition) (15:34): It is very clear from the remarks we have just heard from, amongst other people, the Minister for Climate Change, that I am getting under their skin. I certainly am travelling this country. I am going to the workplaces of this country, particularly the blue-collar workplaces of this country, to alert the Australian people to the threat posed to jobs, in particular the threat posed to manufacturing jobs by the government's carbon tax. I will keep doing this. I will keep doing this, every day, while there is breath in my body, because the one thing that we need in this country is a viable manufacturing sector. If there is one sector of our country which is threatened by the government's carbon tax it is the manufacturing sector of this country.

Let us have no more talk in this parliament about big polluters, because all of those decent, honest Australian businesses, which are defamed day in, day out by senior members of this government, are not so much the big polluters but the big employers, the big exporters and the big providers of jobs in this country. That is what they are. Let there be no doubt about the intentions of the authors of this carbon tax legislation: they want to kill manufacturing industry in this country. They must kill manufacturing industry in this country, because manufacturing in this country cannot continue without power, and power in this country is absolutely dependent upon the burning of coal, the burning of gas and the use of oil. I say to members opposite: how many steel mills can you run on solar power? How many motor-manufacturing plants can you run on wind power? That is why I will travel right around this country, every day, while this parliament is not sitting, alerting the blue-collar workers of this country to the threat that this government poses to their jobs and their livelihood. These people who are so derided, so defamed, so blackguard by members of this government are absolutely essential to a modern economy. They are absolutely essential if the standard of living of every single Australian is to be maintained. The whole point of a carbon tax is to shrink and ultimately to close industries that emit carbon dioxide. That is the whole point of a carbon tax. There is no point having a carbon tax if it does not mean that we burn less coal, use less gas, use less petrol and use less power. If we do not do that, there is no point whatsoever to this carbon tax.

Let me start to go through just what this carbon tax is going to do to the manu-
facturing sector of this country. Let me appeal to members opposite who I suspect in their hearts do want to do the right thing by the workers of this country. I do not think all of them are as blind to reality as the Prime Minister and some of her colleagues. I think in their hearts they do want to stand up for the jobs of their constituents and for their union members. I want to lay down in this chamber some of the jobs that will be at risk if this carbon tax goes ahead. There are 1,300 jobs at Ford at Geelong. I know because I have been there. I am standing up for the jobs at Ford. What is the member for Corio doing for the workers at Geelong? What is the member for Corangamite doing for the workers at Geelong? I see the Special Minister of State at the table. In the electorate of Brand, there are 1,300 jobs at Alcoa at Kwinana. What is the minister doing for those jobs at Kwinana?

I see another minister at the table. What is he doing for the jobs at the steel mill in Western Sydney? Members opposite need to stand up for, in this case, the old Smorgon steel mill, now a OneSteel mill. Come on, mate, surely you are not so ignorant as to not know anything about the Smorgon steel mill in Western Sydney. You may not be interested in their jobs but you have not forgotten about the existence of the mill, surely.

Really and truly, right around Australia jobs are at risk in the electorates of members opposite and it is high time they stood up for them. There are 800 jobs at the Newlands coalmine in the electorate of Capricornia. There are 600 jobs at the Moranbah mine and 600 jobs at the German Creek mine. Also in the electorate of Corio, there are 3,300 jobs at Toyota at Altona. In the electorate of Calwell, there are around 1,900 jobs at Ford at Broadmeadow. All of these jobs are at risk under this government's carbon tax and it is high time that members opposite started standing up for the jobs of their constituents. It is high time that members opposite stopped making excuses for a floundering Prime Minister, stopped defending a policy that is obviously failing and started standing up for the jobs of their members.

We know that the Prime Minister is not interested in the 500 jobs at OneSteel Laverton. We know she is not interested because I went there and the workers said to me: 'Where is the Prime Minister? She doesn't want to protect our jobs. She wants to hit us with a carbon tax that will put all of those jobs at risk.'

I see the Chief Government Whip, the member for Hunter. What are you going to say, Joel, for the 600 jobs at the Wambo coalmine, the 600 jobs at the Mount Thorley coalmine and the 600 jobs at the Mt Owen coalmine? What are you going to say about that, Joel? Stand up for the workers of your electorate and say no to this carbon tax. Be less interested, Joel, in staying on as Chief Government Whip and more interested in protecting the jobs of the people that you are pledged to represent in this parliament.

The DEPUTY SPEAKER: Order! The Leader of the Opposition will refer to the Chief Government Whip by his title and not by his name.

Mr ABBOTT: I am sorry, Mr Deputy Speaker, I do apologise. I was trying to touch the member for Hunter's deeper and finer feelings. I know that, deep down, he wants to protect the jobs of his members and I am putting to him that the only way to protect the jobs of his members is to sacrifice the job of this Prime Minister.

But it does not stop there. I have already spoken about BlueScope Steel and the more than 5,000 jobs at Port Kembla. What has the member for Throsby done to stand up for the workers of BlueScope Steel? What has the
member for Cunningham done to stand up for the workers of BlueScope Steel? What have those Illawarra members done to stand up for the 2,000 jobs at Illawarra Coal? One thing we know is that the carbon tax is a dagger aimed at the heart of the coal industry, even under the government's own modelling. By 2020, there will be a 35 per cent reduction in coal production and 13 per cent in coal investment, so what are all of those members opposite who represent coal seats going to do to stand up for that industry?

We have 2,700 jobs at Holden at Elizabeth in South Australia. What is the member for Wakefield doing to stand up for those jobs? We have 851 jobs at Alcoa in Gove, in the Northern Territory. What is the member for Lingiari doing to stand up for those jobs? We have 560 jobs at Alcan at Bell Bay. What is the member for Bass doing to stand up for those jobs?

There is one party in this House today that is determined to protect as far as it reasonably can the jobs of the manufacturing workers of this country, and it is the Liberal-National party. The people who are being completely betrayed by members opposite are the manufacturing workers of this country. I am happy to defend, day in, day out, the right of our power stations, our steel industry and our aluminium industry to continue to exist in this country, because, unlike members opposite, I understand that those industries are vital to a First World economy, and I want Australia to continue to be a First World economy. I want Australia to continue to be a country where people make things.

That is what it comes down to in the end: are we going to be a country which manufactures things or are we going to be a country which says goodbye to all of that in the name of misguided green zealotry? Does anyone think for a second—

Mr Fitzgibbon: Do you have anything of substance to say?

Mr ABBOTT: Isn't it typical of this government that this man up the back does not speak up for the jobs of his workers but all we get is more inane bluster from members opposite. That is all we ever get from those people.

If this carbon tax regime comes in and we lose our steel industry, aluminium industry, cement industry, glass and plastics, does anyone think that we are not going to continue to use all those substances? Of course we are going to use them. They will be imported. That is the whole point. Under this carbon tax, we will export jobs and we will import emissions. That is the truth. That is what this government is doing to the manufacturing heartland of our country.

We will stand up for the workers of this country. We will stand up for the 45,000 workers who, even on the government's own figures, will lose their jobs in energy-intensive manufacturing.

Mr Fitzgibbon: You're making it up as you go along. You're embarrassing yourself.

The DEPUTY SPEAKER (Hon. Peter Slipper): The Chief Government Whip will remain silent!

Mr ABBOTT: We will stand up for the 126,000 workers who will not be employed in regional Australia as a result of the government's carbon tax. We will stand up for the 24,000 mining workers—particularly the coal workers of the Hunter and the Illawarra—who will lose their jobs under the government's carbon tax. We will stand up for these workers. I say to the manufacturing workers of this country: you have a friend in the coalition.
Mr Fitzgibbon: This is a leadership speech. This is about Malcolm.

The DEPUTY SPEAKER: The Chief Government Whip will remain silent for the rest of the leader's contribution!

Mr ABBOTT: We will stand up for the workers of this country. I say to members opposite: if you have any residual concern for the ethos of the old Labor Party, if you have any instinctive sympathy for the Labor Party of John Curtin and Ben Chifley—

Mr Fitzgibbon: This is embarrassing, Tony. Where's your substance?

The DEPUTY SPEAKER: I warn the Chief Government Whip!

Mr ABBOTT: junk this toxic tax and do what is best, do what is right, do what is necessary for the workers of this country whose jobs are currently at risk.

Mr Fitzgibbon: That's a good one, Tony. That'll get the troops back!

The DEPUTY SPEAKER: The Chief Government Whip will remain silent!

Mr ABBOTT: This carbon tax is a watershed for our country because it poses the question, in the starkest possible terms: what do we want to be as an economy? Do we want to be an economy that manufactures things or do we want to be an economy which is in thrall to green zealotry? The Chief Executive of the Federal Chamber of Automotive Industries, Andrew McKellar, speaking of the carbon tax, said:

… we won't have green jobs, we will have green unemployment.

The Chairman of BlueScope Steel, speaking of the so-called compensation for manufacturing industries that the government is talking about, said:

It's simply a Band-Aid on a bullet wound.

Even Paul Howes, the National Secretary of the Australian Workers Union, has said:

Carbon pricing could be the straw that breaks the camel's back as far as some industries are concerned. … If one job is gone, our support is gone.

That is the test that members opposite should lay down for the Prime Minister. If the Prime Minister cannot realistically guarantee manufacturing jobs, mining jobs, coal jobs, power jobs, they should withdraw their support for her; they should get rid of her. Most of all they should get rid of this toxic tax.

Mr CLARE (Blaxland—Minister for Defence Materiel) (15:49): What a load of nonsense!

Mr Hunt: Mr Deputy Speaker, I rise on a point of order. For the benefit of the minister, I seek leave to table a map of the Rooty Hill steel mill.

The DEPUTY SPEAKER (Hon. Peter Slipper): There is no point of order.

Mr CLARE: For the benefit of the shadow minister, I might table a map of my electorate to show that Rooty Hill is not in it.

Mr Hunt: It's in Western Sydney!

Opposition members interjecting—

The DEPUTY SPEAKER: Honourable members on my left will contain themselves.

Mr CLARE: We heard 15 minutes of diatribe about jobs. It is worth asking yourself the question: if the Leader of the Opposition really cared about jobs, where was he when the stimulus package was voted on in this parliament, a stimulus package that stopped Australia going into recession and protected 200,000 jobs?

Mr Hunt interjecting—

Mr Robb interjecting—

Mr CLARE: If you cared about this, you might hang around. It was a stimulus package that stopped Australia going into recession and protected 200,000 jobs. That is the equivalent of two Olympic stadiums worth of people who had their jobs saved
because of a stimulus package here. Where was the Leader of the Opposition when that vote was occurring? Was he on this side of the chamber? Was he on that side of the chamber? No. He was asleep on his couch in his office. That is how much the Leader of the Opposition really cares about jobs. He is happy to come in here and talk about it, but when there is a vote to protect jobs he is nowhere to be seen—he is lying on his couch.

Since Adam was a boy, we have always had scare campaigns. One hundred and ten years ago, there were scare campaigns about giving women the vote. Sixty years ago, there were scare campaigns about the 40-hour week. Twenty years ago, there were scare campaigns about native title. We had people on the other side of the chamber saying that you were going to lose your backyard. All of it proved to be false. All of it eventually proved to be nonsense. When we cut tariffs and when we introduced compulsory superannuation, there were exactly the same arguments being made then that were just made by the Leader of the Opposition. Go back and have a look at the Hansard from 1992 and you see Liberal after Liberal after National after Liberal telling us that jobs are going to be lost. Senator Panizza said:

The worst case scenario—

this is on the introduction of compulsory superannuation—

is the loss of 100,000 jobs ... there are 100,000 jobs on the line ... and I can see those 100,000 jobs quite easily going out the door within a very few years.

Senator Watson said rising unemployment would occur and it would 'exacerbate poverty and hardship'. Senator Crichton-Browne said superannuation would reduce economic growth, add to unemployment, create inflationary pressures, reduce savings and reduce living standards. Allan Rocher, the then member for Curtin, said it would be 'a tax on jobs'. All of this was nonsense and was proved eventually to be false. So what occurred? The opposite. Instead of the loss of 100,000 jobs what we got was the creation of 60,000 jobs and a whole new industry with $1.4 trillion in savings, the fourth biggest managed fund in the world. You can see by the arguments that the Liberals made then and by the arguments that they make now that this is just a scare campaign.

The Leader of the Opposition talked about his travels around the country and it went from the sublime to the ridiculous. It probably went from the ridiculous to the ridiculous. He started in Whyalla in April and said that a carbon tax would wipe Whyalla off the map. Then he talked about his trip to Geelong. He went there and said that this will be the final nail in the motor industry's coffin in Australia. He went on to say this would spell disaster for Australia as a First World economy, so he was basically saying Australia was going to become a Second World or a Third World economy. Then he went off to Weet-Bix and said that a carbon price was going to effectively destroy breakfast. This is from Tony Abbott, the Leader of the Opposition, who only two years ago—and it puts things in perspective and tells you the type of man he is—said when talking about a carbon price on Sky on 29 July 2009:

I think if you want to put a price on carbon why not just do it with a simple tax.

Now apparently it is the greatest disaster to hit Australia in its history and apparently it will turn Australia into a Third World country. But it is not just the Leader of the Opposition who is making these ludicrous, ridiculous claims. When we were debating this issue in another MPI, in March this year, the member for Indi was speaking opposite and she said this:
The future under a carbon tax is the single greatest disruption to the Australian economy and the destruction of Australian jobs that we have ever seen.

What about the Great Depression with 29 per cent unemployment? But, no, introducing a carbon tax, according to the opposition, would lead to the 'greatest destruction of Australian jobs that we have ever seen'. Then you have the member for Murray. Remember that on Monday she said that Heinz was moving from Australia to New Zealand because Australia was introducing a carbon tax. The problem with that is that New Zealand already have a carbon price. They introduced an emissions trading scheme in 2008. But that did not stop the member for Murray, because she went out on the doors and said:

Well New Zealand is talking about climate change action, yes, but they're watching to see what happens in Australia. They have not moved yet, they're saying what Australia might do we might do but that is, I think, code for we'll make sure we remain more competitive than Australia when it comes to energy costs.

What a load of baloney! What a load of absolute nonsense! They moved three years ago. So that is where the scare campaign has ended, with an opposition that is just making things up. It is making up nonsense and complete fantasy—just like the bloke last week, Harold Camping, who promised the rapture was coming last month and just like Donald Trump who ran around America calling for the President of the United States to release his birth certificate. Well, now you have the Leader of the Opposition—all Trump, no toupee—running around, really great at making headlines but just speaking nonsense.

It is time that we talked about the two plans that are at stake here in this parliament, because there are two plans. Both parties have committed to doing something about climate change and both have committed to cutting carbon pollution by five per cent. Both have got a plan to do this and the focus of this debate should be on the relative merits of both plans as to which one is the best for Australia. With the government's plan, we have proposed to introduce a carbon price. It would be fixed for three to five years and after that period of time we would move to an emissions trading scheme. The advice from Treasury is that this is the cheapest way to cut carbon pollution. That is why John Howard adopted the same approach. To help families and pensioners deal with any changes, we will provide generous household assistance. One of the ways to do this, and the Prime Minister has said this, could be through tax cuts.

There is another plan, as the Leader of the Opposition also has a plan to cut carbon pollution. Under his plan, the government taxes all Australians and uses that money to give big polluters an incentive to cut their own emissions. According to the Leader of the Opposition, this will cost about $10 billion of taxpayers' money. Of course, there is no guarantee that it would work. According to Treasury, the opposition's scheme will increase emissions by 13 per cent, not reduce them. To actually cut emissions by five per cent, which is the opposition's target, would cost taxpayers about $30 billion. The member for Wentworth was on Lateline a few weeks ago and he explained why this is the case. He said:

... a direct action policy where the Government—where industry was able to freely pollute, if you like, and the Government was just spending more and more taxpayers' money to offset it, that would become a very expensive charge on the budget in the years ahead ...

Mr Fitzgibbon: I think Joe understands that.
Mr CLARE: I think he does. In effect, this explains why the member for Wentworth, in his contribution to the CPRS debate last year, said this would be fiscal recklessness on a grand scale. So companies keep polluting and taxpayers keep paying and potentially a whole lot of taxpayers' money is flushed down the toilet and the pollution goes up rather than down. It is the sort of plan that you have when you do not think that climate change is real. Well, it is real. Climate change is happening and human beings are contributing to it and it is a serious challenge. Cutting carbon pollution in our economy is not an easy task. It involves hard economic reform, effectively severing the link between economic growth and the growth in the amount of carbon dioxide that the economy produces. It is not easy but we have to do it. It is simply in our economic interests to do it. There will be a binding international agreement in the years ahead and Australia will have to comply. If we act now, Australian companies will have time to adjust. We can reduce the amount of carbon pollution we produce gradually, over time, and that will help to support Australian companies and support Australian jobs, but the longer we wait, the faster, eventually, we will have to cut our emissions, and that invariably will hurt Australian companies and hurt Australian jobs. That is why it makes economic sense to act now.

There has been some discussion here about what other countries are doing. India has a carbon tax on coal. China is launching a pilot emissions trading scheme in six provinces, including Beijing and Shanghai, in 2013. The US has committed to a 17 per cent reduction in emission levels by 2020. The United Kingdom produces about the same amount of emissions as Australia. Their Conservative government announced just last week that they will cut their emissions by 50 per cent by 2027. And here we are, producing roughly the same amount of emissions as the United Kingdom, and we are having a fight about cutting emissions by five per cent.

The British Prime Minister, of course, is not the only conservative leader to be doing something serious about climate change. As Paul Kelly pointed out in the *Australian* today, it is conservative governments around the world that have been leading the fight to tackle climate change. Whether it is Germany, Britain, France or South Korea, or the former Governor of California, it is conservatives who have led the way. Even in Australia, every single former leader of the Liberal Party supports taking action to cut climate change through putting a price on carbon—but not the current Leader of the Opposition. Andrew Peacock, John Hewson, Malcolm Fraser, Malcolm Turnbull and even John Howard all support putting a price on carbon. If Robert Menzies were alive today, I suspect he would back it as well.

But not this Leader of the Opposition, because he is in the embrace of the same people who thought that smoking did not cause cancer. Remember those debates in 1995 about whether smoking was addictive and whether smoking caused cancer? Senator Minchin, the man who put in a dissenting report to a Senate report in 1995, said he did not believe that smoking was addictive and did not believe that passive smoking caused cancer—the same person who helped the Leader of the Opposition get a job. There is another member of this parliament who in 1995 said: 'I say to those people who believe tobacco is a dreadful product: make your case. They have not done so.' These people in the House and in the Senate, the people who thought smoking did not cause cancer, are the same people who think that climate change is not real. And they are the same people who in the party room last week said to the Leader of the Opposition that even
they thought he was being too negative, because now the Leader of the Opposition does not even support the Howard government's policies. Things he supported when he was a member of the Howard government he is now opposing—proof, if you ever needed any, that this is all just about politics.

The Leader of the Opposition is very different to John Howard. He opposes everything and stands for nothing. Remember what John Howard was like when he was the Leader of the Opposition? He supported reforms like floating the dollar. He supported reforms like cutting tariffs. But not this Leader of the Opposition. The answer to every single question we ask of this Leader of the Opposition is no. If we put a motion into this House supporting motherhood, the answer would be no. If we put a motion into this parliament supporting the Queen Mother, the answer would be no. If we put a motion into this parliament supporting the Queen and the Queen Mother, if we had a motion that entrenched the constitutional monarchy forever, he would oppose it. If we had a motion supporting budgie smugglers at the beach, he would oppose it. He opposes everything and stands for nothing. He is like that guy in drag in *Little Britain*: 'Computer says no'—except that in this case it is, 'Abbott says no.'

The people of Australia deserve better than that. They pay us money to come to Canberra to work together on the big reforms and the big issues to make this a better place. They expect us to work together. They expect something better than somebody who sleeps on a couch during important divisions and when he is awake just says no. *(Time expired)*

Mr HOCKEY (North Sydney) (16:04): Economic growth slumped by 1.2 per cent in the March quarter. This was the first quarter of negative growth since the financial-crisis-induced fall in the December quarter of 2008 and was the biggest decline since the March quarter of 1991 during the Keating 'recession we had to have'. Annual growth fell to just one per cent. Growth was heavily impacted by the cyclone and floods earlier this year and by the earthquake and also the tsunami in Japan, as I said in my press conference. This reduced production and export of key commodities, particularly coal.

These factors are temporary and of course will unwind through the balance of this year as production and exports recover, but this episode highlights the increasing importance of the mining sector to the Australian economy. It only accounts for 10 per cent of production and two per cent of employment, but it contributes more than half of our exports. This more prominent role of mining is a strength while times are good, but it also increases Australia's exposure to disruptions to the industry and to volatility in offshore markets. The disruptions to production and exports of commodities, particularly coal, from the cyclone and floods led to a plunge in net exports which cut a massive 2.4 percentage points off economic growth in the quarter. This shows clearly that, when the mining industry coughs, Australia catches economic pneumonia.

Thankfully, the international environment generally remains positive for Australia. The terms of trade rose another six per cent and are now at the highest for a century and a half. Business investment is very strong, with investment in machinery and equipment up six per cent and investment in non-dwelling construction up 1.3 per cent. Separate data on business investment shows that much of this strength is actually coming from the mining industry, as I pointed out at the National Press Club. Nevertheless, households remain cautious. They are still spending but at a moderate pace. Spending
on retail was relatively flat, but this was partly because households had to spend more on petrol, education and rent. It is no surprise that households have to reduce their spending on the things they want to buy when they have to find money for things they actually need.

Spending on interest payments on mortgages and other household debt rose further, an indication of the impact of the seven increases in interest rates since late 2009, and particularly what the last one did on Melbourne Cup Day, followed by a significant increase by the banks above and beyond the move in the reserve and the impact that had on household budgets. Households are now spending a massive $21 billion on interest every three months to service their debts. Effective interest rates paid on borrowings by households are now higher than they were over the average of the Howard years. The bad news is that interest rate pressures will intensify as this government continues to compete for scarce funds through its ongoing deficit-fuelled spending binge.

Savings by households continue to rise and are around the highest level for several decades. On the one hand that is good but on the other hand it indicates that there is caution in Australian households, and the caution is linked back to the fact that borrowing for housing is increasing at its slowest pace in a generation and prices of houses are softening.

Today's data also highlights the difficulties being faced by the non-mining sectors of the economy, particularly manufacturing, which contracted by 3.1 per cent over the year. This is a struggle under the impact of higher interest rates, but particularly the Australian dollar. The rise in the Australian dollar to the highest level since the currency was floated in December 1983 is hurting trade-exposed industries. It is squeezing those export industries that are not linked to mining. It is also creating issues for import-competing industries such as the motor vehicle industry and business input and consumer goods producers. Both of these factors are heavily influenced by the government's continued heavy borrowing program, with demands on the capital markets of $49 billion this year and a further $23 billion next year.

The data shows that the growth pattern across the country is patchy. The strongest performing state is the Australian Capital Territory, with growth in the quarter of 3.3 per cent. That is not really surprising given that the Labor government is employing more and more public servants here in Canberra. Output dropped in South Australia, the Northern Territory and Queensland—

Mr Perrett: Mr Deputy Speaker, I rise on a point of order concerning relevance. The word 'manufacturing' has been mentioned once in six minutes and the carbon tax has not been mentioned at all.

The DEPUTY SPEAKER (Hon. Peter Slipper): A matter of public importance debate is wide ranging. I call the honourable member for North Sydney.

Mr HOCKEY: Queensland, of course, has been the most heavily impacted as a result of the natural disasters. The latest snapshot of the economy shows the underlying resilience in the economy is entirely the result of good luck in recent times rather than good management. The economy is receiving the biggest boost from offshore in a very long time, certainly much bigger than anything the coalition had during its years in government. We might expect that this government would be acting to leverage this bountiful windfall with sound policies to lock in a sustainable future.
Unfortunately, that is not the case. The government continues with its wasteful spending. Households are being careful with their money whilst the government just seems to be spending more. And the Treasurer had the audacity to stand in this place boasting about a surplus. What surplus was he referring to? Was it the surplus he might deliver in two years time. He said 'we are making the savings'—the savings that in the next fiscal year he is actually going to outspend by $2.5 billion, which illustrates the fraudulent words of the Treasurer in this place. But what is most concerning for households is that, while they are being asked to pull back and live within their means, the government is not doing so. The government is wasting money hand over fist, from set top boxes to an extra $110 million dealing with their pink bats issue.

From our perspective the greatest risk to the Australian economy is the impact of the carbon tax, the mining tax and the flood levy. At this particular point in time, after we have just had a full quarter of negative growth, albeit a headline negative growth, and after we have just had three months of the economy going backwards, what is the very worst thing the government could do? It would be to penalise households with a flood levy, to penalise the mining industry with a mining tax and to penalise every Australian with a carbon tax. Those initiatives alone are going to have a very real impact on the confidence levels of Australian households, but in particular they will have a devastating impact on Australian manufacturers, who are already struggling to compete with offshore players who have a massive currency advantage. The fact of the matter is that the Australian dollar is incredibly strong against the US dollar, and therefore their currencies have come down as well, which means that they have a competitive advantage against Australian manufacturers.

So, at a point in time when Australian manufacturers are being hit with the impact of a high Australian dollar, at a point where Australian manufacturers are struggling to deal with some of the capacity challenges that the government identified in last year's budget but did nothing about and at a time when Australian manufacturers are asking themselves whether it is time to move their operations offshore, what does this government do? It introduces a carbon tax that makes everything manufacturers produce here in Australia more expensive. That is the logic of the Labor Party's economic policy—to make life harder, not easier, for manufacturers, for Australian households and for so many of the people who are already being left behind by the mining boom. This economy is being left in the hands of incompetent amateurs. It is time to get the mature people back in charge. It is time to have an election on the carbon tax.

Mr STEPHEN JONES (Throsby) (16:14): If you are going to come into this place and raise a matter of public importance on the impact of government policy on the manufacturing sector; if you are going to come into this place and profess—the Deputy Speaker (Hon. Peter Slipper): The member for Throsby ought not use the word 'you' because it refers to the occupant of the chair. I am in this place because I am in the chair.

Mr STEPHEN JONES: I thank you for that guidance, Mr Deputy Speaker. If somebody is going to come into this place and profess a love for workers in the manufacturing industry, they need to do it with some credibility. The fact is that those opposite—particularly the Leader of the
Opposition—have absolutely no credibility on this issue.

Those opposite profess a love for the manufacturing industry and manufacturing workers. If they have a love, it is a very modern love affair. When you look at their record when it comes to the manufacturing industry and manufacturing workers in particular, it is a dismal record. Between the years 1996 and 2007, that mob over there, who profess to be in there in defence of manufacturing workers, oversaw the absolute obliteration of jobs in the manufacturing industry. Over 10,000 jobs were lost in the manufacturing industry when that mob over there last had the opportunity to do something about the sector. That is about 1,000 jobs per annum, or 20 jobs a week. So when the Leader of the Opposition stands here and says to workers in the manufacturing industry, 'I am your friend; I have your interests at heart,' those workers need to look at his record—and his record is pretty damn ordinary. Over 1,000 jobs per annum were lost on the opposition's watch—20 jobs a week.

But it did not just come to job losses. When the Leader of the Opposition was last focusing on industry and workers it was because he was out there spruiking the Work Choices legislation. But as he makes his fear tour around the electorate in 2011 he will not be going around the manufacturing plants talking about his last love affair—the love that dare not speak its name, his love affair with Work Choices. He cannot tell the workers in those manufacturing plants that the two pillars of his last love affair were to make it easier for employers to sack their workers. This bloke who comes in here and says he has love and affection for manufacturing workers was, when he last had a chance, introducing laws and defending laws in this place to make it easier for bosses to sack their workers and to cut their wages and conditions.

I have had a look at the outcome of the opposition's Work Choices legislation when it came to workers, particularly manufacturing workers. Over 70 per cent of workers on Work Choices AWAs lost their shift loadings, 68 per cent lost their annual leave loadings, 65 per cent lost penalty rates, 49 per cent lost overtime loadings and 25 per cent no longer had public holidays. The man who comes into this chamber professing a love affair for manufacturing workers does that on the basis that he hopes workers in the manufacturing industry have a very short memory indeed. Those opposite have no credibility on this issue and they have no policy.

The policy of those opposite in this area is quite simple. It can be summarised as follows. Those opposite want ordinary workers, including workers in the manufacturing industry, through their taxes, to subsidise big polluters for the ability to continue to pollute and for the obligation to reduce their pollution. They want ordinary workers, ordinary taxpayers, to go out there and subsidise the polluting activities of big business. We on this side of the chamber say that that is bad public policy. We believe that the most effective way to get a change in our economy and to reduce carbon pollution is to put a price on carbon and ensure that it is the big polluters who pay, not ordinary workers.

It is not surprising that the member for Wentworth—in fact, the last two members for Wentworth—have found it very difficult to defend the direct action policy. We understand that it is going to cost ordinary workers—those whom in the chamber today he was proposing to protect—around $720 per annum and to cost the economy around $30 billion. It is not surprising that when those opposite went to their focus groups and
said, 'We've got a policy and we're thinking of calling it the Taxpayer Funded Pollution Scheme' that their focus groups and their media spin advisers said: 'That just won't work. We'd better come up with a tag like "direct action".' But the people of Australia will not be fooled. They know this is a taxpayer funded pollution scheme. It is no surprise that the current member for Wentworth finds it very difficult to defend. The previous members for Wentworth find it even harder to defend, and I would not be surprised if those opposite are seeking to abolish the seat of Wentworth retrospectively to do away with their embarrassments.

There is a risk to manufacturing, and that is the risk of being left behind. There is no chance that Australia is going to be at the head of the pack, because the rest of the world is already acting—and they are already acting decisively. If we do not act it is going to become all the harder for us to retool in our manufacturing industry, for us to reinvest and for us to do the things we need to do to protect jobs and protect this vital part of our economy.

The other risk to manufacturing, of course, is the uncertainty created by those opposite. We know that investors are very nervous indeed at the moment about making any long-term investments in the manufacturing industry or in electricity generation because they are uncertain as to whether we are going to have a bipartisan policy on this issue. When they are making 20- and 30-year investments, they are concerned that those investments will be completely undermined by the policies of those opposite. It is this uncertainty and this lack of a bipartisan approach to dealing with climate change that are the real threats to investment in manufacturing at the moment. That is without mentioning the threats that we currently face, and the case of Qantas which, we learn this week, is going to have border adjustments imposed on it by the European Union. These are the threats facing us from not introducing a plan to deal with climate change, from not putting a price on carbon.

Those opposite came in here earlier today and proposed a love affair with the manufacturing industry. We know it is hypocrisy. We know it is hypocrisy because when they were last in government they oversaw the massive loss in manufacturing industry jobs. We also know that if they got into government again they would further take the axe to the manufacturing industry. In fact, the coalition's plan is to make massive cuts to industry programs. The Leader of the Opposition says that they want to protect jobs in the car industry, but the reality is that if the coalition had their way they would cut half a billion dollars from the Automotive Transformation Scheme.

The Automotive Transformation Scheme provides investment in research and development that increases the competitiveness and productivity of our automotive industry across the entire supply chain. So those who profess a love for manufacturing and manufacturing workers are at the same time planning to take the hatchet to the plans that are going to give workers in these industries a real future. They say that they are proposing to protect jobs in manufacturing industries but at the same time they are proposing to slash funds for Enterprise Connect, one of the main support programs for emerging manufacturing firms. They are proposing to cut over $100 million from Enterprise Connect, a program which has assisted over 7,500 firms.

On this point there is absolutely no credibility from those opposite, whereas we on this side of the chamber know that we have a challenge in the manufacturing sector and the challenge is one brought about by the
fact that we have a very high Australian dollar. That is a sign of confidence in the Australian economy, a sign of international confidence in the Australian economy, and we know that we have to assist our vital manufacturing sector to make it through these difficult and challenging times.

Mrs MIRABELLA (Indi) (16:25): The manufacturing sector is critical to Australia. One million Australians work in this sector. It may interest the member who has just spoken to know that during the time of this Labor government 550 jobs a week are lost in manufacturing. I will repeat that so that he adds it to his little notebook: 550 jobs a week are lost by this government. Who has cut $1.8 billion from industry assistance? That would be his minister, Minister Carr, who thankfully resides in the other place. So let us not get too hypocritical about this issue, because all you need to do is not listen to the coalition if you do not want to but listen to industry? Why don't you listen to industry when it says that a carbon tax is, as Paul O'Malley from BlueScope Steel said:

… clearly economic vandalism. It clearly says we don't want manufacturing in Australia.

We hear that carbon pricing could be the straw that breaks the camel's back as far as some industries are concerned. 'If one job is gone our support is gone.' That quote is not actually from industry; it is from Paul Howes. Of course he was pushed into a corner by the most powerful branch of his union and he was forced to stand up for them. He said that—one of the faceless men who put the Prime Minister in her job. But apparently he does not even get to have a say in this. Bob Brown is even more important than him.

We also hear what will happen if we act unilaterally—we will just export our industries and export our jobs. It was Graham Kraehe, Chairman of BlueScope Steel, who said:

… a tax on carbon produced in steelmaking is fine as long as the Chinese, Koreans, Japanese, Indians, Russians, Americans, Brazilians and others have a similar tax.

If this is not the case Australia will simply transfer the carbon generation to countries without a carbon tax and accelerate the hollowing out of Australia’s economy.

They are not alarmist words; they just state the fact. They state exactly the fact and what has happened in other nations. The business sector wants this Prime Minister to stop trying to club manufacturing out of existence. The workers who work in this sector want the Prime Minister to stop seeking to punish them, to stop trying to label the very successful and innovative businesses in which they work as environmental vandals. We do not want to see these industries legislated out of existence; nor do these businesses that are filled with decent, hardworking Australians, that have invested in this nation, that are fighting for their life at the moment, want to see jobs go in Australia. What a contrast that is to the vainglorious politicians and the celebrities who lecture everyone else about how they should lead their lives, who lecture everyone else about the sorts of things they can afford and what they should do to save the planet. It is because of this arrogance and this inability to listen to ordinary Australians that the Prime Minister has now allowed herself to be cornered by that fringe dweller Bob Brown, who is going to inherit even more extremists come 1 July. She has allowed this once great party representing the workers to now be the author of and the signatory to the bill that will destroy manufacturing and alter the face of this economy.

We heard from the other side, typically, all those arrogant statements: 'The coalition
does not understand manufacturing' and the like. Actually, both my parents spent 20 years working in manufacturing in the industrial suburbs of Melbourne, so I fully do appreciate and understand the importance of manufacturing today in employing one million Australians and the important heritage that manufacturing has had in building innovation capability, in building up our manufacturing capability and in allowing particularly SMEs to grow and flourish. On this side of the House we understand that. We understand you cannot have a modern economy without steel, cement, plastics, aluminium and glass. We on this side of the House do not want to see the food-processing industry further contract, because we believe it is important for Australia as a nation not only to make things but to process our own food.

Manufacturing is doing it tough with the rising value of the Australian dollar and ever-increasing competition, but on the government benches they are gripped with this blind desire, this false bravado, and think that if they just crash through with Bob Brown's carbon tax they will somehow get over the line at the next election—and for what? To save one person's job: the Prime Minister's. The government have not actually done the hard work. There is no industry policy coming from them and the Prime Minister has barely been to a manufacturing business in months. Behind lecterns in Parliament House, the Minister for Innovation, Industry, Science and Research is reduced to reciting gibberish about how manufacturing assistance is going to increase under a punitive carbon tax and, at the same time, firms will also be partly compensated for the damage they suffer. He let out of the bag the other night during estimates that industry was going to get 46 per cent of overall compensation. He did not have the guts to detail that. He did not have the guts to tell a lot of manufacturers that they were not going to get a cent, though I suppose he has been adequately chastised for that. He did not tell the Australian people that there will be no compensation for losing their jobs, but I suppose this attitude should not come as a surprise from a bloke who once admitted on live radio that 'no-one's job is safe under this government'. That is about the only thing I agree with him on.

Then we have the Minister for Climate Change and Energy Efficiency, former union boss and prime ministerial wannabe, who was so chastened by being jeered about his carbon tax by Port Kembla workers that he is now trying to forget that he was even there, which, of course, is probably not a difficult thing to do when you reside in a multimillion dollar mansion by the sea—the same sea that, if you believe some of his spin, is supposed to be about to engulf people who allegedly are still silly enough to live in coastal areas.

Of course, the implementation of a carbon tax would be bad enough if the situation were not so dire in the first place. Under Labor we have seen 550 manufacturing jobs disappear every week. That is a figure that we should all remember: 550 manufacturing jobs disappear every week. Around one in every 12 manufacturing workers across Australia have lost their jobs since Labor came to power. But Labor are not happy with that figure; they want to accelerate it even further. So much for the former Prime Minister's 'working families' of the 2007 election. They now want to create 'unemployed families'.

Not only do they want to pummel manufacturing with a carbon tax; the Prime Minister in her arrogance is so out of touch that when she is asked, 'How will manufacturing survive?' she says, 'Oh well, they'll innovate; they'll keep up.' I suppose
she just wants them, like lobotomised zombies, to say, 'Yes, we'll go along with this.' All she has to do is go out and speak to those union members who work in manufacturing. Why doesn't she have the guts to go from one end of the country to the other and speak to those businesses? Do not believe the coalition; believe those workers that you say you represent—while in your arrogance, in your ivory tower, you are so aligned to the Greens.

You have no idea, Prime Minister, what it is to have a modern economy. You have no idea how difficult it is for these families to survive. Not only do you want to increase their cost of living but you want to rip their jobs away from them. The Labor Party's idea is: if an industry is successful, punish it. If an industry does not toe the line, demonise and vilify it. If an industry would benefit from any serious policy reform, just shrug your shoulders and let it die.

The coalition will never shirk the serious responsibilities of reform and looking after important industries in this nation because we understand you cannot have a serious economy without a viable manufacturing sector. We will stand up and we will defend these manufacturing jobs against an ill-conceived carbon tax that will do nothing but increase emissions and export Australian jobs overseas. (Time expired)

Mr FITZGIBBON (Hunter—Chief Government Whip) (16:35): On behalf of, I hope, all members of the House, I apologise to that rather large group of visitors in the Speaker's gallery, who could take no more during the contribution by the member for Indi and walked out en masse. I cannot blame them, because that really was what I would describe as a rather embarrassing contribution to this matter of public importance. It was full of bluster, it contained no facts and was, typically, an attempt to scaremonger.

But the member for Indi was not on her own. The shadow Treasurer was not much better. I do excuse him just a little. He used his contribution to say something about the national accounts, which, of course, were released today, and I would expect him as shadow Treasurer to take any opportunity he can to speak about them. So we will go easy on the shadow Treasurer. It was not a bad contribution; he tried to say a few positive things. The significant thing is that he totally ignored his own leader's MPI. We have seen from the shadow Treasurer this week, mainly via his rather interesting contribution by way of a letter to the Australian Financial Review, that at the moment he is a bit on the fence. He does not know which way to jump at this stage because there is some heavy competition going on between the current leader and the member for Wentworth, who is seated at the table. Joe just does not know which way to jump.

That brings me to what I thought was the most embarrassing contribution of all, and that was the contribution of the Leader of the Opposition. He raised an MPI in this place on a substantial issue—it is one worth debating: a carbon constraint is the most interesting and topical issue of debate in this country at the moment—but he did not say anything about it. He came in here without one fact, with no thoughtful ideas and with no real contribution to make to the debate. Instead, he made a leadership speech full of one-liners that he was hoping would rally those sitting behind him at a crucial time for him, when he is struggling to maintain their support. The really interesting thing about him introducing the MPI on this topic is that this debate is not about climate change. It is not about whether the globe is warming. It is not even about whether man makes a contribution to that heating. Mr Abbott, the
Leader of the Opposition, accepts that. He accepts it so fulsomely that he has a policy to address it. We do not like the policy and the broader Australian community will not like the policy when they come to understand it because it is a policy to tax them more and take that money and use it to subsidise the big polluters. That is something that the latter will of course greet with open arms, but there will be nothing in it to ensure that they use that money for the purposes for which it is intended. The member for Wentworth on Lateline belled the cat and made the point that this is a road to everywhere or nowhere, I am not sure which. Certainly it is a policy for which the costs cannot be controlled. We appreciate the member for Wentworth's very, very honest contribution on that topic.

I am going to share the worst kept secret in this place and that is that the Chief Government Whip has some say in who contributes to the MPI debate. I know my colleagues will be shocked, but that is a fact. Today, anticipating the lowbrow contribution we would get from the Leader of the Opposition, I thought, 'Let's have a guy from the Hunter and let's have a guy from the Illawarra.' It is interesting because the Leader of the Opposition used up—I wish I had had the clock running—at least 33 per cent of his contribution going around the electorates. 'What about the member for Hunter; what is he going to do? What about the member for such and such; what is he going to do?' I have another confession, Mr Deputy Speaker: I used to occasionally do this in opposition too. With 30 minutes to speak on a tax bill you are struggling sometimes, so you fill it up by going around each electorate and introducing a bit of politics into the debate. I know that some people listening to the debate will be shocked, but I am happy in this place to solemnly declare and confess my sins of the past, and that is exactly what the Leader of the Opposition did today.

How sad is it when the Leader of the Opposition in this country cannot come in here for 15 minutes and make a constructive contribution to the biggest debate in this country at the moment without putting in a filler, without spending five minutes of his time running a scare campaign seat by seat? I listened to the member for Throsby and I congratulate him on his response to the scare campaign from the Leader of the Opposition—that he had nothing to say, no facts. The government has not even released the detail of its policy, but do not worry, it will soon. Therefore, by definition everything the Leader of the Opposition said today has to be confected, has to be made up. There can be no other explanation for the way in which he made his contribution today.

I want to say something very important about the Hunter because, like the member for Throsby and others, the Leader of the Opposition had a bit to say about impact in certain regions. Let me let him in on a surprise: the overwhelming majority of people in the Hunter want us to do something about global warming. They want us to take a responsible approach and that is what we will do. Here is the point the Leader of the Opposition misses: the mining union and unions generally in the Hunter Valley support action on climate change. They support a carbon constraint. They want their industries to be sustainable into the future. Sensibly they are coming with us on that front.

There was bluster from the Leader of the Opposition about whether the member for Hunter has told his workers. Well, my workers tell me. My workers come to me and say, 'We want you to ensure that our jobs in the Hunter are sustainable.' Indeed, that
applies to manufacturing too. There are only two real threats to manufacturing at the moment. One, as has been mentioned, is the very high Australian dollar and the other is the abandonment on the part of the coalition of a commitment to the market and to market-based policies. The best thing we can do for manufacturing in this country is to put them on a sustainable footing and to introduce new opportunities through a carbon constraint world, and that is what we will do.

The other point he misses is the projections on the consumption of energy in this country into the future. The Leader of the Opposition rhetorically said, 'How many factories can you power off solar?' What a ridiculous thing to say. The Hunter produces something like 80 per cent of New South Wales electricity consumption. In the future New South Wales will need all the coal fired and gas fired electricity we can produce in the Hunter, but it will need to keep up with the demand of significant renewable energy as well. The Hunter is very, very well placed. We already have a foot in the door on solar. We have had solar in the Upper Hunter for some time now. We have the expertise. The Prime Minister spoke during question time about the significant investment we are making in solar in the Hunter Valley. The experts who determine these things have come to the conclusion that the Upper Hunter is the second best geographical region in the country for geothermal energy. What a great opportunity for the Hunter. Wind-mapping done by New South Wales demonstrates that the Upper Hunter around Scone is, I think, the second best place in New South Wales for wind technology. These are big opportunities for the Hunter. Even if there are still some sceptics on the other side, they should ask themselves this: even if you do not believe in climate change, even if you do not believe in man's contribution, why is it that a number of big polluters continue to pump their pollution into the sky without charge but that when the member for Wentworth goes to the council tip with his box trailer, having done the clippings around his stately mansion, he has to pay the council for the right to dump that waste? Why is it that small business people in this country—and those who produce waste; maybe a plumber who ends up with significant waste at the end of a working day—have to pay the local council tip when they go to the dump yet the polluters continue to freely emit their pollution including carbon into the atmosphere? That is a distortion of the market and the government will remove that distortion and produce economic efficiencies in those markets. (Time expired)

The DEPUTY SPEAKER (Hon. BC Scott): Order! The discussion has concluded.

BILLS

Aged Care Amendment Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr DUTTON (Dickson) (16:45): I conclude my remarks on the Aged Care Amendment Bill 2011. It is true that all we have gotten from Labor's so-called reforms in health has been overblown promises, overblown spending and new layers of bureaucracy, one after the next. Let us hope the legislation before us to make changes in the aged-care sector is more successful. There is provision for a review to be conducted in 2014-15. Aged care needs supportive policy. Currently it is overregulated, underfunded and facing huge challenges. I note that the explanatory memorandum for this bill states that it is difficult to quantify the regulatory impact of these amendments. This remains an ongoing
concern for the coalition. This is a government that imposes additional regulatory burden on industry at every turn. The aged-care sector has almost been regulated to death. For those reasons I move:

That all words after "That" be omitted with a view to substituting the following words: "whilst not declining to give the bill a second reading, the House:

(1) notes:

(a) objection to the growing burden of regulation being placed on the aged care sector by this Government and its impact on the ability of providers to make available affordable aged care places; and

(b) that the Government has broken its election promise to repeal one regulation for every new regulation; and

(2) calls on the Government to immediately adopt the Coalition’s commitment to reduce Commonwealth regulation by at least $1 billion per year."

The DEPUTY SPEAKER (Hon. BC Scott): Is the amendment seconded?

Mr Turnbull: I second the amendment.

Mr NEUMANN (Blair) (16:47): I speak in support of the Aged Care Amendment Bill 2011. I take issue with what the member for Dickson was saying about what we are doing on aged care because we are strengthening protections for accommodation bonds paid by care recipients to providers of residential and flexible aged-care services. We are taking steps in a massive way to support the aged-care sector. The aged-care sector has never received such a large sum of money in any budget than it has in this budget. We are providing assistance to the aged-care sector in a big way. We are supporting a review on aged-care services in this country. The Productivity Commission handed down its draft report on 21 January this year and we are seeing significant interest in that and from the aged-care sector.

We are making sure that we have a sustainable sector. We are making sure that we have opportunity for people in their senior years to get the best quality care, that people have choice and that people have decency and support from good qualified nurses, nurse aides, doctors and care workers in that sector. We are also very committed to making sure that the workers in that sector have decent and affordable wages and conditions.

The member for Dickson was very critical of our performance on aged care. He quoted the Grant Thornton analysis of aged care. It is interesting because back in 2006–07 Grant Thornton examined what went on under the Howard coalition government. The member for Dickson pointed this out, failing to tell those who might be listening that the coalition government was in power at that time. Grant Thornton prepared a financial analysis based on data obtained from financial information from the Department of Health and Ageing. Grant Thornton found that 40 per cent of all providers of aged care reported a loss in residential aged care. Net profit per bed fell by 30 per cent from 2005 to 2006—those opposite were in government at that time—and the annual average net profit per bed was around $1,700, a return of less than 2.5 per cent.

So let us not come up with this furphy that somehow there was some sort of aged-care nirvana during the time they were in government. In fact, the aged-care portfolio was a bit like the Northern Ireland of politics in the UK because Prime Minister Howard took the view that he would put people like the current member for Sturt in the portfolio—people he did not really like. We saw plenty of people over there who are not really too au fait with the portfolio. We saw a revolving door of about seven different ministers across about 11 years. The aged-care sector was up in arms about this.
I can recall meeting with the Aged Care Alliance in Queensland before the 2007 election when they were just absolutely livid with the performance of the coalition government. A number of backbenchers opposite were clearly of the view—they knocked on the door of the then member for Bennelong, the then Prime Minister John Howard—that more support should be provided. This was a constant refrain in the *Courier Mail* and the media back home in Queensland. So let us not perpetuate and perpetrate a myth about the commitment to aged care from the coalition. I look forward to what the Productivity Commission has to say when it releases its report at the end of June this year because the draft report was creative and innovative. I see the member for Ryan across the chamber. She and I both spoke at an aged-care breakfast in Brisbane about this topic some months ago where, as she would know, people from the aged-care sector were looking forward to the liberty and to a more sustainable, flexible and financially viable sector. We welcome the Productivity Commission's draft report. I have to confess I actually have read that report, all 507 pages. The Productivity Commission has made it clear that we need to make reforms in this area. The Prime Minister and the Minister for Mental Health and Ageing have made it clear that this item is very high on the second term agenda of the government.

The legislation that is before the House today will make a number of important reforms that I think go towards transitioning aged care to the point where we look at, act upon and take seriously the suggestions of the Productivity Commission and its recommendations. The bill will make amendments which limit the permitted uses for accommodation bonds taken after 1 October 2011, such that providers of aged care may still use bonds for capital improvements to aged-care services and prudent financial investments but may not use bonds for operational purposes. The bill provides a two-year transition period to allow time for the sector to adjust to the new arrangements. Bonds are of course paid in low care and not in high care, which is a more hospital-like environment for people who are suffering from severe illness and disability.

The average person who goes into a high-care facility is about 84 years of age. We have about 170,000 people in residential aged-care facilities across the country, but a million Australians interact with the aged-care sector and we are putting about $50 billion into that sector across the forward estimates. A million people often get home and community care. On the Extended Aged Care at Home Dementia packages: I have been arguing for some time, in my electorate for a start, that there should be more aged-care packages. I am pleased to see that recently my representation has been successful with further packages for Blue Care in the upper part of the Brisbane Valley around Lowood. I warmly welcome the representation from Peter Conaghan in relation to that. Peter has been a terrific advocate as the Service Manager, Community, at Blue Care in Lowood.

These amendments will also remove restrictions on the use of income derived from bonds, retention amounts and accommodation charges. This will give an unrestricted source of income to aged-care providers. I spent 14 years on the board of Queensland Baptist Care and acted as a lawyer for many aged-care providers. In fact, when I spoke at the event that the member for Ryan also attended, I saw in the audience quite a number of the clients I represented when I was in private practice as a lawyer.
The aged-care sector is crying out for reform. The amendments in this legislation are transitional, but they make clear the sources of income. It is always difficult to invest in capital infrastructure to build the best kind of facility and to have that ready source of income. So I welcome the ACFI funding that we have put in during the last few years, which has given further assistance to those in aged care and made a ready source of money available to assist people.

The challenges in this sector are so great. By 2050 we will have 2.7 Australians working for every person over the age of 65. That is what the third intergenerational report says. The increase in costs in aged care will be three times what the increase will be in health funding. That is the challenge we face. About five Australians now work for every person over the age of 65 years. The intergenerational report indicates the rate of growth is enormous. About seven in 10 women and about five in 10 men reach 65 years of age and they are going to need some form of help for their domestic needs, some form of help with showering, shopping, mowing, ironing and those kinds of routine household chores.

The legislation we are debating today is about caring for the disadvantaged and the vulnerable. It is about honouring the contributions that they have made to our welfare and our wellbeing in this country. We believe that every Australian deserves the right to access good quality care. We believe it is appropriate and the measure of a decent society is how we treat our senior citizens. In my electorate of Blair we have made a significant contribution to our senior citizens. Of the $9 million used to redevelop the Cabanda aged-care facility in Rosewood, a community run aged-care facility, $1.5 million was federal government money. We have put in $5 million as an interest-free loan for the Milford Grange project in Ipswich run by RSL Care. Our transitional funding through low-interest loans has made a big difference. Older people will benefit from another 113 new aged-care places in Blair costing more than $6 million a year. This includes an allocation of 30 new residential aged-care beds. We are making a huge contribution. On 8 December, the Minister for Mental Health and Ageing announced that 12,272 new aged-care places worth more than $450 million a year will be allocated across the country. That is a huge number of people who will interact with the aged-care sector. The aged-care sector has been crying out for reform for a long, long time. It is not as if those opposite did not know about the need to reform the aged-care system, which the Productivity Commission has described as complex and difficult for people who interact with it to negotiate and navigate. They knew very well about the challenges in aged care because former Prime Minister John Howard instructed Professor Warren Hogan to undertake the Hogan review back in 2004. Professor Hogan urged radical change in the aged-care sector, but for three years the government sat on his report and did virtually nothing.

In 1997 the government made some significant change, which we acknowledge, but subsequently they refused to take up the mantle of change. They refused to be reformers. Their idea of aged care was to manage it as best they could, in a political way. They did not really commit themselves to the change they needed to make. The Productivity Commission's draft report Caring for older Australians has really made it clear that the Howard coalition government utterly failed with respect to aged care. It has made clear that there is great disparity in wages and conditions for aged-care sector staff; that the system is difficult for people to work out; that we need a different model, a different method, for
funding the aged-care sector; and that we need a gateway agency to allow people to navigate the system, with different methods of assessment, different methods of sanction and different methods of accreditation. There is a lot to be done—the legislation here is really transitional—before that happens.

We think that making changes to the aged-care sector will improve the lot and lifestyle of our senior citizens. We think a more flexible range of care and support services will make a difference. We want to make sure that the regulatory commissions and bodies involved in it are transparent, accountable and open. We want to make sure that there is a simplified gateway that is easily understood so that assessments of care and information can be given to consumers and customers. We want to make sure that where there are gaps in service delivery we can fix them.

The legislation here is part of that process as we transition to major reform. This is a priority of a reformist Labor government. The fact that we have to do it is testimony to the failure of those opposite who, for 11½ years, fudged and fumbled aged care because they did not have the wisdom or wit to do the reform that needed to be undertaken.

Mrs PRENTICE (Ryan) (17:02): Aged care in Australia is a topic that confronts and challenges us all. I spoke in my maiden speech about the importance of social connectedness and active ageing. To put the potential impact of an ageing population into perspective, it is worth noting the statistics. By 2050, one in two voters will be aged over 50 and by 2055, 78,000 Australians will be aged over 100. We need to acknowledge not only the cost but also the potential benefits of age. Australians aged over 55 contribute an estimated $74.5 billion per annum through voluntary, unpaid and caring work. We must not dismiss their enormous contribution and potential. That is our challenge.

The government is not meeting this challenge. We are here today debating yet another amendment—another stop-gap measure; a bandaid solution—that still does not resolve the bigger issue. The government came to the 2007 election claiming ‘new directions for frail and older Australians’ and claimed that it would make the transition from hospital to aged care a priority. Yet the reality is: another Labor priority policy area; another Labor government failure.

After delivering so little for this sector during its first term, this Labor government refused to commit to any substantial reform during last year’s election campaign, leaving aged care to be swept under the rug once again. This government has failed to make the tough decisions needed in the aged-care sector, yet again dodging the key issues and then passing the buck to the Productivity Commission inquiry. The findings of this inquiry will not be released until after the 2011-12 budget, providing the government with yet another excuse to delay any real action in this vital area.

This amendment bill aims to strengthen consumer protection for accommodation bonds paid to aged-care facilities as well as to improve the arrangements for the handling of complaints about Commonwealth funded aged-care services. Given the recent experience of one of my constituents, I agree with the government that at the very least there are major issues within this area that need to be addressed. Ms Linda Fitzgibbon recently contacted my office to share her experience when dealing with an aged-care facility. Ms Fitzgibbon placed her two elderly parents into care last year, paying an upfront accommodation bond of $300,000
for each parent—$600,000 in total up-front just for the bond—in addition to the fees she would be paying for their care.

As Ms Fitzgibbon points out, she was lucky to have been able to afford this outlay up-front, as the interest charged on paying this bond off over time was, at that point, over seven per cent per annum. Sadly, she has lost both her parents over the course of the past year, her mother in September and her father in March. During this grieving and stressful time she also faced, due to circumstances beyond her control, a delay in her parents' wills going to probate.

As you would appreciate, this was a very distressing time for Ms Fitzgibbon. That stress was compounded by the fact that, due to the delay in the will going to probate, the aged-care facility would not release her parents' accommodation bond. Unfairly, neither was that bond earning interest at the same rate that the constituent would have been charged had she not paid that bond up-front. That rate has now increased to 8.94 per cent. With this in mind, I do find the proposals to strengthen consumer protection for accommodation bonds and improve arrangements for the handling of complaints to be warranted, and we on this side will continue to support sensible policy measures. It will help to curb aged-care facilities investing these accommodation bonds—substantial amounts of money—in high risk investments, reducing the possibility of the bond being lost. The proposals will also, hopefully, encourage aged-care providers to upgrade their facilities for residents, which I am sure residents and their families would appreciate.

But the question we must ask is: why is this happening within the aged-care industry? It is happening because the sector does not receive enough support from the government. As the Productivity Commission report stated, the aged-care industry is close to crisis, with 40 per cent of aged-care providers operating in the red as at June 2010. Yet the population of over 85-year-olds, the main users of aged care in Australia, is set to swell from 400,000 in 2007 to 1.6 million by 2047. Increasingly, seniors are struggling to access the care that they want, they need and they deserve, with 2,000 aged-care beds and 786 bed licences lost since 2007 alone. The government clearly have not faced the reality of our ageing population and they do not appreciate the dedicated and committed individuals working in aged-care facilities. Aged-care nurses on average earn 20 to 30 per cent less than their acute-care colleagues.

Whilst the amendments we discuss today are both needed, they are not enough. This government's entire treatment of the sector is simply inadequate. Those in the industry have already raised the alarm that the system is difficult to navigate, confusing and underfunded. The whole industry is already overregulated, yet here we are today discussing stopgap regulation but not real reform. Back in 2007 the government promised to cut one regulation for every one it introduced—one in, one out. So the obvious question is: what is being cut today? The answer to that is: nothing. It is yet another broken promise of this Labor government. In fact it has introduced 220 new regulations for each one it has repealed. Indeed, rather than reducing regulation, the only cut this government has made is a cut to funding for the sector. The assistive technology in community care initiative was cut and, as a result, there is restricted access to vital technology which could assist older Australians in their homes. We have also seen cuts to hearing services through the introduction of a threshold, and funding cuts to preventative measures that assisted our older Australians to keep fit and healthy,
increasing the financial burden on the government purse and, sadly, reducing support for our senior citizens. On top of that the Labor government applied one of their most simplistic and lazy 'saving' measures: freezing indexation payable to aged-care providers in the 2009-10 budget, thereby cutting approximately $910 million over four years. The government continues to fail our aged-care sector and therefore fails our seniors, in turn fails their families and then fails our young Australians—for it is our young Australians who will bear the responsibility and the cost in the future for rectifying this neglect.

The amendments today are a bandaid step, but we need genuine reform if we are to support aged care in Australia. It must be done responsibly and it must be done soon. Aged care is in crisis, and the financial viability and associated issues are of vital importance. As Mike Woods of the Productivity Commission said:

… the system is expected to provide care to over 3.6 million older Australians by 2050. It is inevitable that government expenditure will rise. The challenge is to reform the system, while keeping that expenditure within sustainable limits.

The more we fail now, the greater the problems for future generations. The more costs and pressures we place now on the aged-care industry, and by extension the health system, the greater the burden we place on future generations. Failing in aged care affects so many facets of our economy and has far-reaching consequences which this government refuses to face. To quote Abraham J. Heschel:

A test of a people is how it behaves towards the old. It is easy to love children. Even tyrants and dictators make a point of being fond of children. But the affection and care for the old, the incurable, the helpless are the true gold mines of a culture.

Mr Deputy Speaker, let us begin to apply this philosophy to our aged-care sector.

Mr HAYES (Fowler—Government Whip) (17:12): I rise to support the Aged Care Amendment Bill 2011 and I commend the minister on bringing this matter to the parliament. A compassionate and responsible aged-care sector is, quite frankly, the hallmark of a modern society. When we look at the costs associated with maintaining that sector I know they sometimes appear horrendous, but one of the things that strikes me these days is that we have seen huge changes, particularly with respect to the standards of accommodation and lifestyle which are associated with aged-care facilities. One of the reasons for that is not just that it is what society expects for its aged community; it is what we expect for our parents. If you personalise that point, it is what we are looking forward to for the care of our mums and dads—and I suppose we might possibly inherit that degree of care from our kids as well—and it shows that there is a reason why we constantly review, upgrade and look forward to progress being made in this sector. We pride ourselves on advancing our own standards of living and lifestyle, and clearly in taking care of our aged these things are no less important. That is the hallmark of a modern society and a modern community, which we are all very happy to support. That is the reality of the position. In my electorate I have—as, no doubt, every member has—a number of aged-care facilities. I take the opportunity to visit them regularly. I would like to mention two that I have been to very recently. One is the Cardinal Stepinac Village and the other is the Indo-Chinese Elderly Hostel. They are fantastic organisations. These organisations cater for a significant ethnic population in my electorate. I have mentioned many times that my electorate is the most multicultural electorate in the country. The work that those
two organisations do—Cardinal Stepinac Village with respect to the Croatian community and the Indo-Chinese Elderly Hostel with respect to the Indochinese population—is extraordinary. A lot of the residents have limited English. That has not always been the case. Regrettably, as people grow old and with the onset of dementia, a lot of people return to their original tongue. Hence, these two facilities cater very significantly to the ethnic aspects of the elderly in my electorate.

I would like to refer to Harry Tang and his team. Harry is the President of the Indo-Chinese Elderly Hostel and Veronica Hon is the CEO. They do a wonderful job. As a consequence, the government rewarded them only recently with approval for another 32 aged-care beds as part of the second round approval process. That is significant in my area, particularly around Bonnyrigg where they are located. When I was at Cardinal Stepinac Village the chief executive officer, Matt Smolcic, presented me with a cheque for $40,000 to top up the Premier's Disaster Relief Appeal in Queensland. I thought that what the Croatian community did was pretty good—that they still thought about others.

Getting back to the bill—I know I have digressed—these amendments will strengthen consumer protection around accommodation bonds and will make the processing of complaints easier and probably more flexible as that applies in this sector. In particular, it will amend the Aged Care Act to address the current legislative inadequacies around accommodation bonds in aged-care facilities. It will go a long way to clearing up the confusion and uncertainty—certainly in the minds of some of the industry operators but, more particularly, in the minds of residents and families of residents—about what these bonds can and cannot be used for.

Bear in mind that these bonds are a form of interest-free loans to operators. They are certainly worth a significant amount of money and it is only right that we protect the consumer—often that is the family of the aged-care recipient—make sure that their investment is protected and that the money is used for proper processes. As I understand it, when the bonds were introduced in 1997, they were designed to apply to infrastructure—the bricks and mortar associated with accommodation. However, since then, without prescription provided by the legislation, there has been the opportunity for some operators to use the money, which has effectively been held in trust for recipients, to do other things. This bill is designed to bring it back to what these bonds were originally intended to do. The bill gives greater clarity in that respect. It will ensure that what the bonds in the aged-care sector are for—the money is held in trust—and what the bonds can be used for by the operator is clearly understood. The amendment, which will take effect on 1 October 2011, will make it clear to all operators, residents and, in particular, the families of residents that the bonds are to be used strictly for capital improvement and not, under any circumstances, used for other operational purposes.

The two-year transition period will give the aged-care providers the opportunity to prepare for the changes. In addition, the compliance and enforcement regime will change under these provisions. That will be enhanced around these bonds. It will introduce new offences where misuse of funds has been identified. It will also provide for new and better information-gathering powers for the department to follow up on when there are complaints or allegations of misuse of accommodation bonds.

The second aspect of the bill removes restrictions on the use of income derived
from accommodation bonds, which technically gives aged-care providers an unrestricted source of income. The amendments to the Aged Care Act will strengthen and improve the compliance scheme in the aged-care area. It will replace the investigation principles with a new complaints based principle. That will broaden the department's scope for dealing with and following up on concerns.

At present the department is limited to only being able to investigate complaints and establishing whether a breach of the act has occurred. If that is proven to be the case, it would go down the prosecution route and adversarial aspects in terms of compliance with the act. This amendment will make the scheme more flexible. It will introduce the aspect where the department can employ a wide range of mechanisms to assist in resolving complaints, not waiting until there has been an established breach of an act. Those mechanisms include early resolution, conciliation and mediation to work in collaboration with residents, families of residents—the complainants in this case—and the operators of an aged-care facility. At the end of the day, it is not in our interests or the department's interests to establish a prosecutorial regime. We want to show leadership in the standards and the services that are being administered by aged-care providers, and we want their obligations to be understood not only by the providers but also by the residents and the families of the aged. This will lend greater flexibility in trying to resolve issues so that people can undertake their work—that is, to look after the aged.

These recommendations came out of an independent report commissioned by the then Minister for Ageing, Justine Elliot, into how the industry responded to concerns. I acknowledge the former minister's good work and I wish her well in her new portfolio. For what it is worth, I think she applied herself diligently in the ageing portfolio with a view to making a difference for the people in aged care.

The last element of the bill will make some minor operational changes to remove the redundant provisions of the Aged Care Act. These amendments were developed through extensive consultation with a wide range of stakeholders, including aged-care providers, residents and their families, and aged-care advocacy groups. These amendments will get the balance right. That is not to say that once we pass this bill everything will come to a stop, because this is an ongoing reform of aged care. Changes will obviously occur from time to time, but we are trying to make sure that the administration of our aged-care residents reflects the contemporary standards that one would expect in a society such as ours.

We intend to protect residents and their families from unscrupulous operators. There are profits to be made in this area, there is no question about that. It is not simply an altruistic industry. We want to make sure that people do not cut corners that prejudice the lifestyle of residents. As a consequence, continued monitoring of this industry will be needed and that is why a further review will take place two years after these changes are implemented.

As I said, we are setting about to protect the community from unscrupulous operators, but that is not meant to cast aspersions on all of the good operators out there who are the vast majority. However, where operators and their senior staff abuse the rights of others we need to be able to give a level of assurance to the aged and those who effectively fund the accommodation bonds. This government will do all we can to support Australians who are being cared for in aged-care facilities and to support the
industry so that they can provide the highest possible standard of care to our aged. As such, the government will continuously monitor the effectiveness of these changes. As I have said, once they have been implemented there will be a subsequent review that will take place in 2014 or 2015.

The elderly certainly have the potential to continue playing a very significant role within our community and that is why we need greater flexibility in aged care. One of the things that drives the development of the aged-care industry is what we expect for our own parents. I support these amendments because they will introduce changes that are needed, but they do need to be continually reviewed. The best thing we could do to provide a greater degree of assurance for those in aged care is establish mechanisms that can quickly and appropriately address complaints instead of simply looking for breaches to prosecute in the courts. I think these amendments will take us a long way down that track. I think it shows that we are committed to making sure that the processes work not only on paper but also in ways that fundamentally deliver good results for the aged-care sector and, more importantly, for those who are cared for in the aged-care sector. I commend the bill to the House.

Mr RANDALL (Canning) (17:27): I am very pleased to speak on the Aged Care Amendment Bill 2011. As previous speakers have mentioned, this bill introduces a number of amendments to the Aged Care Act 1997 which are part of the reform agenda to strengthen consumer protection for accommodation bonds paid to aged-care services and to improve the arrangements for handling complaints about Commonwealth funded aged-care facilities. If this bill is passed it is proposed that the reforms regarding accommodation bonds for approved providers will take effect after 1 October 2011 and the new complaints mechanisms will take effect on 1 September 2011. I am sure that my colleagues have already mentioned that there will be a transition period, so I will not just repeat what everyone else has said about these matters.

There was a need for reform because things have happened with accommodation bonds. The original policy was that they were to be used for capital funding for investment in the building of stock; however, the principal amount of the accommodation bond was not clearly articulated in the legislation. In other words, the act needed clarification and that is what this bill does. It makes it clear that bonds must not be used for purposes other than those related to providing aged care to recipients. The bill also provides that, where a bond is charged, the approved provider is entitled to income derived from that bond and the principal can be deducted from it for specific purposes. The bonds were generally invested in deposit-taking institutions, such as banks et cetera, but they did venture into other areas, such as credit unions, syndicates and other sorts of trusts. There has been a very wide use of bonds and there has been a lack of consistent interpretation regarding permitted uses of bonds. There have been a number of anomalies which have been identified by the Department of Health and Ageing. These included using accommodation bonds to make loans to related parties, related entities and individuals, and failing to meet existing prudential standards relating to bonds.

Grant Thornton, in his Aged care performance survey in November 2007, found that 40 per cent of all providers were operating in the red. Without going through all the issues, that is why we are here today. Let us get on to some of the real issues in relation to why there is a crisis in aged-care funding. I suspect that you, Mr Deputy Speaker Scott, would be the only one who
has been in this House long enough to know that in 1997 there was a massive argument in this House about the charging of bonds and it essentially brought down the minister of the day, the member for Pearce. She was attacked roundly by the member for Jagajaga for trying to charge accommodation bonds where it related to the family home.

I will not revisit that whole experience, other than to say that we supported sensible arrangements to charge bonds because no government can afford the growing aged-care industry capital spending that is required. There needs to be a blend of funds from government, the investment sector and individuals. As we know, at that time, many people entering aged-care facilities had a home and they could have used the value of that home to help provide capital for accommodation by providing a bond to the aged-care facility. But that proposal was not supported, and people like Francis Sullivan from the Catholic association helped the Labor Party opposition at that time savage us over this issue.

There are still massive underspends in what is required for aged-care accommodation. I see on the opposite side of the House the former minister for aged care. I am sure as she travels around this country she would hear—as all members hear in their electorates—that they are desperate for funds in this area. At the moment, there is not only a crisis but also a massive underspend because these facilities cannot create a business case. I have met with my aged-care providers, and earlier this year the member for Hasluck and I met a delegation of aged-care providers at Amaro Village in Perth. We met with David Fenwick—who is very vocal on these issues—Trudi Hodges, from Dale Cottages, and a number of other providers. They said that we had to do something about supporting their parlous situation and they wanted us raise this issue in the parliament—and this debate gives me the opportunity today.

What is happening in Western Australia—and it is happening right across Australia—is that they are handing back the allocation of funds for beds and they are handing back licences because they cannot make a business case. Charitable organisations, churches, community based aged care et cetera cannot make a business case at the moment. As a result, they are experiencing real problems trying to expand or even do with what they have now.

I feel very, very chastened because during the election campaign I visited one of my aged-care facilities, the Graceford Hostel, an independent living facility in Byford in my electorate, and they pleaded with me: 'Mr Randall, can you do something about helping us?' While showing us through the home, they said, 'We are in a desperate situation here for a whole number of reasons: we are swamped by regulation, we are swamped by the massive amount of compliance and we can't get aged-care nurses.' They are not very well paid. I think they are 30 per cent under the average nursing payment ratio, particularly agency nurses. They cannot get qualified nurses or even nurses who want to work in the sector. As you know, Western Australia has a shortage of labour in a whole range of areas, and this is exacerbated in the aged-care area. This home had no ability to get capital funding to expand the services even though they had a massive waiting list.

All of these aged-care facilities are asking me, 'Can you help us?'. One of the things that they came up with at the forum that I attended with the member for Hasluck was: 'If there is all of this money being offered for beds—and 2,000 in Western Australia alone have been handed back—obviously there is a massive underspend in that area because they are not taking them up.' They said—and I am
sure that the member for Hasluck will corroborate this—"If there is this massive underspend and the money is not getting out the door, why can't you cobble it together and put out more per bed to make a business case out of it, because at the moment the amount per bed just will not make a business case for any organisation that wants to invest in age care?"

What is the end result to this? In 2007, Kevin Rudd said that he would end this logjam in hospitals, where aged people were being parked up in hospitals. He was going to do something about it, but it never happened. It did not happen through the Rudd years and it certainly has not happened through Prime Minister Gillard's years. There is a logjam and people, particularly in rural and regional areas, are getting parked in hospitals rather than going into aged-care facilities. The residents at Quambie Park in my electorate are so frustrated that Ken Landwehr, the CEO, sent me a petition from them. It said:

Let Canberra know about the needs of older Australians—their right to quality care and support now and in the future.

This is how desperate they are.

Pam Corker and Quambie Park have actually opened a further expansion of their dementia facilities. But they did this largely through legacies left to them by former residents and the community. The strange thing about it is that the legacy left to them by one of their former residents made it more difficult for them to get ongoing and recurrent funding. They were told, 'You have too much money.' The system is just not flexible enough. Since the Labor Party has taken over, compliance has, if anything, increased and made it harder for people to get on and do the actual job of nursing. In addition to compliance, as I said, you cannot make a business case out of the funding available.

The tsunami is coming and this government is not prepared for it. In 2007, there were 400,000 people over 85—1.7 per cent of the population. There will be 1.6 million people in this age group by 2047—that is the size of the aged-care exercise that is heading our way. In addition to that, the growing incidence of dementia means that specialist facilities have to be built—in other words, more capital funding. In 2009, 245,000 people were deemed to have dementia. By 2030, it is predicted that there will be 591,000 and the prediction for 2050 is a staggering 1.13 million. And yet this is an underfunded area. It is not a priority of the Gillard government; aged care is not a priority area for the Labor Party at all. In fact their failure to act is indictable.

We have an ageing population. In 2007, there were six working people to support every person aged 67 and over; by 2047, there will be only 3.2 people for each aged person. So where is the plan for the future? Where is the investment for the future in this sector? That is what aged-care providers in my electorate are asking me to raise here. At their meeting with the member for Hasluck and me, they even asked: 'Can you get someone to have the courage to look at the housing situation again? Obviously any way of freeing up capital for aged-care facilities, nursing homes et cetera would be a blessing for us, because we cannot make a go of it.' As I said, rather than expanding their services, many of them now are reducing their services or even selling them. Who is buying them? It is the large aged-care providers in Australia. There are economies of size, but you do not get the same level of care from these large providers as is provided by the hands-on community aged-care facilities found in many suburbs and rural and regional areas. Ageing in place? That is ideal and it should happen. Without economies of scale, however, it is harder.
I say in the House today to the government: investment in this area has not so far been a priority of yours. While we were in government under John Howard, we made it a priority and we certainly made sure that there was accreditation and that standards were lifted. We are asking you, on behalf of the aged and frail of Australia, to finally get off your hands and do something about getting funding into this sector. (Time expired)

Ms O'NEILL (Robertson) (17:42): I am delighted to speak on the Aged Care Amendment Bill 2011. This bill once again demonstrates the government's commitment to ensuring that older Australians receive the best possible care available. This bill again demonstrates that protections are in place to ensure that money paid by those entering assisted living is being returned in capital investment. These amendments will also strengthen the arrangements for managing complaints concerning facilities providing subsidised care by creating more flexibility in the resolution process.

This is not new. The Gillard government has taken a number of steps to improve aged care for older Australians and to ensure the aged-care system is both sustainable and responsive to care needs. The Gillard government will give $55.4 billion for aged care over the next four years. This year's budget will support continued investment in the aged-care industry to meet the increasing demand for services.

(Quorum formed) When entering a care facility, residents are often required to pay a bond, much like any other individual entering into an accommodation arrangement. The value of these bonds has increased to more than $10.6 billion. Currently we can see an increase in value of more than 20 per cent every year. These bonds are, in essence, an unsecured loan paid by care recipients to the approved provider. Given the significant and increasing amount of bonds, it is appropriate that care recipients can be assured that their funds are being used for the intended purposes and that there is transparency of, and accountability for, that use.

While the intent of the legislation was always that the bond would be used for capital funding, a lack of clarity in the language—being that bond money should be used for expenses related to 'providing' aged care to care recipients—has allowed some service providers to fund a wide variety of other purposes. The danger is that certain expenditure of bonds, especially those which fund day-to-day operational costs, makes having bond money on hand for repaying recipients on leaving the care facility extremely difficult. This does introduce unnecessary concern and it is resulting in a higher chance of default on these important payments.

This legislation ensures that we clearly articulate what these bonds can and cannot be used for. The legislation is not about making life more difficult for providers by taking away a potential source of income; rather, this legislation is about ensuring that what is a significant part of each resident's life savings—and we are talking about a sum of about $167,000 per individual on average—is used to provide the necessary capital improvements that are just a part of maintaining a home.

Similarly, the amendments in this bill will enshrine that these bonds can be invested in term deposit accounts and act as interest-bearing investments. While some providers have done this in the past, it was never expressly known as a possibility, as previously it did not meet the requirement that it was spent on providing care to recipients. My electorate of Robertson, and
the Central Coast as a whole community, is an aged and ageing community. We do have a large cluster of young people at the other end but aged care is definitely part of the landscape of the Central Coast.

In our care facilities we have a high population of retirees who downsize from the long-held family homes in the region and use a proportion of the profit from the sale of their home to fund their accommodation bond. Often making this move into a new facility—a change at the later stages of life—can be very daunting. Whatever we can do as a government to give more certainty to those individuals will ensure that people have confidence in the sector. It is important that people have confidence. It is important they know that the facility and the management are doing the right thing and that when it is time for their bonds to be returned, the money will be available.

These amendments are for the care of recipients. These amendments are aimed at improving the quality of aged care for the care recipient through increased investment in capital works. These amendments will increase the reliability of refunding of bonds and add more transparency and more certainty to ensure that bonds are not squandered but reinvested. This certainty will, in turn, provide longer term benefits to the providers themselves. The removal of restrictions on the use of income derived from bonds will provide aged-care providers with a legitimate cash flow and will reduce the current regulatory burden.

The introduction of criminal offences, which this amendment bill provides, is a reflection of the moral importance that we as a government put on ensuring that money which is essentially 'loaned' to providers is spent properly. It is our intention to protect the rights and the interests of care recipients, who are often in a vulnerable situation. There was considerable support for the introduction of criminal penalties, and we are very aware of this from the submissions to the inquiry. Submissions urged the department to carefully structure any penalties to ensure that key personnel could not unintentionally be caught up under any new offences. The legislation was also structured to ensure that the new offences did not dissuade people from taking up roles within aged care and that offences would only apply to those individuals in the worst cases where an individual has deliberately acted in a way that has caused a provider to misuse bonds.

These changes in the legislation have received wide consultation. The government has spoken to consumer groups, peak bodies, providers of aged care and the financial services sector. A total of 33 submissions were received: six from peak industry bodies, 23 from approved providers, one from a consumer group and three from other interested organisations. It is important to note that the aged-care sector supports these changes. It is also important to note that we are not responding in panic; rather, it is a much-needed and carefully considered response to the reality that exists in our communities.

The bill provides much more clarity in the language. This will ensure that providers know precisely what they can and cannot do, and that has to be a massive improvement for aged-care recipients who are participating in transactions. The consultation period yielded a great sense of a need for this change. Providers and consumer groups all recognised the issues that currently existed within the unclear language and they all agreed that action had to be taken to review what options were available. The government was open and responsive to these needs and, with wide contribution from all those participants in the formation of the
legislation, we know that we have brought the best legislation before the House.

We also do not propose to blind side the industry with these changes. We understand that there will be some immediate compliance costs with the changes, as providers make the necessary changes to their financial affairs. The government is proposing that the changes take effect from 1 October 2011 for all bonds received on or after that date. Bonds received before that date can continue to be used in accordance with the existing rules or may be used in accordance with the new rules. This ensures that the changes do not have any retrospective impact but also gives approved providers the flexibility to choose to treat all bonds in the same way.

A two-year transition period is also proposed, whereby approved providers may use bonds for existing purposes associated with aged care. This will provide the department with the data necessary to determine if further adjustments to this proposal should be made to assist the cashflow management of approved providers and will provide industry with a reasonable transition period to become familiar with these important new arrangements.

This legislation is effective in clarifying our aged-care bond system. It is absolutely effective in providing a more positive outlook for service providers and care recipients. It is a practical reform that is not based on some ideological rhetoric; rather, it is based on a genuine consideration of the needs of the system and those who use it and on the way in which accommodation bonds could and should be used. I commend the bill to the House.

WYATT ROY (Longman) (17:55): I rise to speak to the Aged Care Amendment Bill 2011. The bill introduces a number of amendments that aim to strengthen consumer protection for accommodation bonds paid to aged-care service providers and aims to provide an increased focus on consumer complaint resolution and on the achievement of outcomes for complaints rather than just investigation.

The coalition will not be opposing this bill, which takes steps to protect some of the most vulnerable members of our community. However, there is so much more that needs to be done, encompassed within a framework of reform of the aged-care sector—reform that should see a vibrant aged-care sector that provides for the holistic needs of older Australians and a sector that is valued for the work that it does.

The ageing of Australia's population is undoubtedly one of the nation's biggest social challenges. Over the last two decades, the median age of the population has increased by 4.8 years, whilst over the same period the number of children aged between 0 and 14 decreased by three per cent. The first cohort of baby boomers will leave the workforce this year, but the number of young people joining it will decline. In 2007 there were seven people working to support every person over the age of 67. By 2047, this figure is expected to almost halve to 3.2 people supporting every Australian over the age of 67. Australians are expected to live longer, further increasing the pressure on the aged-care sector. More and more people are expected to live well into their 80s. By 2047, there is expected to be an increase from 1.7 per cent to 5.6 per cent of over-85-year-olds requiring the services of our aged-care sector.

There is evidence that the aged-care sector is already struggling to provide the excellent levels of care that we want for our older Australians, who have contributed so much to our community. This Labor government has delayed any meaningful reform of the
sector by commissioning report after report, whose conclusions only point in one direction: a crisis in the sector. Forty per cent of aged-care facilities are operating in the red. There are a record number of provider liquidations and undersubscription to aged-care places.

In the context of the current legislation at issue, accommodation bonds payable were originally intended for capital funding. The legislation as it stands provides for the use of accommodation bonds paid for by someone going into care for the purpose of providing aged care for recipients. However, there are ambiguities around what this actually means, so accommodation bonds have been used for a wide variety of purposes, including meeting operational costs. There is no clarity around the ability of service providers to invest the money in, for example, long-term bank accounts or, alternatively, to use the money to provide loans. There is currently no data that reveals the true extent of the problem. However, anecdotal evidence from discussions with service providers indicates that bonds are being utilised for operational purposes.

At the moment there are restrictions on how an approved aged-care provider can use income derived from an accommodation bond. However, the restrictions that currently apply do not reflect the comparative risk and create a situation whereby the administrative burden of the regulations may impact on cashflow, thereby increasing the possibility that bonds may be used for operational expenses. The financial viability of the aged-care sector is a major issue, an issue that will only gain greater prominence in Australia. In its 2011-12 budget submission, the Aged Care Industry Council stated that a snapshot of the industry at the start of 2011 indicates a sector that is unsustainable. Hours of service are decreasing, hours of care provided under Community Aged Care Packages are decreasing, new residential care beds are not being built, many services are not operating at a profit and liquidations have increased.

At a time when Australia is likely to see increasing demand for aged care, the sector is struggling. In 2008-09, 2,000 beds were cut in the aged-care approvals round, and industry is rejecting government funded beds. The last two aged-care rounds were undersubscribed, as opposed to the situation under the coalition government, where aged-care places were prized. Providers are handing back licences, and beds are being left empty, with older Australians having to wait longer for a bed and travel greater distances. This is particularly the case in rural Australia.

In my electorate, this is an issue for the community. I have had to deal with several cases of older constituents waiting for months in hospital beds because there is no other place for them to go. This is not representative of a system that recognises the holistic needs of individuals. If people from Bribie Island in my electorate are in hospital in Brisbane, their partners have to commute for up to three hours a day to visit them. This has the obvious effect of causing social dislocation and isolation. It also has the effect of placing extra pressure on an already overcrowded public hospital system. This situation is causing distress and anxiety in my community.

This legislation is designed to increase regulations on the amount of accommodation bond principal; however, it will reduce the regulations on income derived from the bond, retention amounts and accommodation charges. The regulation would then better reflect the risk associated with the principal. This would permit improved oversight of the bond, which is effectively an interest-free loan made by a resident, and other sources of income derived from the approved provider.
Permitted uses for the accommodation bond would be limited to the original policy intent of providing funding for increased investment in capital works, in certain products and to pay debt related to the provision of aged care. From talking to local aged-care providers, it would seem that it is the provision of capital-intensive mortar and bricks that provides the greatest financial hurdle for the sector. The Department of Health and Ageing will have increased information-gathering powers to ensure that service providers that might be at risk are able to repay accommodation bonds.

Because the sector is struggling and aged-care providers have had to go into liquidation, the Accommodation Bond Guarantee Scheme has been utilised to the tune of $24.5 million, meaning around 150 accommodation bonds. This legislation proposes that there be new penalties introduced for approved providers that use bonds for non-permitted purposes that might trigger the guarantee scheme. While this is a step forward in safeguarding the contributions of older Australians and making the sector more financially viable, there is more that needs to be done.

Unfortunately, as in many other areas of government policy, the Labor government's record is littered with broken promises. For example, the attraction and retention of nurses in the aged-care sector is becoming increasingly difficult. However, despite promises of a fix, Labor recruitment policies have failed. The Bringing Nurses Back into the Workforce Program was abolished, with the program delivering only 139 nurses out of a promised 1,000 by February 2010. In 2009-10, only 8,200 out of 13,100 training places for aged-care workers had been delivered. Of the 2,000 transition places promised, only 698 had become operational by April 2010.

The bill is also designed to improve complaints handling by changing the focus to resolution of complaints rather than just their investigation. It is intended that the handling of aged-care complaints will be improved, with an increased focus on the achievement of outcomes for care recipients, their families and other representatives. A range of approaches such as mediation, conciliation and investigation will be employed by the Department of Health and Ageing to resolve complaints cooperatively with care recipients and providers of care. This should go some way to reassuring care recipients and their families that issues relating to their care will be dealt with rather than just investigated, and as such the coalition welcomes the change.

The coalition is committed to providing the highest possible standards of aged care. We believe that this is one way of giving back to those who have contributed so much to this country in the past and continue to contribute in a number of ways. My electorate is full of senior people who continue to make a full and meaningful contribution to the community. Some of them have the time and are able to volunteer in various ways that provide invaluable support for the community. However, there are those that are more vulnerable and require different levels of care. These people and their families should expect and receive the very highest possible standards of care. Whilst this bill is a step in the right direction, the whole aged-care sector is in need of serious attention, not just tinkering around the edges.

The Labor government has failed the aged-care sector and with it many of our most vulnerable senior Australians. The coalition, on the other hand, remains committed to the provision of $935 million over a four-year period in order to provide for the increasing challenges the aged-care
sector will face as there is increasing demand for its services from an ageing population. Central to the coalition policy is the development of an aged-care provider agreement with the aged-care sector that will be designed to reduce red tape and paperwork so that medical professionals can actually get on with the job of providing care rather than jumping through bureaucratic hoops. The agreement would provide more certainty for older Australians and those involved in their care.

For a start within this coalition policy the agreement would see the provision of $50 million over four years for professional aged-care programs and services. There would be payments of $30,000 for 3,000 aged-care places as part of the implementation of the aged-care bed incentive program. Importantly, the coalition would work cooperatively with the aged-care sector in order to identify areas of greatest need in order to establish a framework for the allocation of the places. As with many other areas in health, the coalition believes that it is the people on the ground and in the communities, not bureaucrats in Canberra, who are best placed to know and make decisions about what is needed. Importantly for my community, the coalition has promised to establish a convalescent care program, with funding of $300 million over four years to assist up to 20,000 Australians waiting in hospital to return home. As I mentioned before, this is an issue that has been raised with me on many occasions by the senior members of my community who are waiting for months to return home and are impeded from doing so because there is no-one able to care for them. The convalescent care program would provide up to 21 days in a residential aged-care facility, relieving pressure on our hospitals and adding to aged-care providers' funds. Uncertainty is plaguing the aged-care sector and the coalition's plans for an aged-care provider agreement would provide much-needed certainty for aged-care providers with the added benefit of increasing security of employment in the aged care workforce.

Labor has neglected the needs of older Australians and the aged-care sector is in urgent need of reform to meet the coming challenges of Australia's ageing population. Older Australians have every right to feel they are going to be well cared for in their twilight years and the coalition is committed to meeting care needs now and into the future. This legislation is a step forward; however, broader reform of the aged-care sector is needed. The coalition's sustainable plan would see the needs of our seniors met and would provide a framework for the real reform the sector so urgently needs in constructive partnership with them.

Ms HALL (Shortland—Government Whip) (18:07): I took great interest in listening to the member for Longman read his speech to this parliament. There were a number of items in his speech that I think really need to be dealt with. His speech demonstrated to me that he was unaware of what happened in the Howard government era. He was unaware of the lack of spot checks, the people in aged-care facilities being given kerosene baths and the total lack of receptiveness of the Howard government to the needs of older Australians. He talked about the aged-care sector struggling. It was struggling as it was under enormous pressure at the time of the Howard government era. He was unaware of the lack of spot checks, the people in aged-care facilities being given kerosene baths and the total lack of receptiveness of the Howard government to the needs of older Australians. He talked about the aged-care sector struggling. It was struggling as it was under enormous pressure at the time of the Howard government. As for reviews, we had the Hogan review. What happened following the Hogan review, a review which the Deputy Leader of the Opposition was so proud of at the time?

And what of operating in the red, as he suggested? Well, I know that in the Howard government era aged-care facilities were really struggling. Time and time again the
facilities people came and talked to me about the need for compensation, workers compensation, electricity, water and wages—all the issues that the Howard government ignored. As for 'unsustainable', he talked about people waiting for aged-care beds. In the Howard government era one out of every 10 beds in the Shortland electorate only existed on paper—phantom beds! I think it is beholden upon me to remind the House of the Standing Committee on Health and Ageing report about the blame game that was brought down in the parliament in, I think, 2007. As a member of the committee, I spoke to a number of people who were involved in aged care and the one thing that was pointed out to me by those people was the number of people waiting for aged-care beds who were languishing in hospital because the Howard government refused to act.

Here we have before us today legislation, in the form of the Aged Care Amendment Bill 2011, that is bringing about real change, legislation that strengthens protection for accommodation bonds paid by care recipients to providers of residential and flexible aged-care services—something that is good for the aged-care facilities and good for those people that make those facilities their home. I am really pleased to say that the minister at the table was previously the Minister for Ageing who was responsible for the reviews that have been bringing about the changes that we are seeing now. If it were not for her efforts, we would not have this really proactive good legislation before us today. Legislation limits the permitted use for accommodation bonds taken after 1 October 2011, so that providers of aged care can still use these bonds for capital improvements to aged-care services. That is really important for those facilities. I talk to the aged-care facilities people in my electorate on a regular basis, just as I talk to the people that live in those aged-care facilities and those people that may need those facilities in the future.

Shortland is one of the oldest electorates in the country—it is the 11th oldest electorate—and this is an issue that is very dear to my heart and I need to know that the aged-care facilities we have, and also the care that those people who choose to live in them will receive, will be outstanding. This change to the use of the bonds is really important. The fact that bonds cannot be used for operational purposes is a very important change. The introduction of the new criminal offences where there has been a significant misuse of bonds is about the government facing up to and dealing with the problem, not burying its head in the sand and hoping it will go away and not acting and so ignoring the needs of older people and the needs of the aged-care industry. This is a government that actually deals with the problem and does not mouth platitudes or make statements that just sound good. We act, we do and we address the problem. The legislation is introducing new information-gathering powers to enable the Secretary of the Department of Health and Ageing to better monitor approved providers that may be experiencing financial difficulties or using bonds for non-permitted uses. This will allow the department to help these aged-care providers. It is about making sure that there is continuity of aged care and making sure that older Australians have security about where they live. There is also a move to remove restrictions on the use of income derived from bonds, retention amounts and accommodation charges. This gives aged-care providers an unrestricted source of income, offsetting the proposed restrictions on the bonds. That is a really good news story. It is about making the aged-care providers more viable and, by doing that, making aged care safer and more secure for
those older Australians who will require aged care over a period of time.

I referred earlier to the Parliamentary Secretary for Trade, who is at the table. On 12 April 2010, when she was the Minister for Ageing, she announced that the government would increase protection for aged-care residents’ savings. She made that announcement as part of the announcement entitled ‘More support for older Australians in the National Health and Hospitals Network’. She has always been committed to the needs of older Australians, and I know she also represents an electorate in this House that has an older population.

This legislation has been subjected to extensive consultation with the industry, community, government and stakeholders on the options for enhancing prudential regulation of accommodation bonds to identify the best means by which to ensure as far as possible that the financial interests of the residents are protected; to maintain effective regulatory safeguards for accommodation bonds; to provide a regulated source of capital funding for investment in aged-care infrastructure; to provide a regulatory framework that is commensurate to the risk associated with the exponential growth of accommodation bond holding; and to promote public confidence in the aged-care system. I emphasise that that last point, promoting public confidence, is very important.

Unlike the previous government, this government believes in consultation. We believe in talking to the people who will be operating the aged-care facilities. We believe in talking to those people who will be using the aged-care facilities. We also believe in talking to those people who will be regulating the facilities. This is a far cry from the type of consultation that took place in the last parliament, where there was cover-up after cover-up, no spot checks—and now spot checks are regular occurrences—in aged-care facilities and a culture that enabled elderly people to be given kerosene baths.

As a result of this consultation process it is proposed that there will be changes to the act to strengthen the accommodation bond. This will address the lack of clarity in the act, which I think is really important, and introduce new criminal offences where misuses of bonds are identified. Once again, that is a really important change to the legislation. It is dealing with a problem that exists. It is proposed that the changes will take place from 1 October this year. There will be a two-year transition period to allow the sector to become more familiar with the new requirements, and I think that that is very important.

The other major change in this legislation involves the proposed amendments to the complaints scheme. It is proposed to amend the act to enable investigation principles which currently describe the investigation process in relation to complaints to be replaced with a complaints principle. This means that concerns relating to the delivery of residential, community and flexible aged care subsidised by the government can be investigated. They will be investigated. There is going to be a strong focus on resolution of complaints rather than investigations of complaints.

Investigating a complaint is all very well. Like me, all members of this parliament would have been visited by a constituent who had a problem with an aged-care facility. You would ring the aged-care complaints line. They would investigate it. And still that person who came to see you, more times than not, would be unsatisfied with the result. It was about investigation; it was about looking at it. It was not about
dealing with the issue. It was not about resolving the issue.

These changes will allow those issues to be resolved rather than an investigation taking place that will deliver no outcome whatsoever to the person who has lodged a complaint. I think the fact that this legislation brings about a change that focuses on resolution rather than investigation is a very proactive and good change. The bill shifts the focus of the system from investigation to a more flexible scheme where the department can employ a range of mechanisms to assist to resolve a complaint, including early resolution, conciliation, mediation and encouraging the departments to resolve the issue themselves.

The changes that are outlined in this bill are essential. They come out of the government reviewing the system, looking at it and then, after consulting widely with the community and the sector, putting in place changes to the 1997 act that was introduced by the Howard government. Changes have caused quite a few problems within the community. We only have to look back to the time when the member for Mackellar was the Minister for Aged Care to see the kinds of problems that can be caused if governments do not consult widely with the community. The community and the aged-care sector need to have input into the direction of legislation, because good legislation is not imposed on a sector or on the community; good legislation is developed in consultation with all parties. I congratulate the minister for developing legislation that builds on the work of the previous minister and brings about legislation that is workable, that takes account of the interests of all parties and that will benefit those vulnerable frail aged people in the electorates of each and every member of this parliament. I commend the legislation to the House.

Mr TEHAN (Wannon) (18:23): I rise tonight to raise various points concerning the Aged Care Amendment Bill 2011. The first point I would like to address is that of regulation, which we are once again seeing. The merits of that regulation are yet to be tested and it is yet to be seen whether they will be worthwhile. But we are seeing regulation occurring without the government honouring its commitment of 'one regulation in-one regulation out'. This is a sector that is continually suffering from the stifling impacts of regulation, so we need to address that.

We also need to look at where the aged-care sector stands at the moment. The Rudd government came into power promising all sorts of things for this sector, but it delivered next to nothing. We then need to compare that with how the coalition would go about addressing the problems and issues confronting the aged-care sector. We have a proven track record on this. Ever since we introduced the Intergenerational Report and forecast what was going to occur with the ageing of our population we have had a policy that has fitted neatly with that budget summation as to where spending on aged care is going to go as Australia's population continues to age. I would then like to look at some of the impacts the aged-care sector is facing in my seat of Wannon and make some reference to Sea View House and a way forward on that issue at the moment.

This bill introduces a number of amendments as part of the governments health and hospital reform agenda. It plans to, and hopefully will, strengthen consumer protection for accommodation bonds paid to aged-care services. It also plans to improve arrangements for the handling of complaints about Commonwealth funded aged-care services. The government released an issues paper in October 2010 and, following submissions, undertook a series of industry
and consumer stakeholder meetings. A consultation paper was released in February 2011 followed by industry, consumer and regulatory stakeholders in February and March 2011.

As part of the government's health and hospital reform agenda, it is committed to strengthening consumer protection for accommodation bonds and this is what this legislation seeks to do. If the bill is passed the reforms regarding accommodation bonds will take effect on and after 1 October 2011 and the new complaints principles will take effect on 1 September 2011. However, there will be a two-year transition period, until the end of September 2013, for the changes to the permitted use of accommodation bonds, which will allow the sector to become familiar with the new requirements. A post-implementation review will be conducted in 2014-15.

In its 2011-12 budget submission, the Aged Care Industry Council stated:

A snapshot of the industry at the start of 2011 does not depict a sustainable system: only 40% of residential aged care services are operating in the black; hours of service are decreasing; hours of care provided under community aged care packages have fallen; and many providers are not building new residential care beds. The situation is worse in rural and regional areas where providers face generally higher costs with less ability to manage their income streams.

This does not portray a sector that is heading in the right direction. This does not portray a sector that is ready to meet the ageing of Australia's population. This does not portray a sector that is going to deliver, especially for older Australians in regional and rural areas. What it does portray is a sector that is in urgent need of reform. It also portrays a sector that needs a government that will listen to it and address its problems, and this does not seem to be occurring. As a matter of fact, if there is a constant theme that I am hearing in my community and I am witnessing when I come into this place every day the parliament sits, it is that this government does not seem to want to listen to the Australian people. It has its own agenda and it seems hell-bent on forcing that agenda on the Australian people.

The difficult part about this bill is that we do not really have a clear understanding of the regulatory impact. Also, given that we are introducing more regulation, what regulation are we taking out of the aged-care sector to help it meet the incredible demands it is going to be facing in the coming years?

The coalition understands that the very best care, whether in the community or residential, should be balanced. We need a clearly articulated policy that balances the community care and the residential care. We put forward at the last election a clear policy that first admitted the reality that the ageing of the population is an enormous social challenge facing Australia. We have a rapidly ageing population, and we are seeing that played out more in regional and rural areas. Australians are living longer and, as a result, are facing more complex health conditions. Disease patterns are changing as a result of Australians living longer. We are also seeing a shift in the size and composition of households, which means that there is not the family support there once was to help Australians as they age.

What does this mean? It means that our budget cannot sustain Australia's demographic changes. The declining workforce will generate insufficient tax revenue to meet the health and aged-care demands of our ageing population. On this point, we have to look at where the Australian budget is at the moment. The budget just handed down has a deficit of $47 billion—a budget deficit the size of the whole of the Victorian budget. We do not
have a government that is getting our budgetary position in place to deal with the ageing of our population. We have a government that has forgotten about the Intergenerational report and how it set out clearly what we need to do as a country to make sure we are ready to meet the ageing of our population.

We have a budget deficit forecast for next year of $21 billion. All this has led already to a net debt position of $106 billion, with repayments of $135 million per day. Imagine what that money could do if it were put into productive use in our aged-care sector. Sadly, though, we will see this money being used to repay debt and not to deal with these enormous challenges we are facing today in the aged-care sector.

In 2007 Kevin Rudd and the Labor government promised the world for this sector. They pointed out that there were issues about providing enough aged-care beds and people becoming ‘blockers’ of acute care hospital beds. Kevin Rudd announced that we were going to get a new direction. He promised the world. What has he delivered? As I quoted before from that damning indictment in the prebudget submission, we did not get that at all. The Aged Care Industry Council has stated that the snapshot of the industry at the start of 2011 does not depict a sustainable system—and we must work towards a sustainable system.

A key to producing a sustainable system will be making sure there is appropriate funding and also making sure we do not stifle this sector with regulation. Sadly, it is a habit of this government to try to fix every problem with regulation. Maybe it should step back and listen to some very wise advice, which is that trying to fix every problem with regulation often just creates more problems.

In visiting aged-care facilities across Wannon—in Ararat, Stawell, Casterton, Hamilton, Portland, Warrnambool and Mortlake, just to name a few—I see communities dealing with constant issues, especially workforce issues. This is not made easier by governments promising to deliver—for instance, promising to deliver new nurses, especially in regional and rural areas—and not delivering on those promises. These centres are dealing more and more with constraints on accessing the labour they need. Not only that but they then have to deal with extra regulation that requires them to have professionals with certain qualifications and does not allow them flexibility as to where they get those professionals and how often they can use them.

One of the key things for regional and rural communities is to ensure that as people age in their communities they can stay in those communities. One of the key components of the coalition's policy approach before the last election was to ensure that there was flexibility in the system to enable people to age gracefully in the communities in which they grew up. Sadly, we are not seeing that from this government. What we are seeing from this government are regulations that continually make this more and more difficult—regulations that seem to support large facilities in urban areas and do not have the flexibility to enable the smaller aged-care facilities to operate.

Finally, I will point to a very simple example. Sea View House in Portland is a 56-bed supported residential service that has had the rug pulled from underneath it by Portland District Health. At the moment it is trying to deal with the question of what will become of it. The community has rallied and is keen to buy Sea View House so that it can continue to provide services. I would like to take this opportunity to say how much I
support what the community is trying to do to save Sea View House. Glenda Carswell, the spokeswoman from the community group which has been set up, the Sea View House Support Group, has been doing an excellent job to make sure that the facility can continue to provide its services to the people in residence there. They have provided bonds to make sure that they are in a situation where they can live the last parts of their lives in a very comfortable way and in an environment which they have freely chosen. The support group are doing a terrific job and I hope that they will be able to get a purchaser for that facility so that it can continue to provide its services. I thank the House for the opportunity to speak on this bill.

Mr WYATT (Hasluck) (18:38): The Age Care Amendment Bill 2011 introduces a number of amendments, which form part of the government's health and hospitals reform agenda. This bill plans to improve arrangements for complaints handling of Commonwealth funded aged-care services and to strengthen consumer protection for accommodation bonds paid to aged-care services. The history of this bill is an interesting one and for once demonstrates that those on the other side sometimes consult and listen to key stakeholders. Especially on an issue as important as aged care, we would expect the government to undertake consultations. The issues paper on enhanced prudential regulation of accommodation bonds, released in October 2010, resulted in a consultation paper released in February this year, which was followed by a number of industry, consumer and regulatory stakeholders meetings with the government to work through the issues raised.

In Aboriginal and Torres Strait Islander society elders are consulted because of their knowledge, wisdom and life experiences. Their guidance helps to shape our future and teaches us humility, compassion and understanding. Ageism is not a factor; nor is age. Members of this House need to fully appreciate that if we apply the same approach in our wider society then we are more likely to provide the level of aged-care services and facilities that reflect aged people's needs, including staying in their own home. It is that generation that built and continued to build this great country of ours and the lifestyle we enjoy; therefore, we should take care of them.

The current regulation around the use of accommodation bonds is not consistent throughout the industry. The Department of Health and Ageing has identified, through monitoring and compliance activity and financial reports from a range of providers, that the lack of consistency of interpretation as to the permitted uses of bonds has led to many providers misusing them. The Aged Care Act provides that if an accommodation bond is charged to the care recipient by the aged-care provider then the provider must not use the bond for a purpose that is not related to 'providing aged care to care recipients.' It also stipulates that where a bond is charged then the provider is entitled to the income derived from the bond and may also deduct retention amounts from the bond principal. However, there are restrictions on how these amounts can be used. As mentioned before, the Department of Health and Ageing has found that a number of providers are using bonds to make loans to related parties and meet operational costs, making loans to related entities and to individuals with variable practice in documenting the loans, repayment arrangements and interest charges, and failing to meet the existing prudential standards relating to bonds. Since the prudential requirements were introduced in
2006, over 15 per cent of the aged-care industry has been found to be noncompliant.

Our aged-care system is a mess under this government. According to a Grant Thornton aged-care performance survey in 2007, over 40 per cent of all providers were operating in the red. I find that fascinating in this day and age. The Aged Care Industry Council stated in its 2011-2012 budget submission:

… only 40% of residential aged care services are operating in the black; hours of service are decreasing; hours of care provided under community aged care packages have fallen; and many providers are not building new residential care beds.

This is important, because in my own electorate I have a large demographic, but part of that demographic are retirees and ageing Australians who will remain in their homes for a period until such time as they are unable to continue in independent residential living and move into a facility that will provide the levels of support that they require. In some instances those who need more intensive care move from my electorate into two other regions of the metropolitan area because the aged-care facilities that are established in our electorate do not have the capacity to meet the numbers.

This industry needs urgent help. No-one knows this better than Mr David Fenwick, in my electorate of Hasluck, who I work extremely closely with on the issues that impact on the industry. Mr Fenwick is the Chief Executive Officer of Amaroo Village in Gosnells. Amaroo provides independent living units, 92 high-level care places and 81 low-care places. Amaroo is an outstanding example of how the industry is making it work. They struggle to meet operating costs but recognise that there is a need in the area and continue to work towards the best outcomes possible for the residents.

Back in January, my colleague the member for Canning and I were presented with petitions from aged-care providers in our electorates of Canning and Hasluck. The aim of the petitions was to 'let Canberra know about the needs of Older Australians— their right to quality care and support they deserve now and in the future'. Their voices deserve to be heard. The pity is that the petitions did not meet the rigour of the requirements for petitions to be tabled in the House. Nevertheless the message was quite strong.

The management and care team at Amaroo are passionate about their work and they deserve to be supported by governments. This is consistent in all of the aged-care facilities that I have visited in Hasluck. Instead, the government has broken its election promise to repeal one regulation for every new regulation. Red tape and bureaucracy is holding the industry back. The burden of growing regulation is a disgrace. The coalition is committed to reducing Commonwealth regulation by at least $1 billion per year. Unlike those on the other side, we want to see industry encouraged to innovate, grow and provide the best possible services to those who need them the most.

We need to be supporting the aged-care industry now because we remember that, one day, we will all most likely need to access the services provided by the aged-care industry. When we grow old and need support, the aged-care industry, and the carers and providers, who are extremely passionate, will be looking after us. Unfortunately, only when that day comes for those opposite will they realise that they should have been much more supporting of the aged-care industry than they are now. The aged-care industry is becoming financially unviable and the number of providers going into liquidation has
increased. However, many are being absorbed by larger facilities, thus not giving an accurate representation of the state of the industry.

The changes proposed by this bill strike a balance between explicit regulatory requirements and a risk based approach. It is difficult to accurately quantify the regulatory impact of these proposed changes due to the lack of available data. The changes include the provision of a regulatory framework that is equal to the risk associated with the strong growth of accommodation bond holdings and the increasing of incentives for bonds to be used in a prudent and sustainable way to meet the policy objective of allowing providers to charge bonds. Further, any costs to providers due to changes to ensure that bonds are only used for permitted purposes will be minimised by removing current restrictions on the use of income derived from bonds, retention amounts and accommodation charges and giving providers complete flexibility over how such income is used. There will be a transition period of two years, which will allow approved providers time to comply with the new arrangements. The changes also ensure that the financial interests of care recipients are protected.

These proposed changes will take effect in relation to accommodation bonds taken by approved providers on or after 1 October 2011 and the new complaints principles will take effect on 1 September 2011. A two-year transition period will conclude at the end of September 2013 to allow the changes to permitted uses of accommodation bonds to take effect and to allow the sector to become familiar with the new requirements. A post-implementation review will take place in 2014 or 2015. This review will be extremely important to the industry and I certainly look forward to seeing the outcome and what the challenges are.

Another key element of this bill is the management and resolution of complaints about aged-care services. The bill proposes that the investigation principles be replaced with new complaints principles. This will provide greater flexibility for complainants and will result in a range of options being available to assist in resolving a complaint, including early resolution, conciliation and mediation. I support this measure as people accessing the industry deserve to be looked after.

In my electorate of Hasluck, there are 22 approved aged-care providers providing a total of 321 community care places, 313 residential high-care places and 610 residential low-care places. I have been privileged to visit a number of these providers and they provide outstanding service to those in Hasluck who need it. I will always fight for the needs of the aged-care sector because it is an important part of the Hasluck community. We all know someone who is accessing aged-care services and, as such, we all have a duty to stand up and argue to improve the quality of the industry. This is a passion of mine. As I stated in my first speech to the House:

Elders within Aboriginal and Torres Strait Islander societies are revered and respected, and hold a special place—they do not go away but remain as wisdom-givers and guides in our future. The same concept has to be applied to all seniors and retirees, and the support they require should be accorded to them.

In the short time I have represented the electorate of Hasluck I have enjoyed the privilege of meeting people within residential care and, equally, those who have made the decision to remain living at home. The level of support provided in the home has been welcomed; what is disappointing, though, is that where there are increasing numbers there is not the financial capital to build the infrastructure required to provide
the number of beds that are needed. I hope that in the future the Productivity Commission report and the work that we do on this side will help contribute to solutions that will make a difference across this nation for our elders, who will need the services and opportunities that are provided, both socially and from the point of view of accommodation at secure facilities that provide them with a bed and the comfort of support.

I revere our seniors. I believe that they provide opportunities for us to learn of the past, to take their knowledge and use it for the future and to understand our history in this nation. When I was teaching, the school had a relationship with an aged-care home and I saw many children enjoy the relationship with older people. Those who did not have grandparents enjoyed the relationship with seniors in those villages. They liked the fact that they were talking to people who had lived through a history, where they had seen the transition from horse-and-cart days to the types of vehicles and technology that we have in this day and age. I just hope that this government gives due attention to the needs of our elderly and to aged-care services.

Ms MARINO (Forrest—Opposition Whip) (18:51): The aged-care system in Australia is rapidly approaching crisis point. The number of people over 65 is set to double over the next 20 years and the industry is desperate for additional funding particularly for capital works. There are a number of indicators that should alarm all policy-makers in this House in the provision of residential care in particular, and I would like to talk about some of these.

Last year the federal government allocated 1,564 additional residential aged-care places to Western Australia. However, only 314 of the beds were taken up—just 20 per cent. In the preceding year, of the 1,208 beds on offer, only 507 or 42 per cent were taken up in WA. What is worse, over the last three years 786 aged-care bed licences, the licence that provides the funding for aged-care beds, were handed back to the government and 283 of them were from Western Australia. We are now some 2,400 beds short of our aged-care requirements in WA. The situation is going to get worse.

This is happening at a time when the group referred to as the 'baby boomers', those born between 1946 and 1964, start to enter retirement. They are looking at retirement and at aged-care solutions. I would suggest that several members in this House right at this moment may be part of that group and may feel as though they are being made responsible for a lot of the world's problems. Some of us do, however, represent a significant increase in the ageing population, which makes the debate on how we care for our ageing community perhaps even more urgent for some members here.

In my electorate of Forrest there are around 19,000 residents over the age of 65 and that number will increase rapidly. We have 30 aged-care facilities; however, the number of facilities and their capacity has to expand as the age demographic within my electorate increases. I note that in its 2011-12 budget submission the Aged Care Industry Council stated:

A snapshot of the industry at the start of 2011 does not depict a sustainable system: only 40% of residential aged care services are operating in the black; hours of service are decreasing; hours of care provided under community aged care packages have fallen; and many providers are not building new residential care beds. The situation is worse in rural and regional areas where providers face generally higher costs with less ability to manage their income streams.

This is exactly the case in my electorate, and I would expect it is also the case in other...
rural and regional electorates. It is extremely
difficult for aged-care providers to invest in
new facilities. The financial viability of the
sector is critical to the ongoing provision of
appropriate aged care in this nation.

As well as the viability issue, as we
engage in the debate about aged care, there
are several other questions. One of them is:
what is the most appropriate form of care?
Historically senior members of our
community were cared for by their families
in the homes. While in some circumstances
this may have resulted in some forms of
neglect, in most cases it did not. In many
countries in the world it is still the primary
form of aged care. Some constituents of
mine with a strong history in the aged-care
sector visited Italy in recent years and did
some research on the aged-care industry
there. It was extremely limited, of course,
because most of the aged care in Italy
centred on care in the home, by the family,
with the support as needed. We have some
similarities. They have a baby boomer
population entering retirement, as does most
of the developed world. There are increasing
numbers of families who can no longer care
for their ageing relatives at home although
Italy, as you would imagine, starts from a
much lower base on this.

Most Australians want to live in their own
homes as long as they possibly can. When
people cannot do so, they will most certainly
enter residential care but, because it will be
later in life, they will be in a much more frail
state with far more serious health issues, as
the member for Mackellar frequently advises
us. They will potentially need high care,
which brings me to the bill before the House.
Accommodation bonds are an
acknowledgement that the individual does
have some responsibility to contribute to
their own aged care. The bill tightens the
rules for the use of bond money. Greater
certainty in the area is required, but it is
another tinkering around the edges of aged-
care provision. This is an industry that is
overwhelmed with compliance already, yet
the government is adding to that burden, and
more and more resources within these
facilities are being directed to compliance
and less into patient care where it is so badly
needed. Again, the government has broken
its promise to repeal one piece of legislation
and regulation for every other piece that it
passes. As I said, the industry is swamped
with complex, overlapping and costly
regulations.

The government must also consider the
specific and individual needs of smaller,
community based aged-care providers such
as Tuia Lodge in Donnybrook in my
electorate, which is a 26-bed facility
employing 30 very caring staff members. Lui
Tuia has been the driving force, as the
member for Mackellar knows. It has been
Lui’s leadership and endless volunteering,
the commitment from the local community
and constant community fundraising that has
provided the people of Donnybrook with a
great quality, caring aged-care facility. In
this small community not only does Tuia
Lodge provide aged care but it is one of the
major employers in the town. I am told that,
in general, aged care employs more people
than retail. Facilities like Tuia Lodge need to
be able to expand to meet the growing
demands of Donnybrook. There will be an
explosion in the need for high-care provision
within three years in this area, but they need
the capital funding to expand and, of course,
it has to be a profitable outcome to proceed
and be sustainable. Tuia Lodge needs all the
help and consideration of its specific needs
from this government not only to continue to
provide quality services but to continue to
expand to meet the needs of the community.

Another issue confronting rural and
regional communities is the fact that parents
with disabled children of a mature age have
no aged-care accommodation facilities that provide for their specific needs. The task ahead, the future of aged care will take bold vision and strength of resolve that not only is not in this legislation but is also lacking from this government.

An aged-care provider in the town of Collie in my electorate, Southern Cross Care, has a 64-bed residence which currently has a waiting list of 22 people. One poor lady has recently had to leave the town she has lived in for 66 years and move 50 kilometres to Bunbury. There was no other option for the lady and, of course, it is particularly difficult for her family.

I did want to briefly touch on palliative care, Mr Deputy Speaker, but I see that my time has run out. I believe there are other matters in this House that are about to be dealt with, so I will conclude my remarks.

ADJOURNMENT

The DEPUTY SPEAKER (Hon. Peter Slipper): Order! I propose the question: That the House do now adjourn.

Flynn Electorate: Medicare

Mr O'DOWD (Flynn) (19:00): I rise in the House today to speak again about another blow to regional Australia from the federal Labor government. I will provide you yet again with evidence that this government has absolutely no regard for the people who live outside the big cities and towns. In a cruel blow to the small communities throughout Flynn, the Labor government has closed 24 Medicare Australia access points in the electorate and will close a further three within the next year or so. Towns like Wowan, coal mining towns like Tieri, Blackwater, Moura and Theodore, which has just been devastated by floods for the second year in a row, and communities like Boyne Island, with an aluminium smelter, and Tannum Sands are being affected. People are now being told they have to either access Medicare information via the internet or travel to larger towns or cities to conduct their Medicare business.

Mr McCormack: It is not good enough. It is a shame.

Mr O'DOWD: It is a shame. It is unacceptable. What about elderly residents and those with illnesses or disabilities? Some people do not know how to access the internet or for one reason or another cannot travel long distances to these towns to carry out such basic day-to-day functions. Some people have no cars and rely on public transport. I can tell you that there is no public transport in a lot of these towns. There are no taxi services. There are no bus services.

The government are out of touch with the needs of the regional communities. This decision by an uncaring Labor government must be overturned and overturned soon. It is like everything else they do. They hide behind the curtains and leave the delivery of bad news to the store owners and business owners who they have just sacked. Let me quote from the notice sent out to the store owners who for years have provided this service to their communities and have been sacked by Medicare Australia. The letter to those people, who had been faithful over all those years, said:

It is your responsibility to notify all customers who intend to use the Medicare Australia access point facility that it will no longer be available.

It is your responsibility to notify all customers who intend to use the Medicare Australia access point facility that it will no longer be available. Let us get this straight: the federal government sack the store owners and then require them to do the government's dirty work by delivering the bad news to the people of these smaller towns. We all know this is a 'good news only' government. All they want to speak about is the good news, all the good things.
Mr McCormack: There is not much of that.

Mr O'DOWD: There is not much of that either. You are right.

The DEPUTY SPEAKER (Hon. Peter Slipper): The honourable member for Riverina ought not to interject from outside his seat.

Mr O'DOWD: We all know that this is all spin and no substance. But for pity's sake, Mr Deputy Speaker, this is beyond the pale. Twenty-seven Medicare Australia access point facilities are being taken away from my electorate. We have not heard from the member for Capricornia how many are about to be stripped from my neighbouring electorate, but bad news does not sell very well so I guess we will not hear much from her on this issue. Over 800 of these Medicare Australia access points are being closed Australia-wide. Do not tell me none are being closed in Capricornia. Or is it just a case of Labor members not wanting to face up to the honest truth, which is that this government has absolutely no regard for regional Australians? (Time expired)

Middle East

Mr DANBY (Melbourne Ports) (19:05): President Obama's reference to the 1967 borders in his state department speech has been misunderstood by some to suggest that the final borders of a two-state solution will replicate those pre-1967 lines. What President Obama said was more nuanced. In his speech to the AIPAC conference in Washington he distilled his reference to borders, emphasising the phrase 'with land swaps', which was largely ignored by members of the electronic media ignorant of these important distinctions. He said:

And since my position has been misrepresented several times, let me reaffirm what '1967 lines with mutually agreed swaps' means.

By definition, it means the parties themselves—Israelis and Palestinians—will negotiate a border that is a different than the one that existed on June 4, 1967.

That is what mutually agreed upon swaps means.

... it allows the parties themselves to take account for the changes that have taken place over the last 44 years.

Exactly. It would be impossible for Israel to go back to what Israeli Prime Minister Netanyahu has described as indefensible borders.

It seems to have been lost on some commentators that the President of the United States made clear the recent agreement between Fatah and Hamas blocks progress to peace. As the American President argued: how can Israel negotiate with an organisation who refuse to accept the basic responsibilities of peace, including recognising Israel's existence, renouncing violence and respecting previous arrangements made by the Palestinian Authority?

President Obama noted, 'No country can be expected to negotiate with a terrorist organization sworn to its destruction.' Let me remind the House, particularly the members for Fremantle and Calwell, that Hamas is still classified as a terrorist organisation by this parliament. The President's caution on Hamas cannot be ignored. Hamas is designated as a terrorist organisation in the United States, Europe and Australia. Hamas's founding statement of purpose calls for the destruction of Israel. Hamas's leading ideologue, Khaled Meshal, is closeted in Damascus and is protected by the Syrian dictator Assad. After the agreement between the two Palestinian factions, Meshal said Hamas would not recognise Israel, nor would it renounce violence. The New York Times on 5 May 2011 reported that Meshal 'declined to swear off violence or to agree...
that a Palestinian state would produce an end to the conflict'. As soon as the unification arrangement had been signed, Mahmoud al-Zahar, a senior Hamas leader who participated in the talks with Abbas, said, 'Our program does not include negotiations with Israel, or recognising it.' That statement was made in Cairo on 28 April.

It is therefore preposterous to claim that Israel now has a partner in peace. Unifying the Palestinian factions would only progress peace negotiations if Hamas renounces its charter, with its ugly use of the anti-Semitic forgery The Protocols of the Elders of Zion. Hamas's bad faith is demonstrated by its refusal to release Israeli soldier Gilad Shalit, who has been cruelly held for five years without contact with the Red Cross or his family. Hamas repudiates the insistence by the quartet—the United States, Russia, the European Union and the United Nations—that all Palestinian factions renounce violence. Importantly, Hamas acts as a proxy for the aggressive regime in Tehran. Tehran has lavished weaponry on Hamas in Gaza. In March this year a ship, the Victoria, was seized before it reached Gaza. On it weapons were found en route from Iran via Syria that were to be delivered to the Hamas terrorist organisation. Since 2001, 13,000 rockets have been fired by Hamas into southern Israel, many of them factory-produced in Iran.

Some point to the British government negotiating with the IRA as a model for negotiating peace in the Middle East. However, Prime Minister Tony Blair only negotiated with the IRA once they had renounced violence and ceased calling for the destruction of Ulster. It is very regrettable that the Palestinian Authority has refused over the past two years to come to direct talks with the Israelis; they have only been engaged in indirect talks via the quartet. The US made it clear that it will not support the UN vote in September on a unilateral Palestinian state and I hope Australia will not either. I want to advance an alternative strategy to Mr Abbas and his allies in Hamas: accept the three conditions of the quartet—renounce violence, acknowledge the existence of the state of Israel and uphold previous agreements between Israel and the Palestinian Authority—and immediately call for internationally supervised elections in the West Bank and Gaza. After all, neither the PA nor Hamas have faced the voters since 2006. I am sure Australia would be willing to be of assistance. We all want to constructively advance the two-state solution. (Time expired)

Financial Services

Mr VAN MANEN (Forde) (19:10): My electorate contains a great number of professional financial advisers and I am sure the rest of the members in this House also have many in their electorates. Financial advisers have long provided an important service to the Australian community. Proposed reforms in this sector will increase red tape, increase costs and reduce choice for consumers. Sensible financial advice reforms would increase transparency, consumer choice and competition, striking the right balance between appropriate levels of consumer protection and ensuring the availability, accessibility and affordability of high-quality financial advice.

I have been contacted by a number of financial planners in my electorate who are concerned about the proposed changes emanating ultimately from the Cooper review. In particular they have concerns in three main areas. They are concerned that part of their business is being taken away by banning commissions on insurance written through superannuation funds, that they will have to renegotiate their service agreements with their clients every two years and that...
the effect on many businesses is going to be negative because of the increased compliance and audit costs that will be incurred.

Ultimately it is unnecessary for the government to involve itself and require that people must re-sign contracts with their advisers. Clients have always had the ability to sack their advisers at any point in time. The Assistant Treasurer and Minister for Financial Services and Superannuation is, in my opinion, merely looking out for his union friends and disguising his proposals as positive changes for consumers. Opt-in and risk commission bans in superannuation have absolutely no connection to the financial collapses of Storm, Westpoint and Trio, just to mention some, and will not prevent these things happening again.

The coalition does not support Labor's push to force people to re-sign contracts with their financial advisers on a regular basis. Although the minister watered down his plans to have advisers re-sign contracts every two years, this proposal will still add unnecessary red tape and increase costs for both small business financial advisers and their clients. There have been some estimates that these costs may add up to an extra $50,000 per year to the cost base for a financial planning business.

The minister has proposed that all commissions on risk insurance inside superannuation be banned. The coalition oppose this as there is already a problem of underinsurance in this country and a ban would only make that worse, increasing the upfront cost of taking out adequate insurance cover. There are plenty of times where it is a very sensible and prudent strategy to write insurance through superannuation. The government has proposed banning volume rebates in this new legislation. Volume rebates do not distort advice. They are part of legitimate business practice and deliver direct benefits to consumers and enhance competition. The only volume rebates that should be banned are those which distort investment advice. Whilst there are important and necessary alterations to be made to the financial-advice sector, it is important that this sensible reform agenda is not hijacked and turned against small financial-planning businesses to benefit or provide gain to vested interests. The regulations should be the same across the entire industry, including industry funds. This is particularly relevant where corporate governance is concerned and the minister is yet to adequately explain why the corporate governance recommendations of the Cooper review have been ignored.

As I said at the outset, these professional advisers provide a valuable service to the community and it is time they stopped carrying the responsibility for failed products. It is not the advisers' fault, it is the fault of the products' manufacturers, and it is time that regulations were used to attack those as well. (Time expired)

Syria

Dr LEIGH (Fraser) (19:15): Syria is a nation not unlike ours. We both have a population of approximately 22½ million people. We both have long and ancient cultures that are internationally recognised as cradles of civilisation. We both have abundant energy resources in the form of natural gas and oil. But that is where our stories diverge.

Unlike our fellow countrymen and countrywomen, Syrians are being killed and arrested for wanting a voice in the government of their country, for wanting their government to be based on democratic principles such as freedom of speech, the right to peacefully assemble, equality under the rule of law and the right to choose one's
own leaders. These killings and arrests have to stop. The Syrian human rights organisation, Swasiya, estimates the number of civilians killed to be at least 1,100 since pro-democracy protests started in Deraa on 18 March.

In May, Syrian security forces went into the central city of Homs to suppress pro-democracy activists. A 12-year-old boy was killed as a result of the use of tanks and machine-gun fire against civilians. The situation has continued to worsen. Recently, Reuters reported that 27 civilians were killed over three days as Syrian security forces used tanks to crack down on pro-democracy protesters in the Lebanese border town of Tel Kelakh.

The tragic irony is that the Syrian constitution guarantees in article 25 that freedom is a sacred right. It also promises that the role of the state is to protect the personal freedom of its citizens and to safeguard their dignity and security. The killing of civilians and acts of intimidation and violence are intolerable and must stop. The Australian government has taken a number of steps to pressure the Syrian regime to cease the violence and implement genuine political and economic reform with imposed targeted financial sanctions against those responsible for ordering human rights abuses and the lethal suppression of peaceful protests.

We are bringing pressure to bear against key regime figures responsible for this violence and suppression and have imposed an embargo on arms and other equipment used in the repression of Syrian civilians. We have co-sponsored a resolution in the United Nations Human Rights Council condemning the use of lethal force against protestors. The foreign minister today wrote to the President of the United Nations Security Council referring the Syrian leadership to the International Criminal Court.

Since protests began, diplomats and human rights activists say that as many as 8,000 people have been jailed or are simply missing. Leading dissident Riad Seiff was arrested and imprisoned in 2001, 2008 and, most recently, on 6 May this year. His supposed crime—to build a new political movement, through the Damascus Declaration, to compete with the ruling Ba'ath Party. His movement is based on human rights, pluralism, press and academic freedoms and the building of a civil society.

The right to express one's views and protest peacefully is a right we in Australia take for granted. It is such a part of our heritage and national values that to question our right to do so meets with fierce opposition. Yet in Syria this fundamental democratic and human right comes at a deadly cost. The Syrian people have shown remarkable courage in demanding this for themselves. As one Syrian man, Mohammed al-Dandashi, told journalists, 'They are punishing us for demonstrating against the regime.' President al-Assad should stop the brutal and fatal suppression by his security forces and support the legitimate democratic aspirations of Syrians by making simple yet profound choices: stability over instability, growth over decay, peace over violence, trust over suspicion and confidence over fear. These are the characteristics of a modern nation that is a responsible global citizen and whose people are empowered to take advantage of the opportunities this century presents. These are the choices now faced by President al-Assad.

I am proud to be part of a government that, when it sees abuses and violations of human rights here or overseas, takes decisive action because it is the decent thing to do. Perhaps Syrian poet and dissident Faraj
Ahmad Bayrakdar best described the overwhelming desire of his people for democratic and universal human freedoms when he wrote from within Saydnaya prison, 'Freedom is a homeland and my country an exile.' (Time expired)

**Syria**

Mr *Hockey* (North Sydney) (19:21): Today we reflected in this House on the terrible loss of two more Australian diggers who died in war so that we and others may live a life of freedom and dignity. Five kilometres south-west of Damascus is a tree-lined Commonwealth war cemetery where at least 37 young Australian men are buried. They fought and died in two separate wars so that we and others may live with freedom and dignity. Their bodies never came home. Even though time and distance separate the fallen soldiers, the reason for the sacrifice of their young lives endures. We must as a nation speak for the voiceless. We must stand up for the weak.

So it is tonight in this House, where we have sent so many of our own children to war to fight and die for freedom and dignity, that I speak of the recently deceased Hamza Ali Al Khateeb. Hamza was a peaceful protester in the Syrian town of Dara'a. According to gulfnews.com: He was arrested for chanting 'down with the regime' along with a group of young protesters.

That day, the day of the protest, 29 April, was the last day he was seen alive. He was 13 years old. The boy's mutilated body was returned to the family just last Wednesday, nearly one month later. A very distressing video of his corpse has been posted on YouTube. According to the *Washington Post*:

The boy's head was swollen, purple and disfigured. His body was a mess of welts, cigarette burns and wounds from bullets fired to injure, not kill. His kneecaps had been smashed, his neck broken, his jaw shattered and his penis cut off.

What finally killed him was not clear, but it appeared painfully, shockingly clear that he had suffered terribly during the month he spent in Syrian custody.

The Syrian people have suffered for far too long. Bashar al-Assad, the current president and son of the former dictator, promised a more compassionate, humane government based on the principles of good governance and human rights. He has failed his own people. Over a month ago the Syrian people, motivated by events elsewhere in the Middle East and northern Africa, began protests calling for an end to 50 years of Syrian emergency rule. The reaction of Syrian authorities has been brutal. Since mid-March, Amnesty International indicates around 10,000 protesters have been imprisoned. The amnesty offered today by Assad is too little and too late. Emergency rule was supposedly lifted the day Assad instructed forces to take control of the town of Dara'a, an ancient city near the border with Jordan. All this was just a couple of days before Hamza disappeared. He was detained and tortured to death—a 13-year-old boy. Our limited knowledge of events has filtered out because courageous young Syrians are using technology to disseminate news. But the situation in Syria is getting worse, not better. Syrian activists are reporting that government snipers stood on top of apartment buildings in Dara'a, shooting people preparing to take to the streets to peacefully protest. The regime's actions are un-Syrian, un-Islamic and unacceptable.

Freedom is never without cost. In Iran, the struggle for free and fair elections was epitomised by the life of Neda Agha-Soltan, a young woman killed during the Iranian election protests in 2009. The Tiananmen protests were epitomised by the man with his shopping bags who stood in front of a tank. These brave people are the symbols of a
greater movement of people demanding control over their own destiny. The Arab Spring has led to the transition of power from dictators in Egypt and Tunisia. It is the start, I hope, across the region of a liberal revolution which will deliver peace, security and democracy. But the people need and deserve our support. We cannot be selective; we must be consistent in our approach to the region. It is not good enough that Australia and the international community offer little more than words and sanctions that continue to be defied. Australia needs to be a leader in its condemnation of the atrocities.

Today the Minister for Foreign Affairs wrote to the Secretary-General of the United Nations and the President of the Security Council seeking to refer President Assad to the International Criminal Court. I congratulate him on this initiative. But we can go further. It is time that Australia considers refusing to give credentials to the new Syrian ambassador designate in Canberra. The ambassador, who I understand is close to President Assad, should be given the opportunity to tell President Assad directly about the depth of feeling here.

The Syrian people deserve freedom. Hamza's death cannot be in vain. Young Australian soldiers who have died so that others may live expect us to be ever vigilant. (Time expired)

Petition: Public Holidays
Calwell Electorate: Broadmeadows Superclinic, Community Radio

Ms VAMVAKINOU (Calwell) (19:26): I have a number of issues that I wish to raise this evening relating to my electorate. Before I do that I would like to present a petition that has gone to the petitions committee.

The DEPUTY SPEAKER: The petition will be received in accordance with the standing orders.

Ms VAMVAKINOU: The petition calls on the House to amend the Fair Work Act 2009 to include, in the National Employment Standards, Easter Sunday in the list of recognised public holidays.

The petition read as follows—
To the Honourable The Speaker and Members of the House of Representatives
This petition of certain citizens of Australia draws to the attention of the House that:
• The Fair Work Act does not recognise Easter Sunday as a public holiday in the National Employment Standards. It does recognise Good Friday and Easter Monday.
• Easter Sunday is a day of great significance for the 64% of Australians who identify as Christian and the 30% of Australians estimated to attend Easter Sunday Church services.
• Easter Sunday is part of a recognised holiday break for all Australian people, Christian or not.
• With the exception of Victoria, all mainland Australian States, as well as New Zealand, recognise the significance of Easter Sunday and require shops to close.
• Indeed, the significance of Easter Sunday is widely recognised throughout the Western world by the fact that shops must close on this day in London, Paris, Rome, Milan and Montreal.
• The Parliament of NSW unanimously legislated for Easter Sunday to be a public holiday.

We therefore ask the House to:
Amend the Fair Work Act 2009 so as to include, in the National Employment Standards, Easter Sunday in the list of recognised public holidays.

from 29 citizens
Petition received.

Ms VAMVAKINOU: I also want to speak this evening about the $7 million contribution that the federal government has made to the building of a superclinic in my electorate of Calwell. An announcement was
made last year in July, and the realisation of this much-awaited and very important facility has come a step closer because on Monday an agreement was signed between the federal government and Dianella Community Health, the winning bidder in the tender process. I am delighted that Dianella was able to win that tender process. It is our local health centre. It has a very strong record of delivering health services to the people of my electorate as well as having very well-established networks with the local GP community and the broader community.

The signing of the agreement between the government and Dianella Community Health is an event that has been very warmly welcomed by my local residents. I have spoken many times in this House about the fact that our electorate does not have a hospital; therefore, anything that enhances the quality and the quantity of health services in my electorate is very much welcomed by all of us. We are a growing community. It is expected that by 2013 our population will reach some 177,289 people. This will be an increase of about 10,000 since the last census in 2006. It is expected to exceed 240,000 people by 2030. As you can see, Mr Deputy Speaker, Dianella is a growth area with a low socio-economic community and therefore the opening of a GP superclinic will provide residents with a new level of team-based, patient-centred health care which will happen under the one roof.

We expect that once the superclinic is up and running we will have a lot more doctors and nurses. The allied health professionals will also be a part of this service, and overall there will be better access to health services for the people in my electorate. The Broadmeadows superclinic, as it will be called, is expected to include general practice, physiotherapy, dietetics, occupational therapy, podiatry, psychology, speech pathology and exercise physiology, with a strong emphasis on chronic disease care. The clinic will also focus on training and education for medical and nursing students and support training in medical related disciplines for people from disadvantaged groups such as Aboriginal and Torres Strait Islander people and refugees. I am particularly looking forward to the contribution that the GP superclinic will make to our local Indigenous community.

The other issue I would like to raise in the House this evening is the recent budget allocation of $12.5 million to community radio. I have spoken many times in this House about the importance of community radio. It is a vital service for local communities. Last year I called on the federal government to support and acknowledge the importance of community radio. I am very pleased that this year the government has responded to my call, and the call of the community radio sector generally, and has increased the level of funding available. Community radio is run on a very, very small budget, but the benefits of it are immense. In particular, I want to congratulate Radio 3ZZZ, which is a community radio station that broadcasts in 75 different languages and reaches about 100 different Australian communities. The people from Radio 3ZZZ are very happy with the allocation in the budget. It is something they have fought a campaign for. On their behalf, I convey their gratitude to the House.

Rural and Regional Health Services

Mr LAMING (Bowman) (19:31): Flanked by the member for Riverina and, I am sure, supported on both sides of the chamber, I want to acknowledge the important work done by rural and remote healthcare providers right around this great nation. Whether they are working in rural towns or in remote communities, whether
they are doctors, nurses or allied health workers, they are working to close the rural-urban gap in health, which at the moment, in life expectancy, is between five and seven years.

Something is certain about living in remote Australia: you should not have to take second-class health care. That is a commitment, I know, from this whole chamber. I know also that, if many of these regional towns and communities were patients, they would be category 1 and wheeled straight in for emergency care of the highest quality. But too often we hand them a bag of cash and say: 'Do your best to recruit a health worker,' without ever ensuring that those health workers are actually deployed.

Right now the issue is obstetrics, surgery and anaesthetics—procedures done by our rural general practitioners, who actually hold the communities together, preventing people who live in remote and rural Australia from having to suffer delayed diagnosis, travel long distances for care and suffer the emotional and financial expense of what ensues. What we need—and, again, I know it is supported in this chamber—is more focus on rural training, more focus on incentives and a way of seeing our overseas trained doctors, who in many cases are the backbone of our medical workforce, being assisted and supported to not only deliver the services that we need but to feel like they are part of those rural communities.

I tonight want to recognise the important work of the two jurisdictions that are the most dispersed and decentralised of all, and they are New South Wales and Queensland. I want to acknowledge the work of the Queensland government in having a rural training pathway for GPs that has become the model for the rest of Australia. They give significant payments for professional development and provide recreational leave for their nurses twice a year as well as bonuses, which are extended to the allied health sector as well. And there is Queensland's well-known system of seven-tiered payments, of between $6,900 and $48,300 per year—non-pro rata-ed—to doctors to work in the most remote of locations. That is a very, very strong attractor for getting our doctors, predominantly trained in the cities, to work in rural and remote Queensland.

In New South Wales they do it differently, and that is the benefit of a federal system. Through their Rural and Remote Incentive Scheme, they offer payments of up to $10,000, not just to health workers but for human services, education and training, police, firefighters and the SES. They also offer significant study incentives, for a semester every three years and four hours a week to do additional study. That maintains the intellectual and training connection to urban centres. In New South Wales there are payments to VMOs of up to $10,000 and to dentists of up to $20,000, which, innovatively, can be used not only to pay for a vehicle or for travel expenses but even to pay for school tuition fees.

Here are two states doing things differently but effectively, but it is still not enough. There are three big frontiers ahead of us. The first one is incorporating the overseas trained doctors, who still remain the backbone of service in some communities. They need to have an opportunity, in some cases, for the families to be able to access public education and health facilities. In some cases they cannot do that now, even though they are supporting the communities in those areas.

Second, we need an advanced rural training pathway so we can say to young doctors: 'We will take you from the point at
which you are deciding whether or not to be a specialist and offer you a procedural based general practice in the bush which is inspiring and satisfying, and in a way that can allow you to do procedures,’ because that skill is dying in the bush. A procedural training pathway that offers young doctors a college qualification at the end of it is vitally important.

Last—and I hate to lament this—there has been fiddling of the geographic classification standard by the current Labor federal government that has led to pooling of communities of completely different geography into five simplified categories. I can understand that there is a need for an academically developed system for remoteness. On behalf of rural doctors around this country and those who are training to be rural doctors, I say: remember it is not geography alone. I know they may well be an equal distance from a major centre, but you cannot class Gundagai as the same as Wagga, with a specialist hospital; if you do, the doctors in Gundagai will move to Wagga. It is utterly counterproductive that the payments are now the same. Huge numbers of coastal Queensland doctors are now receiving incentives that are not much less than they would get for working in places like Cloncurry. So why would doctors remain in Cloncurry?

I ask the obvious question: why should Ingham be like Townsville; why should Busselton, Bendigo, Wagga and Gundagai all be in the same category as Hobart? Hobart is a major metropolitan centre with a completely different challenge of remoteness. If we can fix up the issues for overseas doctors and their families and support them, look after the geographic classification scheme and take some action on incentives, we can ensure rural and remote health service delivery occurs for Australia.

Syria

Mr HOCKEY (North Sydney) (19:36): On indulgence, Mr Speaker: a little earlier I spoke about the number of Australian dead in a cemetery in Damascus. The Commonwealth War Graves Commission website is slightly misleading. It is actually 311 Australians that are buried there and not 37.

Hungary

Mr LAURIE FERGUSON (Werriwa) (19:36): I rise tonight to keep a commitment to Richard Horscik, a member of the conservative Fidesz Party and the Chairman of Hungary's Committee of European Affairs. It was a commitment that I would mention the town of Sarospatak in Hungary, near the Ukrainian border, which I had the privilege of visiting under his hospitality recently. Sarospatak is indeed, even given its population of only 13,000, a very significant town in Hungarian history. I also had the opportunity during my visit to Hungary—mainly to look at the condition of the 700,000 Roma, or gypsies, there and their condition is deplorable both there and in the surrounding countries of Romania and Slovakia—to meet the local mayor, Aros Janos, and my wife and I had a guided tour of Rakoczi Castle. I particularly thank our tour guide, Andrea Mester Szantone.

Sarospatak is interesting in Hungarian history as it was the genesis of an attempted revolt by Hungarian nobles against the Hapsburg imperial power. It was at Rakoczi Castle, which is featured in Hungarian currency, on the 500-forint note, that there was that unsuccessful rebellion. It led in Hungarian history to the subsequent forced conversion of 60,000 Protestants, the closure of 800 Calvinist churches and the execution of 41 Protestant ministers in the counter-reaction to that attempted coup. Sarospatak has a particularly important theological
college for Calvinism which can be traced back to the time of John Calvin himself. It has possession of important documents and books that were printed in that period and it has remained a theological college for quite some time. It possesses a museum which bears evidence to that history.

This town, which is, as I have said, very close to the Ukrainian border, is mainly focused on education. It has a secondary college, a teachers college and this Calvinist religion theological college. Sarospatak is also a major centre of the tokay wine industry of the country, which is renowned internationally. I appreciated having the opportunity while I was there to indicate to them—and I was surprised that this had not already reached them—that Australia had, quite rightly, surrendered the appellation of tokay. Quite clearly Tokay, as everyone knows, is a Hungarian area and is the name of the Hungarian wine. Apparently, we have been producing a product with a similar name but have agreed that in future it will be known as topaque. It was quite surprising that, although that decision had been made by Australia, it had not been conveyed to them.

Sarospatak was recognised as a town as far back as the year 1201. Once again it is important internationally because the famed educator, John Amos Comenius, actually taught in the town's theological college for four years. He is renowned as a person who was one of the first in the world to think of the kindergarten, primary, secondary and university concepts of education, back in the 17th century.

Having mentioned those people, I will also take the opportunity to say that it is very disturbing to note, despite the fact that Viktor Orban, the Prime Minister of Hungary, has ensured that this year Europe will take measures in regard to the Roma minority, the very serious unemployment situation of these people in Hungarian society. Obviously, in recent times we have had the French government moving quite illegally to forcibly deport Roma from France and there have also been measures in Italy. As I said, the condition of these people, 700,000 of them, is extremely deplorable. For all the very many faults of the communist regime of Hungary—its suppression of human rights; its destruction of any alternative political force—one of the minor positives of the regime was that, regardless of the nature of the jobs, the fact was that people did have employment. Once capitalism did emerge in Hungary the first people out the door, as far as employment was concerned, were the Roma.

I want to recognise the assistance that I received from Richard Horcik and the whole town and from Tamas Uhrin, a young Hungarian-Australian who works in the embassy there. It was really helpful to have somebody who had a knowledge of both societies to advise me and assist me in a variety of meetings back in Budapest with the political forces in the country.

Paterson Electorate: Australian Noise Exposure Forecast

Mr BALDWIN (Paterson) (19:41): I rise tonight to compel the Gillard Labor government to turn its rhetoric into action. It is now 303 days since Prime Minister Gillard made a crucial promise to the people of Port Stephens. She promised to replace the Australian Noise Exposure Forecast 2025, a noise map which severely affects property values, the ability to sell homes, the building rights and the quality of life for thousands of my constituents. During the election campaign Prime Minister Gillard promised that her government would take action by the end of 2010. It is now 152 days past that...
self-imposed deadline, and we are still waiting.

On Monday morning I was being interviewed on ABC Radio Newcastle on this very matter. Jill Emberson asked me what the hold-up was on replacing the ANEF. I honestly could not give Jill an answer. Updated noise data is contained in the ANEC, a concept map. The parliamentary secretary in charge of this matter has had half-a-dozen meetings with the community to help him understand the importance of this. I have written numerous letters to the government explaining the ANEF's importance to allow the council to update section 149 property certificates. And yet—nothing. The only possible reason I could provide was partisan politics: Labor deliberately stalling action on aircraft noise to try to score some cheap political points.

I can tell the government right now that my constituents will see straight through it, and Labor will pay at the next election. This is not some stupid game; it is people's livelihoods at stake. As the movie character Darryl Kerrigan so famously said in the movie The Castle, 'A man's home is his castle.' My constituents' castles are under threat under this government.

Take for example Robyn and Richard South of Medowie West. Robyn and Richard are hardworking people who saved throughout their working lives to support themselves. They are also tender, loving parents, who have dedicated themselves to their disabled adult son. In early 2010, Robyn and Richard extended their home, including the installation of solar panels and roof water collection. Due to their son's condition, it is unlikely that he will become more functional than at present, so the long-term plan was to sell the current family home and use the proceeds to purchase a duplex closer to public transport and medical services. I want to make it very, very clear that Robyn and Richard did their due diligence when they bought their home. They knew they would hear some noise from the airport, and that was fine.

Then suddenly, with the introduction of the ANEF 2025, their property rights were affected for the very first time, through no fault of their own. They now fear their property is next to worthless. Under the current noise map, if their home were to burn down it would cost tens of thousands of dollars extra to rebuild because of the insulation required. The ANEF footprint map has also deterred potential buyers. Robyn and Richard wrote to me:

Now in our sixties, we are facing an uncertain future. Our right to self determine our future and cater for the needs of both ourselves and our son has been taken from us without consultation, communication or consideration. This is causing undue stress and impacting on our health and that of our son, who already has difficulty due to his illness and medication. Our ability to continue as self funded retirees will be harshly impacted as this property was part of our savings and superannuation.

It is powerful stuff. I ask here today that the Prime Minister put herself in the shoes of my constituents. Perhaps then she may realise what her procrastination is really costing.

Prime Minister Gillard promised that there would be no carbon tax under her government. However, after winning the election, a carbon tax was her No. 1 priority. She also promised she was committed to the duplication of the Pacific Highway by 2016. However, she did not provide the necessary money in the budget. Prime Minister Gillard promised she would lift the ANEF by the end of 2010. However, 152 days after that date, it remains still in place.

I have lost faith in the Prime Minister's word, yet I have not lost faith in the power of the local community that works so hard. No
group of people have worked harder for each other than those in Port Stephens who have tirelessly fought on this issue not only for themselves but for their neighbours, past and present, friends and strangers. They deserve action, not rhetoric. I say to the Prime Minister: do your job and take action on aircraft noise as you promised. That begins with a new ANEF, something you promised the people of Paterson in the days before the election.

Australian Books

Mr GIBBONS (Bendigo) (19:46): I am delighted to inform the House that Adelaide based Australian author Fiona McIntosh has won the historical fiction award at the International Book Awards for her work Fields of Gold, published by Penguin Books and— I am also delighted to say— printed in Australia by McPherson's Printing Group, in Maryborough, which is in my electorate of Bendigo. This best-selling epic tale is based loosely around Fiona McIntosh's family ancestry and illustrates the lives of two young Englishmen who travelled to India around 1918 to seek their fortunes.

Fiona McIntosh has written around 22 books and is one of a handful of Australian authors who can write successfully across multiple genres, including children's fantasy, adult fantasy, historical saga and crime. Having read some of her work, I found the clarity and attention to detail astounding. Ms McIntosh must have the intellect of an Einstein and the imagination of a Spielberg or a Disney. I found her latest crime novel, Beautiful Death, particularly enthralling and I cannot wait for her next book.

Fiona McIntosh's award follows on from some other outstanding successes from Australian authors. Sonya Hartnett, of Melbourne, recently won the Aurealis Award for her children's picture book The Boy and the Toy. She was the first Australian to win the most prestigious children's literature award in the world, the Astrid Lindgren Memorial Award. Shaun Tan, of Melbourne, recently won the 2011 Astrid Lindgren Memorial Award and in the week before that he won the Academy Award for the best animated short film for The Lost Thing. Shaun is now the most internationally awarded Australian children's writer. Australian authors have won many international awards over the years, including the Nobel Prize in Literature, won by Patrick White in 1973; the Man Booker Prize, won by Thomas Keneally in 1982, Peter Carey in 1988 and 2001 and DBC Pierre in 2003; and the Pulitzer Prize in Fiction, won by Geraldine Brooks in 2006.

One of the foundations of the successful publishing sector in Australia has been maintaining parallel import restrictions, a policy introduced by the Hawke-Keating government in 1991 and re-affirmed by the Rudd government in 2009. The Productivity Commission had recommended that PIRs be removed, which would have resulted in a flood of overseas publications onto the Australian market, placing at great risk what is a thriving publishing sector and severely limiting the opportunities for Australian authors, current and future, to get their work published.

Australians enjoy access to one of the widest ranges of books in the world. They spend almost $2 billion a year on just under 130 million books. They like Australian books. Sixty per cent of the books they buy are Australian originated, six times the proportion of 50 years ago. The publishing industry employs 5,000 people directly. The book industry as a supply chain employs approximately 80,000 across Australia. With the investment security provided by the 1991 amendments, they publish 18,000 new titles—at a total of about 300,000 titles on sale—each year and export intellectual
property worth $220 million a year now and rising fast. It is estimated that there are just under 4,000 publishers in Australia, of which 19, or 0.5 per cent, publish more than 100 titles per year; another 260, or seven per cent, publish between six and 100 books a year; a further 876, or 22 per cent, publish between two and five books; and 2,782, or 70 per cent, publish only one book a year.

Retail sales total between $1.7 billion and $2 billion per annum, with retailers and publishers sharing this income fifty-fifty. Over 300,000 different titles are sold in Australia each year, including new titles and the backlist, which comprises titles more than 12 months old that are still available. Australian originated books account for 60 per cent of the total books sold in Australia each year, as I said before, and more than 18,000 new titles are published in Australia a year. As I said, more than 5,000 people are employed directly by publishers, 25 per cent of whom are part time or casual. Export is active and successful, as I pointed out before, with over $220 million per annum in export and foreign rights sales around the world.

Why would anybody want to put this thriving sector at risk and retard the careers of some of the most talented authors in the world, who are proudly Australian and value-adding to our culture—authors like Fiona McIntosh, Kate Grenville, Tim Winton, Bryce Courtenay and Shane Maloney, to mention just a few? I am proud to be a member of a government that values the cultural contribution made to this nation by Australian authors over our history, and I look forward to many fine works in the future.

**Australian Apple Industry**

*Mrs MARKUS (Macquarie) (19:51):* I rise today to speak on the importance of strict controls on apple importation. The Gillard Labor-Greens alliance government continues to threaten the economic security of the nation. They do so by pursuing ineffective biosecurity policies that are gambling with our future. This is evident in their failure to understand and to act in the best interests of our apple industry.

Apple growing in Bilpin is an important part of the Hawkesbury economy, adding millions to the region and offering employment and export opportunities. In 2006 Bilpin produced 72,700 kilograms of apples across 14 orchards set on 88 hectares. I call on the Gillard Labor government to protect the Australian apple industry from fire blight. It is not good enough to expose local growers like those in the Hawkesbury to fire blight, and other insidious diseases, because of funding cuts. I recently met with apple growers in Bilpin. They are gravely concerned that current protocols will not prevent this disease of imported New Zealand apples from infecting local apple orchards.

The Senate Rural and Regional Affairs Committee sought to investigate quarantine practices in New Zealand. As reported by numerous media sources, New Zealand growers were not prepared to allow Australian parliamentarians to view both infected and non-infected orchards. The 2008 Beale Review into Australia's Quarantine and Biosecurity Arrangements stated that Australia's border defences were significantly under-resourced, putting Australia's economy, people and environment at significant risk. Apples have not been imported from New Zealand for 90 years as a result of efforts by Customs quarantine officials to protect Australia's biosecurity. Fire blight has not infected Australian orchards because of strict quarantine controls and protocols.

Labor's 2009-10 federal budget slashed $35.8 million from the quarantine and
biosecurity budgets, leading to the loss of 125 jobs and reduced inspections of arriving passengers and cargo. An amount of $58 million was slashed from the Customs budget in the same year, leading to 4.7 million fewer air cargo consignments being inspected each year and 2,150 fewer vessels being boarded on arrival. These cuts leave Australia exposed and our biosecurity at risk.

Fire blight has the potential to completely destroy the apple industry. Entire orchards could be wiped out in a single growing season. It will take only one infection for the disease to spread, but by then it will be too late. In the 46 nations where this disease has been found, none have succeeded in eradicating it. The standard practice if disease is found is to quarantine the orchard and burn the crops. Neighbouring farms are also quarantined until the disease is found and eliminated from the area. We cannot afford to risk the unique, disease-free nature of this industry. In Bilpin, apple growers face a greater risk because of their close proximity to Sydney. Fire blight is most aggressive in warm weather and moist climatic conditions, such as those found in the Hawkesbury over the summer months. The destruction of the entire industry would be bad enough, but the potential flow-on effects for local small businesses, particularly in apple-growing regions, would be staggering. Fertilizer suppliers, transport companies and farm machinery providers are just some local small businesses that would be affected.

The shadow minister for agriculture and food security has raised concerns that major supermarket chains may use the opportunity to exploit cheap imports at the expense of local growers. The peak body on this issue, Apple and Pear Australia Ltd, is concerned about the lack of consultation with the government on importation protocols. In a media release dated 4 May the APAL recommended that importation regulations should be stricter with visual inspections to be completed over a larger sample of imported apples. Visual inspections should be over 600 boxes or 75,000 apples in a consignment, not 600 apples per consignment as recommended by Biosecurity Australia. This is to ensure that trash—that is, leaves and small twigs—which may carry fire blight is discovered and destroyed. APAL believes that Australia needs to have in place protocols to suspend importation of New Zealand apples if an outbreak is discovered. We need to have an emergency plan in place to deal with an outbreak of fire blight.

The federal government must consult with those in this industry, heed their warning and implement robust import protocols or be prepared to add agriculture policy to Labor's long list of failures.

Rural Australia

Mr KATTER (Kennedy) (19:56): The failure belongs to you, because your government did the IRA. So don't come in here with that sort of hypocrisy.

The SPEAKER: The member will refer his remarks through the chair.

Mr KATTER: Today I want to acknowledge some of the really great fighters for rural Australia, in contrast to the last speaker. I am referring to the mob from Emerald Creek: the Rural Action Council of Far North Queensland, under the leadership of Johnny Gambino and the secretary, Bernie O'Shea. These groups have been not only battling for their own horticulture industry but also for the sugar and banana industries. Between them I think maybe seven or eight thousand people have attended their rallies and meetings. So we pay them a very great tribute.

I will name them: Bernie O'Shea, the secretary; Joe Moro, who has been one of
our great strengths and one of the most responsible leaders in agriculture throughout Australia; Scotty Dixon, one of the greatest fighters you will ever meet; Ned Brischetto, always sound and solid; Vince Mete, a person whom we all have great admiration for; Maxie Srhoj, who is the person most responsible for me leaving the National Party and becoming an Independent; John Gambino, who has just given us absolutely fabulous leadership over a very long period of time—almost half his lifetime; Emedio Nicolosi, a good man always; Peter Henderson; the late Eddie Bernabei, and what a great fighter he was; Peter Daley in New South Wales, another great leader who has been working very hard with them on what we now call the Emerald Creek Declaration; and Timmy Belden and Johnny Pitcherillo on the Murray-Darling. In the remaining time I will read into Hansard what will become famous as the Emerald Creek Declaration. These are the men who have put together what needs to be done for fruit and vegetable growers throughout Australia.

Some three or four years ago this country of ours became a net importer of fruit and vegetables. In five years this country will not be able to feed itself. Unless the Emerald Creek Declaration is accepted this country will not be able to feed itself. When we march to the drum played by Woolworths and Coles we then condemn our country to the most dreadful future.

Let me read this into Hansard. I ask for a sales docket. Why can't we get a sales docket? Every single sale that takes place in this country gets a sales docket, except the fruit and vegetable growers of Australia. I have not got time to tell you why not. But of course we know who profits by there being no sales docket.

The money from the sale must go into a market authority account—a trust fund—the same as in real estate and the same as in other activities of this nature. Coles and Woolworths have to be brought down to a 22.5 per cent maximum market share. There are something like 20 books out on Wal-Mart, all condemning the company and its influence in America, and it has only 16.1 per cent, whereas our people in Australia have over 85 per cent.

The SPEAKER: Order! It being 8 pm, the debate is interrupted.

House adjourned at 20:00

NOTICES

The following notices were given:

Ms MACKLIN: to present a Bill for an Act to amend the law relating to family assistance, social security, paid parental leave and Aboriginal land rights, and for related purposes.

Mr GRAY: to present a Bill for an Act to amend the law relating to the Commonwealth’s financial framework and governance arrangements, and for related purposes.

Mr GRAY: to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Integrated fit-out of new leased premises for the Australian Taxation Office at 55 Elizabeth Street, Brisbane, Queensland.

Mr SHORTEN: to move:

That so much of the standing and sessional orders be suspended as would prevent the following occurring:

(1) when the order of the day for the resumption of debate on the second reading of Taxation of Alternative Fuels Legislation Amendment Bill 2011 is called on, for a cognate debate to take place with Excise Tariff Amendment (Taxation of Alternative Fuels) Bill 2011, Customs Tariff Amendment (Taxation of Alternative Fuels) Bill
2011, and Energy Grants (Cleaner Fuels) Scheme Amendment Bill 2011;

(2) at the conclusion of the second reading debate, including a Minister speaking in reply, and thereafter, without delay, the immediate question, or questions necessary to complete the second reading stage to be put, and when resolved Taxation of Alternative Fuels Legislation Amendment Bill 2011 then being considered in detail if a detail stage is required, and then any question or questions necessary to complete the remaining stages of the Bill to be put without amendment or debate;

(3) immediately after proceedings on the Taxation of Alternative Fuels Legislation Amendment Bill 2011 have concluded, the Excise Tariff Amendment (Taxation of Alternative Fuels) Bill 2011 to be called on and the immediate question then before the House to be put without amendment or debate, and when resolved the Bill then being considered in detail if a detail stage is required, and then any question or questions necessary to complete the remaining stages of the Bill to be put without amendment or debate;

(4) immediately after proceedings on the Excise Tariff Amendment (Taxation of Alternative Fuels) Bill 2011 have concluded, the Customs Tariff Amendment (Taxation of Alternative Fuels) Bill 2011 to be called on and the immediate question then before the House to be put without amendment or debate, and when resolved the Bill then being considered in detail if a detail stage is required, and then any question or questions necessary to complete the remaining stages of the Bill to be put without amendment or debate;

(5) immediately after proceedings on the Customs Tariff Amendment (Taxation of Alternative Fuels) Bill 2011 have concluded, the Energy Grants (Cleaner Fuels) Scheme Amendment Bill 2011 to be called on and the immediate question then before the House to be put without amendment or debate, and when resolved the Bill then being considered in detail if a detail stage is required, and then any question or questions necessary to complete the remaining stages of the Bill to be put without amendment or debate; and

(6) any variation to this arrangement to be made only by a motion moved by a Minister.
Wednesday, 1 June 2011

The DEPUTY SPEAKER (Hon. Peter Slipper) took the chair at 09:30.

CONSTITUENCY STATEMENTS

Hinkler Electorate: Private Health Insurance

Mr NEVILLE (Hinkler—The Nationals Deputy Whip) (09:30): One way or another, about 53,000 people in my electorate of Hinkler will suffer under the Labor-Greens plan to means test private health insurance rebates. Almost 40,000 adults in my electorate hold private health insurance, covering 53,000 people, including children. Every single one of these, not just those in higher income brackets, will be hurt by the Labor-Greens plan to means test private health insurance rebates. You might ask, 'How?' The reality of life is that if you hit millions of Australians with increased premiums and many of those people then dump their private health insurance entirely you leave the remainder of the policyholders with higher premiums. In a double whammy, those people who have left private health insurance will turn to the public system, again adding pressure where pressure already exists. It is self-defeating.

Around 5.6 million Australians with private health cover earn less than $50,000 each year and around one million of those have incomes of less than $24,000. Yet people on these very modest incomes come into my office with private health insurance. Many people in Bundaberg, Hervey Bay, Childers and other communities in my electorate fit into this category, including self-funded retirees, to say nothing of pensioners, DVA benefit recipients and battlers with young families. Many are trying to do the right thing and care for their own health needs by spending their own money on private health insurance. Yet this government wants to punish them by making it even tougher. Another consideration is the impact on existing and planned private hospital facilities, such as St Stephen’s in Hervey Bay and the Friendly and Mater hospitals in Bundaberg. Any drop in the number of privately insured people accessing these hospitals will limit their ability to recruit specialists and offer a wide range of innovative services.

Hinkler has one of the largest over-65 demographic profiles in the country. Any weakening in private health insurance and hospital facilities in the region only adds to the strain on the existing public sector. As someone who worked very hard in the previous coalition government and played a significant role in getting the health insurance rebate lifted for over-65s to 35 per cent and for the over-70s to 40 per cent, I find this particularly offensive and I remind my Labor colleagues that it is going back on a promise that they made to the Australian people.

Neighbourhood Watch

Mr ZAPPIA (Makin) (09:33): On Monday, 18 April 2011, I attended the Para Hills Neighbourhood Watch 441 15th anniversary celebration and presentation evening. It was a special occasion also attended by the South Australian treasurer and member for Playford, Jack Snelling; South Australian Police Commissioner Mal Hyde; Holden Hill Chief Inspector Ian McDonald; Senior Sergeant Chris Bettes; Sergeant Ian Drummond; City of Salisbury Ward Council councillors Shiralee Reardon and Jana Isenmoger; South Australian
Neighbourhood Watch police coordinator David Wardrop; and many present and past Neighbourhood Watch volunteers, including several from adjoining Neighbourhood Watch groups.

On the night, five-year service recognition awards were made to Jenny Cossens, Dale and Liz Mander, and Andre Wilson. Ten-year recognition awards were made to Pam Cameron, Robert Eldridge, Eddie Heywood, Barb Newbery, Derek Rayner, Bill Redhead and Bev Speake. Fifteen-year awards were presented to Le Goldthorpe, Kathy Harrison, Grace Henderson, Jennifer and Joe Schembri and Maxine Watchman.

Area 441 local police coordinator Detective Brevet Sergeant Alison Klingberg, whose role with area 441 volunteers has been invaluable, received a 10-year service certificate and was singled out for special praise by her group. Ray Jensen, one of the original volunteers, spoke of the group's founding and the early days of its work. Several other speakers, including Police Commissioner Mal Hyde and Jack Snelling, shared their perspectives on the importance of the work of Neighbourhood Watch volunteers in South Australia. I congratulate all those people who were recognised on the night with the different awards, and I extend to them my personal thanks for what they do. I particularly acknowledge the tireless work of Bob and Aileen Eldridge, who for many years have taken on the responsibilities of area coordinator and secretary. I also take this opportunity to acknowledge the contribution of all the Neighbourhood Watch groups in South Australia, and particularly those within my electorate of Makin, whose work I am personally familiar with.

These volunteers devote considerable time and effort to ensuring that we all live in a safer community by helping reduce crime in their respective local neighbourhoods. Police crime statistics show a very clear pattern of reduced crime in areas where active Neighbourhood Watch groups exist. The groups have also become an excellent community reference group and advocates on other matters which affect their local area. I frequently attend the Neighbourhood Watch groups in my electorate and I am very familiar with what they do. I commend the tireless work of Neighbourhood Watch volunteers, who quietly go about organising fundraising activities and community information days and regularly delivering newsletters to their residents.

**Casey Electorate: Cancer Council Morning Tea**

Mr TONY SMITH (Casey) (09:36): I rise this morning to thank and pay tribute to the Mount Evelyn community who last week, like many other communities, hosted a morning tea for the Cancer Council of Australia. They raised approximately $2,500; they served Devonshire tea and scones at the event, held at Mount Evelyn Station House last Thursday, 28 May. The event was supported by the Mount Evelyn Chamber of Commerce, the Mount Evelyn branch of the Bendigo Bank, Morrisons and many other local businesses in the Mount Evelyn community. Over 50 local businesses contributed to the morning tea, and the major raffle prize had in excess of $1,000 worth of donated goods or services. Over 200 people attended throughout the morning. There were 230 cups of coffee and tea sold courtesy of the Functional Beverage Co. In addition, many locals dropped in on the day to also donate raffle prizes—including a lady who walked up on the morning and donated a patchwork quilt for the raffle because she had lost her husband to cancer.

The committee coordinated students—predominantly VCAL students and high school students—to serve the food, do the face painting and provide beauty services such as nail
polish for the patrons, for a gold coin donation. A special mention must go to Meaghan Grace from the Functional Beverage Co., who gave up her time to coordinate the event. The Functional Beverage Co. is based in Mount Evelyn and was founded by Meaghan Grace and Garrick Hicks in 2007. The company donated all the profits from the sale of their certified organic teas on the morning. As I mentioned, many local businesses contributed to the morning tea—too many to mention here with the time restrictions we have. I would like to thank each and every one of them for their generosity.

At the same time as this morning tea was occurring in Mt Evelyn, 114 people were attending another morning tea hosted by Jan and Norman Bettess from Wesburn. They raised $6,500—the fourth biggest morning tea they have organised. I want to also take the time to pay tribute to them for their effort and their community service in organising their wonderful event. It would not have been possible, they have said, without the help of family and friends and many local businesses as well. Jan did not want to single anyone out but I do want to pay tribute to her and to Norm and to all of those who contributed to that wonderful event on the same day. (Time expired)

McMahon Electorate: Festival of the Italian Republic

Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (09:39): On 2 June 1946 the people of Italy voted in a referendum on whether Italy should be a monarchy or a republic. This week Italians and friends of Italy around the world celebrate Festival della Repubblica in recognition of the anniversary of that date. On Sunday I was very pleased to attend the Festival della Repubblica celebrations at Club Marconi in conjunction with the Sydney Committee for the Festival of the Italian Republic.

Italian Australians have made an enormous contribution to this nation, and I am glad the member for Makin is in this chamber—a very eminent and distinguished Australian of Italian heritage who, as it happens, has relatives in my electorate. But I was pleased to be able to attend that event, which was, as Club Marconi always puts on, a very special event. It has around 20,000 visitors—Australians who are friends of Italy and Australians of Italian heritage celebrating Italian heritage and culture.

In a very literal sense, Italians have played a big role in building Australia, whether it is the Snowy Mountains scheme not far from where we sit in this parliament, whether it is houses and shops throughout my electorate, whether it is Club Marconi or anywhere the Italian-Australian community has been prevalent. The Italian community has very literally contributed to the building of Australia but, as I said on Sunday, they have also contributed to the building of Australian society and Australian culture. They were pioneers of Australian multiculturalism in many ways. As Italy was voting on its future in 1946, we began for the first time to welcome Italians in significant numbers. We have, of course, a long history of Italian presence in Australia but there was a significant increase in the years and decades following 1946. It is now difficult to imagine an Australia without Australians of Italian heritage as an important part of our society. I know many honourable members, including the honourable member for Fowler, have significant Italian-Australian populations and celebrate the Festa della Repubblica.

In addition, this year is the 150th anniversary of Italian unification into a single state. I know that that is a significant event in the Italian calendar. The Governor-General has been invited to Italy—as I understand it, as one of only five non-European heads of state to be
invited—in recognition by the Italian government of the very special relationship between Italy and Australia which has been forged by those generations of Italian-Australians. So I take this opportunity in the parliament to pay tribute to Australians of Italian heritage, to the contribution Italy has made to the world and to the contribution that individuals have made to Australia over recent decades.

Wright Electorate: Beetroot Industry

Mr BUCHHOLZ (Wright) (09:41): Just when we thought things could not get any worse for the electorate of Wright, having just battled devastating floods and the displacement of people from their homes and their families, we took a fairly substantial hit to our dairy sector with reference to Coles pricing. I rise to inform the House that my area in the Lockyer Valley and Fassifern Valley produces just about 100 per cent of Queensland's beetroot production for Golden Circle, which is a subsidiary of Heinz. Heinz, as of the weekend, made a decision to send their beetroot lines offshore. The decision will result in the loss of 160 jobs at the Golden Circle Northgate plant in Brisbane, 146 jobs at Girgarre in northern Victoria and another 38 jobs at Wagga Wagga in New South Wales. Those jobs are going offshore as a result of Australia's incapacity to compete because of the increasing costs that our processors have to deal with on a daily basis.

Just to give you some statistics and an overview of the Lockyer Valley and the Fassifern Valley, there are about 20,000 acres of irrigated horticultural production. There are about 2,000 acres of beetroot, which is about 10 per cent of the production of the whole valley. Even though there are only nine contracts, the tentacles into the community affect about 20 to 30 farmers, because the farmer will hedge out and set the tentacles through the valley. The growing period for the beetroot is between February and June, so it is quite a substantial growing time. It is four months for what will become sliced beetroot but for the little beets it is only about three months. Annually the valley produces about 20,000 tonnes, which is a net gain to the growers of about $4.5 million direct input, and with a multiplier of about four it is roughly $16 million worth of input into the region.

As a consequence, the growers have had to specialise over the years. The multinationals and Golden Circle did not want to deal with 30 growers; they only wanted to deal with a couple. These guys have had to find cost efficiencies and vertical integration, so they have specialised machines that they cannot use for other things. We will be looking for assistance packages to help these guys restructure. The sensitivity of the market means they cannot just go and put 20 tonnes of carrot into the market because it will tip the balance in the market one way and it could throw the whole valley or the whole Australian sector into turmoil. The loss of jobs will have a huge impact in the area.

In closing, I would encourage everyone in parliament and everyone in Australia to do themselves a favour and go and get themselves a tin of Golden Circle beetroot, because it will become a collector's item.

Lyne Electorate: Regional Development Programs

Mr OAKESHOTT (Lyne) (09:45): I rise to talk about some very good regional development programs brewing on the Mid-North Coast of New South Wales as a consequence of a funding structure that has now been developed over a period of time involving the coming together of both the state government and federal government regional
development arms through the Regional Development Australia initiative. On the Mid-North Coast a strategic plan has been put together, and we have just received a range of submissions from various community groups. Really good examples of local empowerment and localism in action include the three communities of Johns River, Moorland and Kew, which are all Pacific Highway bypass towns nervous about their futures. They have received funding from the New South Wales RDA to put together village plans but, in a quirk of funding arrangements, there is no funding for the implementation of those plans. The three communities have taken the next step and put together a very sensible funding application through the RDA structure to actually implement those Pacific Highway bypass village plans.

An example of some of the work already underway in those village plans is that two weekends ago the very progressive Johns River Progress Association managed to get a small amount of federal government funding to construct a walkway through a reserve leading to the community hall. It probably does not sound like much in this place but at a community level, where all the various volunteers were working in concert over a period of time, seeing that walkway finished and opened at a very good community event is a compliment to the strength of the local community of Johns River and an example of what we are trying to do through the RDA structure and the idea of localism and local empowerment. Johns River is a model community in regard to the bottom-up approach to policy, sorting out a strategic plan on the ground, smoothing out any issues that may exist within the community and then making it very easy for the various levels of government to support the community in implementing the various strategies.

I would hope through the RDA funding round that is currently being considered that the three communities at Kew, Johns River and Moorland are considered well and that these village plans that have been made over the past couple of years are given support from the federal government so that the communities continue to be empowered and to implement those strategic plans. (Time expired)

Forde Electorate: Community Events

Mr VAN MANEN (Forde) (09:48): It is nice to rise in this place and talk about some good news and some positive things for a change. Last weekend provided a great showcase of the community spirit that is evident in my electorate of Forde. We had two great events—the Beenleigh Cane Festival parade on Saturday, which has been going for more than 100 years, and on Sunday the Ormeau car rally and Norfolk Village State School fete, both in their second year. Both events were extremely well supported by the community. In what have been challenging times for many in my electorate, it was terrific to see the community spirit—people out smiling and enjoying themselves as they were able to forget maybe for a few hours the cares of the world and have some fun. It was a time for people to make new friends and to catch up with old friends that they had not seen for a long time.

On Saturday we had the Beenleigh Cane Festival parade, which featured over 60 floats and bands. It took slightly over an hour to wend its way through the streets of Beenleigh and back to its starting point at the showgrounds. Once back at the showgrounds, everyone had the opportunity to visit the various stalls and stands, and the day was capped off with a spectacular fireworks display. My congratulations go to the Rotary Club of Beenleigh for again organising a great event. It took many months of planning. My thanks go also to the many sponsors without whose support this event would not continue.
On Sunday the Ormeau community held their second annual car rally. This is held in conjunction with the Norfolk Village State School. The rally, not a race, wends its way through the picturesque countryside, starting and ending back at the school. This year there were over 70 entrants and a great time was had by all. However, I do feel for the snowman atop one of the decorated vehicles as he lost his head along the way!

This year, rather than being on the school oval, due to the wet weather the stalls for the fete were set amongst the school buildings. This created a wonderful atmosphere for everybody. As I said, it was a great weekend for all concerned. My family and I certainly had a great time. It was a wonderful demonstration of the community spirit both in my electorate and, I hope, in the rest of the nation.

**Corio Bay Trail**

Mr MARLES (Corio—Parliamentary Secretary for Pacific Island Affairs) (09:51): Last year I reported to this House about my vision for a walking and cycling trail around Corio Bay. This trail would link the path along the waterfront between the eastern and western beaches with the northern reaches of Corio Bay, finishing at Limeburners Bay near Geelong Grammar. This is a long-term plan which will take a long time to realise, but it will be wonderful if we can. This path would take walkers and cyclists along some of the most scenic stretches of our waterfront, offering lovely glimpses across Corio Bay to the city centre and the Bellarine. It would be unique.

In some parts of north Geelong and the north shore the path is already there, such as at Moorpanyal Park where it sits snugly beside the water's edge providing a stunning view across the bay of Geelong city. At this spot is provided a tantalising glimpse of what could be a major tourist drawcard as well as a popular recreation and commuter track for people cycling or walking to work from the northern suburbs. I consider this to be a long-term project because the path would need to pass through some of Geelong's most heavily industrialised areas, including the Port of Geelong, one of our state's busiest ports. Public safety, the conduct of business and, indeed, national security around our ports are major priorities.

As I previously reported, in 2009 and 2010 I held a series of meetings with the relevant property owners and stakeholders, including Shell, Terminals, Geelong Port, Midway and GrainCorp, to map out this idea and how it might work. We have discussed the issues that each of these companies would need to have addressed in order for the path to be a viable option adjacent to their operations. Their issues are legitimate and need to be resolved. This is a working area which must be able to go about its business unimpeded. As I have said before, we may need to consider pedestrian bridges, stairs, covered walkways and boardwalks to traverse that section of the waterfront where industry is heaviest. But I have been heartened by the willingness to consider and support the idea in principle. It is clear that with the right engineering solutions each of the issues raised is solvable.

With this response at an individual level, it is time to give this initiative another push. And so yesterday, through my office, I approached the City of Greater Geelong again to bring together the property owners with other stakeholders in a meeting to resolve to take the next step. This meeting will take place on 24 June. That step is to undertake a feasibility study of the path with all its engineering solutions and put a cost on the project. The feasibility study itself will cost tens of thousands. The project will cost millions. Who foots each bill will
obviously be the big question, and it will not be answered in one meeting. But as we better articulate the project with greater detail I am confident the support will come one day. And we have time. After all, we have been on the shores of Corio Bay for 160 years without a path. What is another decade to make it happen?

The fact is that Corio Bay defines our city. It is why we are where we are. It is our most beautiful asset. For too long as a city we had our back to the bay. But the city waterfront changed all that, turning our heads towards the bay and making us realise just how stunning it is. There would be no greater way to bring to life Corio Bay for a large proportion of Geelong's population than to provide a way to walk around it, view it and enjoy it. In my view, that is a vision worth paying for.

**Gilmore Electorate: Nowra-Bomaderry**

*Mrs GASH* (Gilmore) (09:54): This government is short-changing inner regional Australia and, in particular, regions like Nowra-Bomaderry in my electorate of Gilmore. Despite our growth being faster than even that of Sydney, this government has ignored our area, classing much of Gilmore as just an offshoot of a capital city. How ridiculous. My claim is backed up by a new study released last month from the Grattan Institute which shows that more than $2 billion of government regional development funding is being misspent every single year. The report claims that the government is saturating remote areas in funding to the detriment of inner regional and coastal areas such as Nowra-Bomaderry, which is only a very small part of my electorate of Gilmore. On average, two new Australians are moving into Nowra-Bomaderry every single day. Two people a day may not sound like much, but each of these people needs accommodation, health services, employment, recreational facilities and much, much more. On top of this, Nowra-Bomaderry is facing exponential growth in key industries like defence, aviation support, manufacturing and tourism. Only yesterday it was announced that a $40 million dollar international helicopter-support facility, the only one of its kind in the Southern Hemisphere, is to be based in Nowra—a much needed job creation program.

Nowra-Bomaderry is struggling to cope with unprecedented growth, and our ageing infrastructure is already reaching capacity. We are a regional area crying out for government support. Currently, a large proportion of government regional funding is allocated with the intent of stimulating growth in highly regional areas. Growth is good, but it seems that the government believes that by stimulating economic growth, through its regional Australia policy, all of regional Australia's capacity problems will be resolved. This approach has been followed by the government for many years, despite the evidence showing that it has made no real improvement to regional Australia as a whole. What this policy has done, however, is saturate highly rural areas with frivolous funding at the expense of new infrastructure in booming coastal regions like Nowra-Bomaderry. While Nowra-Bomaderry is facing high growth with no capacity, highly regional areas are facing high capacity with no growth at all. This is all thanks to this government's failed approach to regional development.

The funding fight has traditionally been between metropolitan and regional. This government has made the fight between inner regional and outer regional. The fact is that Nowra-Bomaderry is just as regional as the rest of them. Gilmore is a very tricky electorate. We have population growth rates far above average, yet the average age in Gilmore is 43—the second oldest in Australia. Almost every second resident in Gilmore owns their own
home—we have the fourth-highest rate of home ownership in the nation—yet only four out of
10 Gilmore residents have achieved education past year 10. We are a booming region, yet the
average income for a family in Gilmore is only $967 a week, one of the poorest in the nation.
What does this show? It shows that Gilmore is crying out for government investment, and that
this government has walked away. Between 1996 and 2007, the coalition government
invested more than $2.1 billion into Gilmore alone. I call on this government to face the fact
that it has failed regional Australia and that it is time for it to really understand what regional
Australia is all about.

Margaret Ives Community Children's Centre

Ms KATE ELLIS (Adelaide—Minister for Employment Participation and Childcare and
Minister for the Status of Women) (09:57): I rise today to congratulate the Margaret Ives
Community Children's Centre, which is located in Norwood in the electorate of Adelaide and
was recently named the National Children's Service of the Year in the 2011 Australian Family
Child Care Awards.

Since 2005, Australian Family have been presenting their childcare awards to publicly
recognise Australia's early childhood educators and carers. Every day, millions of Australian
families are supported by the care and dedication of early childhood educators, carers and
services. The Australian Family Child Care Awards are a celebration of these professionals,
as they recognise the outstanding individuals and teams who make an important difference in
the lives of children and families across Australia. As such, I am delighted that Margaret Ives
has been publicly recognised for its outstanding contribution to the children and families in its
care, as well as to our local community. I understand that it is the philosophy behind Margaret
Ives that provided it with the winning edge in these awards. I know that this is demonstrated
by its commitment to early childhood education and its delivery of superior care to our
children on a daily basis.

Our government share that commitment to early childhood education and child care,
because we know from years of international research that the first five years of a child's life
shapes their future outcomes and we want to make sure that future is bright. That is why we
have an ambitious agenda to improve the quality, affordability and accessibility of child care,
and that is why we are investing more than $20 billion in funding over the next four years for
early childhood education and child care.

As the local member, but also as the relevant minister, I place on record my congratulations
and my gratitude to the team at Margaret Ives for their fantastic contribution to the education
and care of our children. This award is a fitting acknowledgement and I am sure that the
whole Norwood community is celebrating your success. I also, of course, take this
opportunity to thank and recognise all those who are working in the early education and care
sector, who day in, day out are dedicated and passionate about giving Australian children the
very best start in life. I know that they do not always get the recognition they deserve, but
they should know that I, and I am sure this parliament, am very grateful for their dedication.

The DEPUTY SPEAKER (Hon. Peter Slipper): In accordance with standing order 193,
the time for members' constituency statements has concluded.
Debate resumed on the motion:
That this bill be now read a second time.

to which the following amendment was moved:
That all words after "That" be omitted with a view to substituting the following words:
"while not declining to give the bill a second reading, the House:
(1) condemns the Government for incorporating in an annual appropriation bill provisions to increase
the limit on government borrowings above the total of $200 billion;
(2) recognises that a special case must be made for such a significant increase in borrowing limits and
that the Government must explain any special circumstances that it believes justify such an increase; and
(3) demands that the Parliament be given the opportunity to consider separately and vote on the
proposed increases in borrowing limits set out in Part 5 of Appropriation Bill (No. 2) 2001-12."

The DEPUTY SPEAKER (Hon. Peter Slipper): Before the debate is resumed on this
bill I remind the Committee that, pursuant to the resolution agreed to by the House on 10 May
2011, this order of the day will be debated concurrently with Appropriation Bill (No. 2) 2011-
2012 and Appropriation (Parliamentary Departments) Bill (No. 1) 2011-2012.

Mr KEENAN (Stirling) (10:00): I rise to speak on Appropriation Bill (No. 1) 2011-2012
and cognate bills. Today, being 1 June, we are coming up to the anniversary of when the
government entered its second term, and this is Labor's fourth budget since it c
ame to office.
Since that time we have seen what amounts to a record spending spree in Australian history.
So I want to do a few things today. Firstly I want to talk in a macro sense about how
damaging this budget is to the national interest, secondly I want to say something about its
negative effect on my electorate, and thirdly I want to say something about its devastating
effect on our national security and border protection policies.

In a macro sense, since coming to office Labor have accumulated over $150 billion worth
of deficits. To fund these deficits, they borrow $135 million per day—every day, seven days a
week—which means that the Australian taxpayer will be spending $7.5 billion on interest
payments by 2014. That is $7½ billion that will be wasted every year on interest payments for
a debt that Labor have run up since they came to office, $7½ billion that could be spent on
much more important things than interest payments on Labor's debt. That does not even begin
to look at repaying the principal on that debt, which of course will fall to us when we come to
government, as it always does, because every time the Labor Party get into government they
do exactly the same thing. They spend wastefully, they ran deficits, they run up debt and they
pay interest on that debt. Every time, we are called to come into government and clean up
their mess. We will accept that burden again, although quite frankly it should not be that way.

The News Limited newspapers have revealed the total cost of Labor's wasteful spending on
government programs alone. Just for failed programs, and I am talking about things like the
home insulation disaster and the school halls disaster, every household in my electorate will
be liable for $567. So, just for those failed programs, every household in Stirling is going to
have to stump up $567 to pay for that gross waste. This is a terrible indictment on the performance of the Rudd-Gillard government and it is another example highlighting the fact that the current debt and deficit really is an astonishing squandering of the inheritance that Labor had when they came to office.

The result of this wasteful spending and this running up of debt and deficit particularly falls on the shoulders of my home state of Western Australia. You only need to look at the record of this government to see that they view Western Australia solely as a cash cow. Even last week a Labor senator coming in through the doors confirmed this. Senator Doug Cameron from New South Wales came through the doors last Wednesday and he said: 'I will be arguing strongly that we cannot have a position where, because of natural resources, because of luck, one state can have a standard of living that is way beyond what everybody else can achieve and everybody else is left to make it up how they can. It's not on.' This is what he said in response to the Western Australian government taking away the concession for the royalty on iron ore fines. That is a very good example of how the Labor Party looks at Western Australia. They think that Western Australia should just pay the bills they are running up at the astonishing rate I have already outlined.

When the Prime Minister comes to Western Australia she pretends that she knows a little bit about what is going on. What is going on there is the most incredible economic transformation that any state in Australia has seen in the history of this country. When she comes to Western Australia she says that she would like to see Western Australia get its fair share. This is the same sort of thing that her predecessor, Kevin Rudd, said when he came to Western Australia, but their actions belie that rhetoric because they only see Western Australia as a cash cow.

I could spend the rest of my time outlining where Labor have failed Western Australia, but I want to highlight a couple of great examples of the damage they are doing to my home state. Firstly, Labor excluded small miners and brokered a secret deal to impose a $10½ billion mining tax. The astonishing thing is that they negotiated with BHP, Rio Tinto and Xstrata, who ran rings around them because Labor had no idea what they were doing. Those companies ran rings around Wayne Swan and the upshot is that they will not be paying any of this tax. The burden will fall on small miners, particularly in Western Australia. That $10½ billion will not be paid by the big resource companies; it will be paid by the junior miners. Quite frankly, the Western Australian mining community is outraged about that.

Seven billion dollars of this tax will come from Western Australia, so about 70 per cent of this tax will come from one state. What we get in return from this government is quite frankly contemptuous. Labor will return only 6c out of every dollar taken from Western Australia under the mining tax. So 70 per cent of that tax will be paid by Western Australians, but we will get only six per cent of it back. Labor have failed to fix the GST arrangements which see Western Australia receive only 68c for every dollar we pay in GST, while other states receive either equal to what they put in or, in the case of some states, substantially more than they put in. Labor have also broken their promise and are considering a carbon tax, which will drive up electricity prices in Western Australia and seriously damage the Western Australian economy for, sadly, no net environmental benefit.

Western Australia suffered because the Labor Party withheld $350 million in extra health funding because the Western Australian government refused to hand over GST funding within
the health agreement. Labor have also announced a new detention centre at the town of Northam, which means that Western Australia bears far more of the burden of Labor's failed border protection policies. People smugglers are incarcerated in Western Australian jails at a cost to the Western Australian taxpayer. Western Australia houses more detention centres and more of the detained population than anywhere else within Australia.

Of the funding we provide to this Labor government, very little flows back in funding to my state. The government announced 28 GP superclinics, but only three of those will be in Western Australia. Western Australia will receive only seven per cent of GST revenue and that will fall to less than six per cent in coming years, and of course our contribution to that is significantly greater.

As I said, I could go on forever about the ways in which the Labor government are doing bad things to Western Australia, but the truth is that they really do not understand what is happening there and the only way that Western Australia will get a fair go is when this government is turfed out. Fortunately, I can report that my fellow Western Australians are very keen to do that and they will be coming for the member for Brand, the member for Perth and the member for Fremantle at the next federal election. Not long after Kevin Rudd won the 2007 election he stood in Kings Park while overlooking the city and promised that under his government Western Australians would not miss out, but sadly the facts belie that.

I will turn to my electorate of Stirling. If the coalition had won the last election my electors would be substantially better off not only for all the reasons I have outlined but also because the Labor Party did not make one commitment to the electorate of Stirling. Through the whole election campaign the Labor Party did not commit to spending $1 in my electorate of Stirling. The Labor candidate there astonishingly did not seem to have enough pull to get her party to make any commitment, which is rather extraordinary considering I was on a relatively small margin.

If we had won we would have addressed some of the electorate's concerns. We have in the past installed closed-circuit television cameras at crime hotspots, and we would have expanded that program throughout my electorate if we had been given the chance to do so by forming government. We were going to increase funding to the City of Stirling for the security services that they run. We would have installed a synthetic playing surface at the Scarborough Sportsman's Club and we would have spent money upgrading local roads. Sadly, there have been endless promises from both state and federal Labor to upgrade local roads in my electorate and not once have those promises been delivered. It has been up to the Barnett Liberal government to fund some of those commitments without $1 of federal money, which is shameful considering that Labor has promised this to my constituency at every single federal and state election since 2004. The Barnett government has come in and will solely fund the overpass at Reid Highway in Mirrabooka Avenue. I am very pleased it is doing that, but I am very disappointed that the federal government has not committed any money. If we were in government we would have committed $10 million to that project.

Crime remains one of the most prevalent concerns of my electors and during the years of the Howard government we pursued our best efforts to have the Commonwealth government play a role in fighting crime in our local communities. We funded the City of Stirling's Safer Suburbs plan which delivered more security patrols through local neighbourhoods and closed-circuit television cameras at Scarborough Beach and throughout the electorate. It also
delivered crime prevention methods such as electronic message boards and all-terrain vehicles.

Unfortunately, the Labor Party has not shown the same sense of urgency when it comes to addressing the alarmingly high crime rates across my electorate, across Western Australia and across the country as a whole. In the last federal election the coalition promised to recommit money to the National Community Crime Prevention Program, and I believe that we will be doing the same in the next election because we believe it is very important for the Commonwealth government to use the resources at its disposal to make its contribution to securing our streets. We will pursue real action to boost crime fighting and to do all we can at the Commonwealth level to fight crime. Unfortunately, just as Labor is all talk and no action in Western Australia, it is also all talk and no action in my electorate of Stirling. We will change that once the government changes.

I turn very briefly to my shadow portfolio. The issue I was raising about crime rates within my community is very important because, while the Commonwealth does not have primary responsibility for local crime fighting, it does have significant responsibility to do all it can to protect our borders. We know very well about its failure in border protection, about the flow of illegal boats that has resulted from Labor's changes to our robust border protection system since it came into office; but there is another issue that is less focused on and that is its failure to protect our borders from illicit drugs, its failure to protect our borders from illegal weapons and its failure to stop illicit cargo coming into this country at both our ports and airports because it has massively cut funding for the Australian Customs and Border Protection Service to run those checks. Air cargo inspections are down a staggering 75 per cent because of the budget cuts that Labor has introduced since it came into office. Sea cargo inspections are down 25 per cent. What this means is that it is easier for organised crime to smuggle things into Australia.

The Labor Party's border protection failure is not just its failure to dissuade people smugglers from bringing people down to Australia illegally but its failure to do its job to fight local crime and to stop illegal substances and illegal weapons coming onto our streets in the first place. You cannot trust these guys with any national security issue and the Prime Minister has shown through her behaviour that she really does not see her role in national security as one of her primary considerations. She did not even bother turning up for the National Security Committee of Cabinet. When she came to office as Prime Minister she astonishingly axed the Border Protection Committee of Cabinet. She said that that was going to be one of her priorities and her first act was to axe the cabinet committee that actually looks at border protection.

Labor's failure within my portfolio has been enormous. Every front-line national security agency received a cut in this budget: the Australian Federal Police, the Australian Customs and Border Protection Service, the Australian Crime Commission and every single one of our intelligence agencies. And since the Labor Party came to office there are now 24,000 extra public servants and fewer front-line personnel dealing with national security and crime issues, which is a good indication that they just do not have the right priorities for our country.

This is a budget that failed not only Australia but Western Australia and it failed my electors in Stirling. The hardworking people in my suburbs will be the ones called on to pay Labor's debt, and it is a shameful, wasted opportunity for the country.

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MAIN COMMITTEE
Ms O'DWYER (Higgins) (10:15): I rise today to speak on the appropriation bills that have been brought before the parliament: Appropriation Bill (No. 1) 2011-2012, Appropriation Bill (No. 2) 2011-2012 and Appropriation (Parliamentary Departments) Bill (No. 1) 2011-2012. But I would first like to make an observation that the Treasurer looked like a man under pressure in the weeks before delivering his fourth budget. He had every real reason to feel that pressure not because, as he would have the Australian people believe, he is yet again a victim of circumstances—a high Australian dollar, natural disasters and the financial crisis, all conspiring against him—but because even he understands that, deep down, after delivering three budgets the tired web of excuses does not stack up when you look at the economic data.

If you think of the budget as a 100-metre sprint, it is one thing to complain that you had to carry a heavy bag while competing. But when you start the race at the 80-metre point and are kitted out with all of the equipment to run it well, those excuses look hollow. The reason why the Treasurer looked under pressure is that he knows that he has not done the work that needs to be done by a Treasurer of this country. Using my sporting analogy, far from preparing for the event, doing the hard work, this Treasurer has done the equivalent of rocking up to compete after a big night out. He has squandered not only his opportunity but the opportunity of millions of Australians. This government's legacy of waste and mismanagement will be felt not just by this generation but by generations to come.

The Treasurer looked under pressure because Australians are now wise to the promises thrown around like confetti by this government—promises of a surplus but, instead, delivering deficit after deficit; promises of reduced spending, yet at the same time increasing borrowing; promises that it will reduce the cost of living for Australian families, while at the same time hiking up their private health insurance bills and slapping them with multiple new taxes. The budget very clearly reveals that this government does not have any plan other than to tax more and hope that our historic terms of trade and our high commodity prices will continue. There is no plan B. More disturbingly, there is no plan A.

Good budgets are about four things: accountability and discipline, providing for immediate needs, providing for challenges when they come, and long-term planning. Families know this. If a family spends more money on one area, such as repairs to the house or a health crisis, they cut back somewhere else because it goes to their bottom line. They understand that they have to exercise discipline because there is only so much money. They also know that they have to balance their immediate needs with their long-term goals, whether it be to own a home, send their children to a school of their choice or to take a holiday. They also know that they should prepare for that rainy day in case it interferes with their plans. Business also knows this. The coalition knows this. But it is clear that, after four budgets, the Labor Party and this government still have not worked this out. The budget failed on all of these four fronts.

In the time available, I wanted to touch on a couple of the key things in the budget that leapt out at me. Despite the talk of surpluses that have not yet been delivered and rapid fiscal consolidation, the government did a very curious thing. You only need to look at Appropriation Bill (No. 1) 2011-2012 to see this. In this bill the government has provisioned to amend the Commonwealth Inscribed Stock Act 1911—the CIS Act—to increase the limit on the face value of stock and securities that can be on issue under the Treasurer's standing
borrowing authority. What this means is that the government is seeking to increase its gross
debt ceiling from $200 billion to $250 billion. But, more than this, this government is seeking
to give itself full discretion to do this. It would not have to provide reasons. This comes not
long after a previous increase. It was not all that long ago that the government's gross debt
ceiling was $75 billion. This was increased up to $200 billion. So this government, while
talking about making tough decisions, reducing spending and reducing the debt, at the same
time has hiked up the debt on the nation's credit card. This is a government that says one thing
and does another.

We should look to the current deficit that this government has delivered. It has soared to
$49.4 billion, and the forecasted deficit in 2011-12 has already blown out by $9.6 billion to
$22.6 billion. In November we were told that net debt would peak at $94 billion. On budget
night that figure went up—no surprises there—to $107 billion. Not only that but net debt is
going to stay above $100 billion for at least the next four years. This is a government that is
continuing to borrow $135 million a day. With that borrowing comes interest payment bills
that Australian families will have to pay. Labor's debt will mean an interest bill of $7 billion a
year. In fact, the cumulative interest on Labor's net debt will be more than $26 billion over the
next four years.

If we can, let us just stop for a moment and think about the real cost to Australian families
of this interest bill. $26 billion is a lot of money. That money could be paying for real
infrastructure investment. That sort of money could be invested in solving some of the long-
term problems and challenges that Australia faces, such as escalating medical costs through
the ageing of the population and the like.

This budget is very unkind on Australian families. It is worth noting that, since Labor was
elected, electricity prices have gone up by 51 per cent, gas has gone up by 30 per cent and
water has gone up by 46 per cent. Education costs have also risen by 24 per cent, health has
gone up by 20 per cent and rent has gone up by 21 per cent. When my electors go to the
grocery store, they can see that their bills have gone up by an average of around 14 per cent.
Yet this is the first budget in eight years that has not provided tax cuts for everyday
Australians, tax cuts that would help Australians with the cost of living. This government of
course cannot do that because it has refused to be tough on itself. Instead, it would prefer to
be tough on Australian families. I think it is fair to say that Australians are being squeezed
tighter than the Treasurer's drinking glass. The government is stripping away $2 billion from
families by freezing key family tax payments and thresholds. All families receiving family tax
benefits will have some of their benefits stripped. At the same time Labor is hitting
Australians with $6 billion worth of new taxes, including a flood tax. In my electorate of
Higgins many residents, many electors, contributed very generously to the disaster relief in
Queensland and Victoria. Yet they have been now slugged twice because of the
mismanagement of this government.

My electors in Higgins have also been slugged through the changes within these budget
bills to the private health insurance rebate. Seventy-seven per cent of my electorate in Higgins
have got private health insurance. This will have a very real impact on their ability to keep
and hold their private health insurance. It will have a very real impact on their ability to
access quality health care. More importantly, because of this ideological war that is being
waged by the Labor Party on Australian families, it will have a very real impact on the public health budget as well. It does not make a great deal of economic sense.

Interest rates will definitely go up. This budget has done nothing to reduce the pressure on Australian families and inhibit the Reserve Bank from increasing interest rates. Already the Reserve Bank has warned in its monetary statements that it will need to do this, and this budget has done nothing to stall that. Interest rates have risen seven times since the end of 2009 and are forecast to rise again twice over the next six months. We cannot forget, either, that when we talk about those debt and deficit figures it is not without very direct meaning for Australians. The fact that Labor's debt will reach $107 million means that that is $4,700 for every man, woman and child in Australia.

This government, as everybody knows, has presided over great waste and mismanagement. We have seen that with the installation of pink batts in roofs that are combustible and the resulting bill to fix that up. We have seen that with the mismanagement of the Building the Education Revolution program where some schools were paying double or triple the price they would pay in other ordinary commercial circumstances to build those buildings. We have seen blowouts in the processing of asylum seekers in Australia at a cost to this budget of $1.75 billion. We have seen money raided from the higher education endowment fund with the balance now down to $2.5 billion from $6 billion when the coalition established it. This government does not know how to manage taxpayer money.

Very revealingly, this budget is engaged in a number of deceptions on the Australian people. The budget papers show that revenue from the mining tax will be down by $5.9 billion from the figures that the government released just three months ago. So already the government has had to adjust. The budget says nothing about the carbon tax that it will be introducing before the next budget next year. This carbon tax will have a huge impact on our economy. There is nothing in this budget about the impact that it may have. Let us not forget that one of the greatest deceits in this budget is the handling of the NBN—the off-balance-sheet treatment of the NBN. It makes an absolute mockery of the projected surplus that the Treasurer keeps talking about. It is in fact the most creative accounting that we have ever seen in any set of budget papers.

Another deception is the claim by this government that it has brought forward $22 billion worth of savings. Yet included in this $22 billion worth of so-called savings is the flood tax, which comes to almost one-third of that amount. The government also claims it is going to increase spending on important initiatives like mental health care reform. It claims that it is spending up to $2.2 billion on this, but when you actually look closely at the figures you can see that, in fact, it is going to cut $580 million of GP rebates to fund it and that the real new spending is more like $530 million. This budget has failed the Australian people, this government is deceitful with the Australian people and we look forward to an election where the Australian people can cast their judgment.

Mr SLIPPER (Fisher—Deputy Speaker) (10:31): I am particularly pleased to be able to join the debate on Appropriation Bill (No. 1) 2011-2012 and cognate bills. The budget from this government, once again, fails my constituents on the Sunshine Coast. Families are worse off, and the budget indicates that the government is simply out of touch with families on the Sunshine Coast and elsewhere. Unfortunately, there is very little in the budget for families, and the budget does not contain the prescription needed to restore the situation in this country.
Unfortunately, through the government's failed border protection policies millions and millions of dollars are being spent. However, if the policies of the former Howard government were adopted that would not be necessary and those funds would be available to provide very necessary infrastructure for the Sunshine Coast and, indeed, for other growth areas of Australia.

The deficit of the budget this year has soared to almost $50 billion and is forecast to be in this situation for some time. In fact, the budget deficit forecast for 2011-2012 has blown out by $9.6 billion to $22.6 billion. That is a matter of grave concern. The Treasurer tells us that the government will be returning the budget to surplus within a very finite period. I hope that the Treasurer's predictions are correct. However, on the indications, and on the performance of this government in the past, one cannot be optimistic that this will occur. Net government debt has climbed to a record $107 billion in 2011-12 and is forecast to remain above $100 billion across the forward estimates. This amounts to more than $4,700 debt for every Australian.

This is another typical old-fashioned Labor budget that is big on taxes and big on spending but fails to help households battling higher costs of living on items such as petrol, electricity, gas, groceries, health costs and home repayments. We also find that the government is launching a $2 billion assault on families by freezing the indexation of key family tax payments and income thresholds for three years. This is the first budget in eight years that has not provided tax cuts for everyday Australians. This government is being tough on Australian families because it has failed to be tough on itself. I mentioned before the money which has to be spent because Labor has lost control of Australia's borders. Offshore unauthorised arrival management has blown out by a record $1.75 billion since last year's budget. The current approach by the government is in complete disarray. The new arrangements for taxing company cars will slug small business operators, tradesmen, farmers and the taxi and hire car industry with increased costs at a time when they are already doing it tough. Regional Australia has again been short-changed by a citycentric government that has cut $500 million in regional funding. There is not a single new cent in this budget for road or rail projects across Australia. Since coming to power in 2007, the government has employed 24,000 additional public servants and the government is asking people on the Sunshine Coast to tighten their belts but is refusing to do the same to itself. Australians are looking for stability and certainty from their government and most Australians would be sorely disappointed, firstly, by what is in this budget and, secondly, by what is not in this budget.

The Sunshine Coast is one of the fastest growing areas of Australia. Because we are a fast-growing area, we never seem to have the infrastructure we require to meet the needs of our growing population. We need to upgrade the Bruce Highway to six lanes all the way from Brisbane to the Sunshine Coast. The former Howard government invested money to upgrade the Bruce Highway from Brisbane to Caboolture and, at the time, that removed the worst bottleneck between Brisbane and the Sunshine Coast. But as road traffic continues to grow, delays seem to be inevitable. The existing four-lane highway—that is, two lanes in each direction—desperately needs upgrading to six lanes. Not to do so is completely unacceptable.

On the Sunshine Coast we have a wonderful lifestyle, we have a very hospitable population but what we do need on the Sunshine Coast are more jobs, particularly jobs for young people. We need clean and green industries and we need government policies which will encourage
the development of job opportunities so that young people are not forced to leave the
Sunshine Coast to seek employment. The University of the Sunshine Coast is doing a
wonderful job. It is giving large numbers of students in our community the opportunity to
study in an increasing range of disciplines. We hope that many of those graduates will find
work on the Sunshine Coast.

Not only is the Sunshine Coast a rapidly growing area; it is a very interesting area because
demographically it is one of the oldest parts of Australia. Lots of people retire to the Sunshine
Coast from around the country, and that is entirely understandable because it is a wonderful
place to live. But we also have lots of young families and those young families are extremely
concerned about the employment opportunities for their children. Part of our unemployment
problem on the Sunshine Coast is imported, I suppose. Compare being unemployed in some
of the southern parts of Australia and being unemployed in a place that has wonderful beaches
and a wonderful lifestyle and it is hardly surprising that people often choose to move to an
area where there is less employment but a better lifestyle. That is why quite often our
unemployment rate is higher than one would normally expect, because lots of people who
would be unemployed elsewhere choose to move to the Sunshine Coast.

It is a pity that the Liberal-National Party coalition was not elected at the last election
because we were able to promise a range of infrastructure projects for the Sunshine Coast
which would have provided incredible benefits for our local community. I have also spoken in
the parliament and I have written to the government to seek to have these infrastructure
projects implemented, despite the fact that the Labor Party was elected to office and the
Liberal-National Party coalition is still in opposition. We would like to see the Bruce
Highway upgraded, we would like to see $2.5 million given to upgrade the Caloundra Aquatic
Lifestyle Centre and we would like to see $700,000 for a viewing platform for Maleny's Mary
Cairncross Scenic Reserve. The latter would enable people to view the Glass House
Mountains in a safe way. At present, the view, which is spectacular, often entices people to
wander across the road, placing their safety at risk.

It is also important to recognise that the government needs to invest more in tourism,
particularly on the Sunshine Coast. People on the Sunshine Coast are particularly concerned
over the fact that the government said prior to the election that it would not introduce a carbon
tax and yet a carbon tax is now on the government's agenda and could well be legislated for
by the parliament. It is important that, when you stand up prior to an election and say that you
are going to pursue a certain policy, once you have received the support of the Australian
people, you seek to carry out the pledge that you made.

Very few people on the Sunshine Coast support a carbon tax. Most people, if given the
choice between a clean environment and a less clean environment would certainly choose the
former. However, given that Australia is a relatively low emitter, if the carbon tax is brought in—and we have heard of the range of charges which will be imposed on Australian families,
from $300 to $1,000, depending on the rate at which the carbon tax is struck—Australian
families will be slugged, our businesses will be less competitive and our exporters will not be
able to compete in world markets as they are currently able to. And, if the rest of the world
does not follow a similar policy, there will be no improvement in the world environment. So,
on the one hand, our own industry will be committing a form of economic suicide, costing
jobs and so on, and, sadly, on the other hand, the world environment will be no better as a result of that action.

I would ask the government to consider a world solution rather than seeking to move unilaterally. I think Australia is a good international citizen. I think we have proven over the years that we are prepared to work with other countries to improve the environment. But to move forward unilaterally is not in our interests and would do very little at all for the environment. That is absolutely unacceptable.

I would also like to talk about the need for safety throughout the Sunshine Coast. We have a very good area; however, it would be very useful if we were able to get CCTV surveillance cameras to boost public safety in key parts of our community. Prior to the last election, we were able to pledge $300,000 for CCTV surveillance cameras and extra lighting in the central business district of Caloundra, $100,000 for CCTV surveillance cameras at the Mooloolaba shopping and tourism precinct and $100,000 for CCTV surveillance cameras in the Kawana Waters community. This commitment was also made prior to the election in 2007. Unfortunately, with the election of the current government, we have not yet been able to get that funding.

The funding would mean that we could better showcase our community as one which people could visit as tourists or move to to become residents. These surveillance cameras would improve the safety of people who are out having a good time. The Sunshine Coast is a relatively safe and law-abiding destination, but I think these cameras would provide a lot of reassurance and would help to boost our tourism numbers. For a relatively small investment, half a million dollars, public safety would be boosted, and that would be a very positive thing. It is important, I believe, to protect our environment. The environment is not the possession of any particular side of politics and I believe that, particularly with the Green Corps, the Howard government will go down on the record as one of the greenest governments in Australia's history, but it will never be given credit for that. But I think it is important to recognise that we do hold our environment in trust for future generations and that it would be wonderful if we were able to leave the environment of Australia in a much better situation when we depart this world than it was in when we arrived. So it is important that all of us, regardless of where we stand politically, focus on the need to make sure that appropriate funding is made available to protect and enhance our environment. We had, prior to the election, promised certain funding for a range of environmental groups on the Sunshine Coast, and I call on the current government to accept that they are very worthy causes and that our environment will be enhanced if those funding announcements prior to the election are implemented by this current government.

This budget does fail the Australian people. It is not a prescription that our country needs at this time, and I would ask the Treasurer to reconsider the budget with a view to bringing in something more appropriate. I thank the House.

Mr ALEXANDER (Bennelong) (10:46): We have a national epidemic of obesity. We have gone from the fittest country in the world to one of the fattest. There are any number of television shows, with titles such as The Biggest Loser, which dramatically tell the story of the desperate actions required to address situations of obesity—the hardship, the heartbreak and the humiliation. Today I am talking about our government's obesity and the radical action that will be required to address this country's problems of excess and waste. The parallels
between the two are worth noting because, in the days when our sportsmen and women dominated the fields of endeavour, virtually all Australians would try to emulate their sports stars on the weekend, resulting in their wellbeing, health and fitness. At this time, we enjoyed lean government and we were a creditable nation.

No truer words have been spoken than those contained in the warning by Senator Barnaby Joyce when he said that he had never seen a big problem that did not begin as a small one and that if this rate of waste and misguided spending continued there would come a time when we would not be able to pay back our debt. Credibility and trust borne out of honesty should be the currency that a government or a political party trades on. Broken promises and treacherous behaviour do not build a sense of trust. The promise to build the Epping to Parramatta Rail Link, devoutly made in the heat of battle to win government during an election campaign, fades on even the most casual examination and exposes the fact that this promise to build would be dependent on the government winning a second term, the government being in surplus and the state government putting up the first $500 million. The very people who lose our trust and confidence with such transparently ingenuous undertakings deserve serious scrutiny when they make other promises. The promise made during the recent budget of a $3 billion surplus to come in the third year would be equally dependent on a number of factors and so has equal 'substance' to the promise made by the federal government to build the Epping to Parramatta railway line. Setting this aside, the government's representations put the promise of a $3 billion surplus into perspective. It will follow two more years of excessive deficit—$55 billion last year, followed by $50 billion, followed by $23 billion, and totalling $107 billion of debt. To have the audacity to say that a $3 billion surplus in year 3 is some kind of triumph beggars belief. This is a government that has come to dine at our table. They take more and more every time they need it. They go to their favourite dish—more taxes—creating the weight of debt to fund their lazy, misguided and, above all, wasteful practices. What could have nourished families, small business and industry has been squandered by inept government and criminal waste. It is so plain to see that history is repeating itself. The Howard government when elected inherited some $96 billion in debt. The Abbott government, when it is elected, will inherit a greater debt. The hallmark of the Rudd-Gillard government is that of quick-fix fast food, not the nutrition that our country needs. When we were crying out for vital infrastructure that would build our country and add value we got pink batts, and we got school halls when classrooms and libraries were needed, coated with lashings of waste.

Julia Gillard has justified this by saying that in large projects there will always be waste. This is an extraordinary position to take and it is difficult to imagine that somebody who has found their way to the position of Prime Minister could not understand the dynamic that when building more than one school hall, with a high level of architectural design and requiring no variations during construction, the marketplace will effect lower prices with greater quantity.

And we have the situation of pink batts in roofs, where those who entered the industry after promises and undertakings from the government committed themselves, their businesses and their assets to this new industry, then mercilessly had the rug pulled from under them after more empty reassurances. The government, which should be in the practice of building industries, was setting these poor souls up for a brief boom and an inevitable bust. In the solar industry we had the same scenario. And all the while the government was feasting on taxes,
growing bureaucracies, growing inefficiencies and growing the obesity of debt. The next competitor in the *Biggest Loser* will be Australia after the final great feast—a carbon tax.

Personal obesity accounts for more than 50 per cent of our health costs—combined with other lifestyle choices, an imposition of over 70 per cent of our total health cost. The single best thing that you can do for your physical health or mental health is to exercise. When you exercise in the form of participation in a sport, the component of socialisation is added, which is a key component in the prevention of mental illness.

In the budget there was a promise of $1.5 billion for mental health. A little examination will show very quickly that sadly those who need help most are denied. The reduction from 12 appointments with a psychologist to 10 might not have been a devastating blow to many but on a little further examination we learn that those with more acute need for psychological intervention, who would previously have had the right to a further six visits, have now lost those visits.

This is another graphic example of short-term thinking, small savings and long-term cost. Tragically, the cost in this scenario is measured not just in dollars. Headlines this week—a week where there has been many major news events—have found the manner in which the Gillard government attempted to lure FIFA's affections in a bid to host the Soccer World Cup was consistent with their poor ability to manage and ensure value for our tax dollars. We have heard allegations of bribery. There are allegations of $11.4 million of the $45 million given by this government having gone missing and of two sets of books being maintained by the FFA. Despite an inquiry on this reporting back in March, this report has still not seen the light of day and it seems another $39 million has now been sent down the same rabbit hole. On reflection, what is fundamentally wrong with the way in which we attempted to win the World Cup bid is that it was largely contrary to our sporting heritage, which is such a vital part of our nation's history. The building of our character and what we stand for has always lain in the fact that we have previously put all our efforts into excelling in sports on the field, not in fancy hotels and restaurants. We host cricket tests with the greatest cricket nations in the world because we are one of those great nations. We host a grand slam tennis tournament because when the grand slam was declared we were one of only four nations who had won the Davis Cup—we earned our position on the court. We have hosted the Olympic Games twice, punching way above our weight, because we have always punched way above our weight. Australian sportsmen more than anything else have been the epitome of sportsmen: modest in victory and gracious in defeat, playing by the rules and playing fairly.

Without a knowledge of the past and an appreciation of history we are vulnerable not to learn from the past and to allow history to repeat itself. There is a great cost, whether for the individual or for the government, in becoming obese, and there is a great price to be paid for getting back into shape in order to be fully productive and enjoy a long and healthy life. To achieve this goal, an individual needs to take personal responsibility for their diet in the same way as a government needs to take responsibility for the economy and an obese way of living.

If history repeats itself, this government will leave office with a massive debt to be repaid. No doubt this will be undertaken by a lean and fit-for-the-purpose Abbott coalition. The path we then embark upon should be sustained, and we should learn from the past and not repeat the mistakes that have been made. With our dollar at record highs, there has never been a better time to undertake immediately the repayment of our debt.
Mr CROOK (O'Connor) (10:57): This being my first budget as the federal member for O'Connor, I must say that I receive it with very mixed emotions. This government has made much of the expected surplus in 2013, but this surplus is based on very thin margins and on legislation that the parliament is yet to see. It is also based on the premise that state governments must do as the federal government wants, which, as we all know, is not likely to happen—and I will talk more of that later.

I welcome the bipartisan support that this place has given to mental health and the increased funding that it has received in this budget. With around one in four people being affected by mental health issues, the allocation of $1.5 billion over the next five years is very welcome. Of this, $491 million is allocated to children, teens and young adults for 30 additional headspace centres and 12 early psychosis prevention and intervention centres across Australia. Having recently visited the headspace centre in Albany, I now have a far greater appreciation of the work they do. They are a tremendous asset to Albany and the Great Southern. I certainly hope to see a number of these headspace centres located in regional Western Australia and specifically in the electorate of O'Connor.

The only real concern is that the bulk of this money will be spent in the out years, not in the short term. If my visit to the Albany headspace centre taught me anything, it is that a timely, discreet and professional response to the issues that are here and now is critical. The window to address mental health issues can sometimes be very minute, and adequate resources are needed urgently. It is, however, disappointing that GP mental health funding is to be reduced, because in many cases these are the people at the front line—they are the first point of contact and sometimes the difference between some people's receiving urgent care and not receiving it.

I also welcome the $1.8 billion over six years from the Health and Hospitals Fund to support the development of health infrastructure in regional Australia. As welcome as this is, one cannot help but question, firstly, whether it will be enough and, secondly, what the value of these facilities will be if they are not staffed by well trained health professionals. Not enough is being done to address the gross shortage of doctors in regional Australia, particularly Western Australia. Country local governments across my electorate are literally forking out hundreds of thousands of dollars a year to provide GPs to their communities. One shire is putting up over $900,000 worth of incentives to retain a GP in their community. To put that in context, this investment equates to around 15 per cent of the total expenditure of this local government.

I would like to take this opportunity to mention the state government's announcement of $565 million to substantially reform and improve access to health care for residents of the southern inland of Western Australia. The southern inland health initiative is the centrepiece of the state government's spending on health in 2011 and 2012 and is funded under the Liberal-National government's very successful Royalties for Regions program. This package, to be funded from July 2011, includes $240 million of investment in the health workforce and provision of health services over four years and includes $325 million in capital works over five years. This initiative will fund an equivalent of 44 extra doctors to secure ED services and GP services across eight districts. The most unfortunate thing about the Western Australian government committing to this initiative is simply that they should not have to be doing this.
This is the first budget where we have actually seen a real indication of the much talked about mining tax, or mineral resource rent tax, and where this revenue might be spent. There has been much talk of the windfall that regional Australia will see from this tax. The first attempt is disappointing, to say the very least. Any return to regional Australia from the mining tax is via the Regional Infrastructure Fund. The Regional Infrastructure Fund is a $6 billion fund over 11 years and, according to the budget papers, is 'reinvesting the proceeds of the resource boom in mining communities'. $960 million has been allocated in this budget and the biggest single project, worth $480 million or 52 per cent of that, is a metropolitan project, Gateway WA, which is for the upgrade of Tonkin and Leach highways as well as the freeway. I fail to see how this is reinvesting in mining communities.

There has been much criticism, particularly from the Treasurer, about the Western Australian government's decision to raise royalties on their — and I stress their — iron ore. It is totally unfair of this government to assume that no states will alter their budgets or financial management practices just so the Treasurer can meet his surplus promise. At least 25 per cent of the royalties that the Western Australian government imposes are guaranteed to be delivered back to regional Western Australia via the Royalties for Regions fund, a fund that really does mean regional and is not just tokenism. Western Australia will be the main source of the mining tax revenue for this government and there is no better time than the present for this government to make a fair dinkum investment in mining communities and match the Royalties for Regions funding.

The mining industry is planning to invest $76 billion in 2011 and 2012. If this government wants to reap the rewards of the mining industry by taxing it, the very least it could do is support infrastructure in those regional and mining communities that are delivering this dividend. Both the carbon and mining taxes are set to test, unnecessarily in my view, Australia's competitiveness in the global economy. I have concern for the impact on small to medium business and in turn jobs in Australia if we go down the path of taxing them out of existence in comparison to their global competitors.

On a more positive note, I welcome the extension for an additional year of the drought pilot program that has been running in conjunction with the Western Australian state government. Over the last two years many areas of Western Australia have experienced one of the driest seasons in recorded history. This has had a devastating impact on many of our regional communities, families and businesses who depend heavily on the agricultural sector. Last year the state and federal governments launched a drought pilot program to assist those farmers and families doing it tough through the drought.

This program has provided vital assistance to 67 local governments across WA, allowing farmers in these areas to access a range of support services including Centrelink, financial counselling services and strategic farm management workshops. More than 400 farming businesses and 300 families have benefited from these measures. As indicated in the budget, the federal government and the Western Australian state government will commit a combined $55 million to expand the drought pilot program significantly for the next 12 months. This commitment has effectively doubled the scope of the program and will allow the drought pilot program to be expanded into the south-west region covering a total of 130 local governments. The previous support services will still remain available, including farm business grants of up to $30,000 to help farmers better manage and prepare for future challenges and Farm Exit
Support grants of up to $170,000 to support farmers who decide to sell their farm to cover relocation and retraining expenses. The drought pilot program is a very good program for regional WA and I am very pleased to see this program expanded into the south-west region. Many WA farmers have been suffering under the worst seasons ever recorded and it will be reassuring for them to know that their pain has been recognised by the federal government in this budget.

I would like to thank the federal government and the WA state government for ensuring this program is continued, and I would particularly like to acknowledge the work of the WA Minister for Agriculture and Food, the Hon. Terry Redman, for his hard work in ensuring this program continues to assist our primary producers and our regional communities during the dry season. That said, nothing can replace rain and it is slightly reassuring that there was some rain through the wheat belt of Western Australia on Monday night which will no doubt boost the morale of farmers and small businesses that support these communities. We must do all we can to assist our farming communities through tough times like the one that they are currently working their way through.

Education, particularly regional education, has been highlighted in this parliament, as have the inequities of youth allowance. Motions in both the House of Representatives and the Senate have supported a major review of youth allowance. Access to university and higher education continues to be a major issue for families living in the electorate of O'Connor and across regional WA. Due to the tyranny of distance, many students from regional areas have no choice but to leave the family home and relocate to Perth to attend university. This relocation to study is a major financial concern for many regional families who struggle to jump through the necessary hoops required to gain access to youth allowance.

The current youth allowance system as it stands does not afford regional families any flexibility when applying for the payment. The youth allowance system operates on a one-size-fits-all basis and leaves regional families at a major disadvantage compared to their metropolitan counterparts. I have heard numerous stories over the past few months of parents and students who have gone to great lengths to access higher education in the city. Some families choose to relocate to the city, and many students who wish to access university instead seek other career paths as they do not want to feel like they are any burden to their families. If this government is serious about creating sustainable and resilient regional communities, it is vitally important that we remove the barriers to higher education that are disadvantaging so many of our young people.

According to the Australian Council for Educational Research, in the seven years after leaving school, close to half of metropolitan students gain a university or TAFE degree, while only a third of regional students gain a qualification in that time. Many families across regional WA, including my own, are anxious to see the results of the federal government's review into youth allowance which is expected to report on 1 July. This review must deliver a fairer outcome for the thousands of regional students who are struggling to sustain themselves financially while living away from home; unsupported by the federal government. This review must call for greater flexibility for regional students and remove barriers such as the 18-month waiting period which forces students into employment while they study and in many cases takes them out of the education pathway forever. I welcome this review and look forward to seeing the government deliver better outcomes for our regional students.
Many of my constituents have contacted me with their concerns around the mining and carbon taxes. I have listened to their concerns about what this will mean to their families, their businesses and their livelihoods, and I will continue to do so.

I might now make a brief statement finally on the opposition's proposed amendment to this motion. I am not beholden to this government and I have no agreement to take any particular position on this matter. I am also cognisant of the constitutional risks to the institution of parliament when the opposition moves effectively to block supply, which is the basis on which government business and administration has continuing security. That said, and as the House has just heard, I have made it very clear that I have profound objections to a number of measures within the budget. I have just made that position clear in respect of the proposed mining and carbon taxes. I also believe that in processes such as raising borrowing limits the government should be accountable to the parliament. I finish today where I started, with mixed emotions surrounding the benefits for regional Australia and my electorate from this budget.

Mr ANDREWS (Menzies) (11:09): I rise to speak on Appropriation Bill (No. 1) 2011-2012 and cognate bills. Families are at the very centre of our society. Helping families stay together, supporting their communities and ensuring that families can give children the best start in life are not aspirational goals; they are fundamental responsibilities for the parliament and for the government. Over the past 30 years, family policy in Australia has evolved. Family support has developed and to date both sides of politics have generally been supportive. Labor have to their credit kept in step with the coalition, but now, regrettably, things have changed. While Labor are in government, the Greens are in power. Senator Brown has his weekly meetings with the Prime Minister, who calls his party extremists yet remains in a formal alliance with them. The Greens are ideologically opposed to providing real support to families. They would rather pursue their radical agenda of social reform than participate in the continued development of sound family policy. What we have now seen over the past two successive budgets is an unparalleled attack on families. The Labor-Green alliance is undoing the work of the coalition government both economically and socially.

Regarding the cuts to family services, the well-received coalition government's family relationship centres and initiatives have been targeted by a government starved of funds after a spending binge. Labor have stripped $50 million from family relationship services, including ripping $4.5 million from marriage counselling services and snatching $43.9 million from the family relationship centres. These centres are designed to help families experiencing difficulties. They help families stay together. At a time when cost-of-living pressures are hurting families and placing couples under growing stress, these services are designed to offer some assistance and yet they are being targeted with cuts in the government's budget.

The government have decided not to replace for Family Court judges. So family relationship centres will be under even more pressure, unable to provide the same level of support and, at the same time, family law cases will take even longer to be finalised. Indeed, family service agency personnel are reporting that there are waiting lists and growing waiting lists for people wanting to use their services and saying that they will continue to grow as a result of these changes and indeed many couples may not even get to have the services provided which they desperately need. On top of this, the Australian Institute of Family
Studies, which suffered a cut of 10 per cent in its total appropriation in last year's budget, is now facing even more cuts.

Family tax benefit indexation has been frozen. The plan to freeze until 2014 indexation of the family tax benefit part A supplement, which is $726.35, and the part B supplement, which is $354.05, will mean that the recipients of FTB A, which is approximately 1.7 million Australian families, and the recipients of FTB B, which is approximately 1.4 million families, will all be worse off. By freezing the supplement payments for families for both FTB A and FTB B for three years until July 2014, the value of the payment will be eroded over time due to inflation. Recent payment rates over the past three financial years demonstrate this. Without indexation, FTB A recipients will be $81.28 worse off per child by 2014-15 while FTB B recipients will be $39.62 worse off per family by 2014-15. We are now learning that the plan to freeze family benefits was devised by the government before the federal election. This is yet another deception from a Prime Minister whose directionless government will be long remembered as perpetrating a deception on the Australian people in the days prior to the 2010 poll. This budget does little to address the cost-of-living pressures facing Australian families. Across Australia, from the December quarter 2007 when Labor was elected to government at the national level to the March quarter 2011, a number of things are quite evident. Electricity prices have increased by an average of 51 per cent; gas prices have increased by an average of 30 per cent; water and sewerage rates have increased by an average of 46 per cent; health costs—that is, hospital, optical, dental, and pharmaceutical costs—have increased by an average of 20 per cent, and this is not even considering Labor's proposed changes to the private health insurance rebate; education costs—school fees and the other education costs that parents have to meet on a daily, weekly, monthly and yearly basis around Australia—have increased by an average of 24 per cent; interest rates have increased seven times since September 2009, increasing repayments on the average mortgage by over $500 per month—that is an increase of $500 per month in a little under 18 months; the price of bread has gone up by 11 per cent and the cost of fruit has gone up by 28 per cent—the cost of food overall has gone up by 13 per cent; and the amount of rent that people are now paying has increased by 20 per cent. This is a substantial, a significant and a very real slug to the cost of living for ordinary Australians families.

Since 2007, Labor has announced 14 new or increased taxes, including the alcopops tax on mixed spirit drinks, an increase in the luxury car tax, the mining tax, the flood levy, the LPG excise increase, a new tax on Australians working overseas, a cut in the amount Australians can put into superannuation that is tax free, new restrictions on business losses claimable for tax purposes, changes to the employee share scheme, ethanol tax increases, tighter restrictions on tax claims for medical expenses, fringe benefit tax changes announced in the 2011-12 budget and, of course, the carbon tax. This is the tax that this government is gung ho on introducing for all Australians, yet it is not even covered, not even mentioned and does not have a place in the budget. The most substantial tax that possibly any government has proposed to introduce in Australia and which is proposed for the coming financial year—and the appropriation bills which we are now debating in this parliament deal with government expenditure and government revenue—this most significant tax which the government talks about every day and which it is trying to convince Australians will be good for them, is not even in the budget.
Mr ANDREWS: The honourable member opposite says, 'Because it is cost neutral.' We had Professor Garnaut out yesterday with his latest report suggesting that families should be compensated—what?—55 per cent of the amount which is raised by the tax. Try and tell ordinary Australian families that taking away $1 from them and giving them back 55c is going to be cost neutral. And what did Professor Garnaut also say? There is a suggestion in his report that the level at which compensation should cut out is $80,000. Try and tell ordinary Australian families that have got two parents in the workforce who would be earning in the vicinity of—

A division having been called in the House of Representatives—

Sitting suspended from 11:19 to 11:34

Mr ANDREWS: Prior to the break for the division in the House, I was responding to the interjection by the honourable member for Newcastle, who said that the reason the carbon tax is not included in this year's budget, in these appropriation bills that we are debating, is that it would be revenue neutral. Even if we assume, for a moment, that that is true—and I will come to why I do not believe most Australians believe it to be true—there are administrative costs associated with the new tax. Costs are set out in the budget for expenditure relating to each department—as to what it is actually going to cost. That ought to be in the appropriation bill, even if it is a revenue neutral measure. But, of course, we do not see that whatsoever.

The reality is that the government's idea of revenue neutral, from what we have learned to date from Professor Garnaut's report, is that for every dollar that this government will take by way of tax—tax which will ultimately be paid by Australians—just 55c will be returned by way of some sort of compensation. I do not think Australian families believe that taking a dollar and giving back 55c—even 60c or 65c—is in any way revenue neutral. The reality is that this is a great big new tax on ordinary Australian families, who will be paying for it on top of all the other mismanagement by this government they have to pay for. Indeed, since assuming office, Labor has managed to do what it does best. It has turned a $20 billion surplus into a $50 billion deficit. It has turned $70 billion of net assets into $107 billion of net debt. It took a decade to pay back Labor's previous $96 billion debt. Now we have gone from having net assets of $70 billion to having $107 billion worth of net debt, and that has been achieved in just four years under this Labor administration—this Labor maladministration—of Australia.

If you look at the carbon tax, you will see that it is going to hit household budgets on top of all the other increases in the cost of living that people are already suffering. Let us take the widely touted figure of $26 per tonne. A $26 per tonne carbon tax would add 25 per cent more to electricity bills. I said earlier that Australians face electricity bills that have gone up by an average of 51 per cent over the last four years. Here we go again with further increases, because the carbon tax will further increase their electricity bills by 25 per cent. Every time you go to the petrol bowser to fill up your car to take the kids to school, to go shopping, to drive to work or to drive home from work, let alone use it for any recreational purpose, it will cost you 6.5c or more per litre for your fuel bill. I say to ordinary Australians: when you go to the bowser next and think about filling up, how much it is costing and how petrol prices have gone up, just think that, when the carbon tax comes in, you will not be paying the $1.28, the $1.32, or the $1.40 or whatever it might be from day to day or week to week in various parts.
of Australia. Add 6½c a litre to that, and that will give you some sense of just one cost which will flow to you as a result of this tax.

We know that $26 a tonne is only a starting point. That is before the price automatically begins to increase by at least four per cent each year—and that is if $26 a tonne is the starting point. We have already heard from the Greens that they want a starting point of between $40 a tonne and $100 a tonne. The compensation will drop out over time. Even if the compensation were maintained at the same level, the result of inflation means that the real valuation of that compensation would decrease, just like the real value of family payments has decreased because of the freeze that has been put upon them by this Labor government. The working families of Kevin Rudd's 2007 have become Julia Gillard's forgotten families of 2011. On top of that, this tax will cost jobs. Some 45,000 jobs will disappear from industries such as steel, aluminium, cement, glass, chemicals and motor vehicles, and some 23,000 mining jobs will be lost. Once again, that is just the beginning.

This budget has delivered nothing new for families. Well, that is not quite true. It has delivered something new for families: more costs. What is not in the budget, the great big fiscal elephant that is sitting in the middle of the room—namely the carbon tax—is going to deliver even more significant costs for Australian families. It will hurt families, it will hit household budgets and it will put families who are already under pressure under even more pressure. The Labor government has no mandate to pursue this antifamily agenda and it has no mandate to introduce a carbon tax. It is time that Labor kicked its Greens habit. It is time that Labor stood up for Australian families. It is time that Labor called an election to get a mandate, if it proposes to introduce this antifamily carbon tax.

Mrs GRIGGS (Solomon) (11:39): I rise to talk on Appropriation Bill (No. 1) 2011-2012 and cognate bills. This is my first budget as the member for Solomon, a role I take seriously and never for granted. While I am in this place I will do whatever is possible to ensure that my electorate of Solomon and indeed the Territory gets its fair share of funding from Canberra.

Despite the endless talk from Labor in the lead-up to the budget, this was not a tough budget. In fact, the Prime Minister was right when she said this was a traditional Labor budget—another big deficit, more borrowing, more debt and more taxes. In November 2010 we were told the deficit for 2010-11 would be $41.5 billion. On budget night it was revealed it had blown out to almost $50 billion. In November 2010 we were told that net debt would peak at $94 billion. On budget night it was revealed that that figure was $107 billion. Not only that but the net debt is set to stay above $100 billion for at least the next four years.

The government continues to borrow $135 million a day, and interest on Labor's debt will be a staggering $7 billion a year. Cumulative interest on Labor's net debt will be more than $26 billion over the next four years. Think of the hospitals, roads and ports that could be built in this country with the interest payments alone. Labor does not like to admit that we have the highest interest rates in the OECD and among the highest home mortgage rates in the world. Unfortunately, Labor's reckless spending and borrowing has seen interest rates higher than they would otherwise be and my electorate of Solomon has been hit hard hit.

Since budget night there has been near universal consensus amongst independent market economists that Labor's budget will have absolutely no impact on the Reserve Bank's need to raise interest rates. But, still, the Reserve Bank is facing myriad inflationary pressures,
particularly as the federal Treasurer is predicting the economy will add 500,000 extra jobs over the next two years, bringing the jobless rate down from 4.9 per cent to 4.5 per cent. As a result, it is encouraging variable rate mortgage borrowers to consider fixing their loans as they prepare for one or even two interest rate rises in the second half of 2011.

Although house prices fell in Darwin and Palmerston in the first three months of this year, the median price for a house in Darwin still remains extremely high at $550,000, with a median price of $465,000 in Palmerston. Buying a house in Darwin is becoming increasingly unaffordable even for key workers such as teachers, police, nurses, firefighters and ambulance officers. According to the latest research from Bankwest, Darwin house prices have increased by 69 per cent over the past five years.

In addition to rising interest rates and unaffordable housing, families in Solomon are feeling the squeeze. Since Labor was elected, electricity prices are up 51 per cent, gas prices are up 30 per cent, water prices are up 46 per cent, education costs have risen 24 per cent, health costs have risen 20 per cent, rent costs have risen 21 per cent and grocery prices are up 14 per cent. In addition to this, a $26 a tonne carbon tax would add a further 25 per cent to electricity bills and at least 6½c to a litre of fuel. This proposed carbon tax will in fact see even higher prices for everything in the Territory. But who knows what the final price on carbon will be and what the ongoing impacts will be? The people of Solomon are very concerned about the increasing cost of living and, as I have already stated, they are paying record house prices and the highest prices in any capital city for groceries, petrol and rent, on the back of soaring power bills and interest rates. Unfortunately, the carbon tax will affect every aspect of people's lives and in particular those families that are already struggling to make ends meet. Many of my constituents will simply be unable to afford the power they use. As I mentioned in this place just three months ago, the carbon tax appears to be a tax on remoteness and on the Territory. The tax stands to increase the cost of living and directly impact key industries in the Northern Territory and my electorate such as primary production, mining, tourism and construction. All of these industries will be hit hard by a carbon tax. In just three months, the already high petrol prices in my electorate have significantly increased—without the carbon tax. Last week in Darwin and Palmerston, according to the NT Labor government's Fuelwatch website, the mean unleaded price for petrol was 152.8c a litre. That is up 10.9c from February this year.

How can the Gillard Labor government be trusted when the Prime Minister said before the election 'there will be no carbon tax under the government I lead', and now continues to pursue the introduction of a carbon tax, a tax on electricity and on petrol and a tax that is going to affect all Australians, particularly Territorians, ultimately increasing the already high cost of living? This budget is based on a lie. The carbon tax revenue and associated spending, tipped to be in the order of $11.5 billion, was not included. It is a tax Labor should be ashamed of and a tax that the Prime Minister said would not happen under the government she leads.

My electorate of Solomon is in desperate need of infrastructure to make its economy more productive. As already mentioned in this place by my colleague the member for Hasluck, the Perth to Darwin Highway, in the north of his electorate, is vital for both Western Australia and the Northern Territory in terms of transport infrastructure. Heavy haulage transport engaged in the movement of machinery and goods south from Darwin and north from the
The electorate of Hasluck is being sadly neglected by this government. Trucks are being forced to operate within a curfew. Gigantic mining trucks being transported fight for space on rural roads, the same roads used by tourists.

In Solomon we are also in desperate need of health infrastructure to give our people better access to health services. Giving credit where credit is due, I was very pleased to see the inclusion of funding for the first stage of a hospital in Palmerston. I have long advocated for better medical facilities for Palmerston and the rural area. Along with the many other advocates for improved health services in the Territory, I will be keeping an eye on this program, making sure that what is promised is actually delivered.

This government has not got a good track record in delivering what they promise. There is a fair amount of spin involved in most of their announcements. This is something my electorate is tired of. I was pleased to see a small increase in the funding for mental health but, as with the hospital finding, I will be watching this carefully to ensure that there is indeed an improvement in services in the Solomon electorate. I want to make sure that this funding does translate into better mental health services for my electorate.

There are more disappointing elements to the budget, in particular that families have been targeted and the perception of a wealthy family is now a family on $150,000. With the high cost of living continuing to apply pressure on family budgets and interest rates, we all know that a family on $150,000 is far from wealthy. In the budget a massive $1.7 billion blow-out as a result of Labor's failed border protection policies was revealed. Families are paying for Labor's failed border protection policies through cuts to family payments.

Many people in my electorate, and family and friends across Australia, have raised with me their concerns regarding the significant expenditure on housing associated with asylum seekers in the Territory. The view is that this money could be spent on infrastructure to build on the Territory's potential and on funding longer term projects within my electorate.

The budget clears the way for $2 billion to be gouged from families through the freezing of indexation of family tax payment supplements and upper income thresholds. Families in Solomon will continue to feel the pinch. For example, a family with two children and a stay-at-home parent stands to lose up to $147 worth of benefits, while a family with both parents working will be $116 worse off. Families struggling to make ends meet on an income of $45,000 will also be hit.

This Labor government's short-sighted measures and poor fiscal management are set to continue the pain for families within my electorate of Solomon. Despite Labor talking down the impact of these changes, the truth is that, at a time when families are struggling with cost-of-living pressures, these changes will hurt two million families in some way, shape or form. I remind this House of the waste by this government associated with the failed pink batts, school halls and solar panels spend up. In this budget one of the biggest savings was on the $1.7 billion flood levy. It is a disgrace that this government has wasted so much money, yet incomprehensibly it could not find $1.7 billion in a $360 billion budget for allocation to natural disasters. It was extraordinary that, given this government's track record of wanton waste and failed program implementation, Labor's big budget eve announcement was a plan to spend $376 million on set-top boxes for pensioners. Mr Acting Deputy Speaker, let me remind the government that a postbudget survey revealed that 60 per cent of pensioners do
not want a set-top box. Additionally, we know that Gerry Harvey said he could provide and install them for $168 a unit, compared to Labor's budgeted cost of $400.

The Prime Minister was asked by the member for Denison what Labor would do with the promises made by Labor candidates in seats where Labor did not win. The Prime Minister stood at the dispatch box hand on heart and said, 'Our promises were fully costed, every one of them. Of course they will be delivered. Of course they will. We don't go around making promises that we won't fulfil.' Like the member for Herbert, I also have concerns regarding the statement made by the Prime Minister. Following on from her passionate statement of commitment in the chamber, I wrote letters to the Prime Minister on behalf of my electorate asking for clarification as to when the pre-election commitments made by Labor will be delivered in my electorate of Solomon—promises such as $37,000 for Dragon Boat Northern Territory to maintain their current fleet and construct new dragon boats, and the $1.5 million all-weather world championship level BMX track for the NT BMX. A new music and dance festival, the Big Day Without, was planned in March at Palmerston Senior College, in April at Darwin Middle School, in May at Casuarina Secondary College and in June at Sanderson Middle School. Well, March, April and May have come and gone and no events have occurred, and when I contacted the schools they were not aware of plans for any of these events. Then there was the promise of 1,200 new affordable rental homes in the Northern Territory, priced at least 20 per cent below market rates, under the National Rental Affordability Scheme. This promise was rebadged from the previous election.

It turns out that yet again there is an issue with delivery. Both NT BMX and Dragon Boat Northern Territory have been advised that they do not have the funding, despite all the pre-election hype. These groups now have to apply for grants through the usual process—no guarantee of funding at all. I wonder if this has something to do with the fact that these two commitments were also made by the coalition. This is a very tricky government, one that has been caught out before. For example, this government has taken the high moral ground on education in Closing the Gap programs. However, in the lead-up to the 2010 federal election, the Gillard Labor government committed to the Indigenous Funding Guarantee program, which affects schools in my electorate. The commitment was to provide increased funding to non-remote boarding schools that house more than 50 Aboriginal and Torres Strait Islander students from remote Indigenous communities. Like the community groups NT BMX and Dragon Boat Northern Territory, schools such as Kormilda College, St John's College and O'Loughlin Catholic College were under the impression the funding was guaranteed and was to be backdated. Frustratingly, these schools still seek assurance as to whether the promised but delayed payments of the remote rate for remote students based at their school will indeed be backdated to include 2010. I have raised this issue a number of times, and once again I pose the question to the Prime Minister: when can Kormilda College, St John's College and O'Loughlin Catholic College in my electorate expect to hear the government's decision on whether or not this funding will be backdated? Additionally I ask the Prime Minister: when will the pre-election commitments made by Labor in my electorate of Solomon be delivered?

If the coalition were in government, the people of Solomon would have RAAF base houses available to them. The coalition committed to excising the suburb of Eaton from defence, making 396 houses available for a variety of housing options for Territorians. This is in clear contrast to the current situation, where this Labor government continues on its path of waste
and mismanagement. Two hundred and five of the 396 houses sit vacant in the middle of a housing crisis. Is this an example of a government that values taxpayer resources? I do not think so. This is a government that expects everybody else to pay for its mistakes. Labor's working families of 2007 have become the forgotten families of 2011.

Debate adjourned.

Ms GRIERSON: I move:

That further proceedings be conducted in the House.

Question agreed to.

BUSINESS

Ms GRIERSON (Newcastle) (11:56): I move:

That orders of the day Nos 2 and 3, government business, be postponed until the next sitting.

Question agreed to.

Sitting suspended from 11:56 to 16:01

CONDOLENCES

Wood, Sergeant Brett, MG

Debate resumed on the motion:

That the House record its deep regret at the death of Sergeant Brett Wood MG on 23 May 2011 while on combat operations in Afghanistan, place on record its appreciation of his service to the country, and tender its profound sympathy to his family in their bereavement.

Mr SIMPKINS (Cowan) (16:01): I wish to take up the great honour of speaking on this condolence motion and paying tribute to Sergeant Brett Mathew Wood MG. He is the 24th soldier to have lost his life and paid the supreme sacrifice for our nation in Afghanistan. I honour Sergeant Wood and I honour his family for the sacrifices they have made and for their struggles in the time of great sadness that they are enduring at the moment.

There are some things in this world that are worth fighting for. There are some things where there cannot be any other way apart from picking up a weapon and fighting. It is tragic, but that is the sad reality. The other part of that reality is that when people fight someone ends up dying, and that is what we are here to talk about today. Sergeant Wood, an exemplary soldier with impeccable credentials and years of dedication to the service and interests of his nation, has given his life in combat in Afghanistan. That is a tragedy, and we are here to pay tribute to his life and to his contribution to our nation.

Sergeant Wood was a veteran of Bougainville, of East Timor, of Iraq and of Afghanistan. He had been pretty much everywhere on behalf of his country; when the nation called him to all those spots he answered. Above all that, on 17 July 2006, he was awarded one of the highest bravery decorations that this country can bestow on anybody. On that day he was incredibly important in assisting an infantry company of the United States Army, the 10th Mountain Division, to regain their momentum. Despite being wounded early in the battle, he fought throughout the entire afternoon, providing leadership, determination and outrageous courage and bravery to see the enemy defeated and the momentum of the advance resumed. We are not talking about just any complicated battlefield. We are talking here about difficult visibility. We are talking about the enemy firing from compounds which in many ways are
akin to small forts—a very difficult situation indeed. Sergeant Wood was the sort of highly professional soldier that we know Australians are capable of being. He was the one who, despite his own injuries, his own wounds and his own concerns was able to continue to fight and turn the tide of the battle on that day, 17 July 2006. And so it was, as a result of his efforts on that day, that he was awarded the Medal for Gallantry.

Unfortunately, on 23 May this year, Sergeant Wood MG was killed by an improvised explosive device. When you consider what this man had been through throughout his career, his overseas service and the events of 2006, I suspect he was the sort of person who could not be killed by the enemy directly. The only way the enemy could take him out was by this tragic incident involving an improvised explosive device. It is a tragedy that this great man, this great Australian, lost his life.

When we think about those sacrifices that Australians have made, about the soldiers who have died and the families who have lost their loved ones it is normal for some Australians to think: what is the point? There is no doubt that there have been advancements. Ground has been taken and provinces within Afghanistan are much safer now than they used to be. Military objectives have been achieved. We are proud of that and we absolutely support that. But there is more to it than just that. There is a societal return for the sacrifices that our soldiers are making. Our soldiers have turned the path and have made life for the Taliban and the terrorists extremely difficult in Afghanistan. But they have also made great advancements for society in Afghanistan.

Whilst we may not ever see the sort of democracy that we know and love here in Australia implemented in Afghanistan—although I certainly hope for that—we have seen a different attitude, as was reported last year, in that 70 per cent of Afghan people believe that the future for their children will be a safer and better one. There is a lot to be said for that. So many young girls are now allowed to go to school. That is a good thing and worth fighting for. Literacy levels are up and the total number of children who are going to school is up. These are good things and they have been achieved by the Australians, the Americans, the Dutch, the Macedonians and others. Those people have been fighting there and have been prepared to say: 'It is a good thing to be here; it is a good thing to be prepared to fight for a better world and a better Afghanistan—an Afghanistan where the future will be moderate and where, as much as possible, the future will be democratic and where terrorism will never again be allowed to reign in Afghanistan.'

When we look back on the sacrifices of Sergeant Wood MG and others and on the tragic loss of the latest two soldiers, we should be very certain that what they died for was a good cause. As I said at the start, there are good things in this world and sometimes we have just got to fight for them.

I pay tribute to Sergeant Wood, to his service to our great country and I extend my condolences to his family for the loss they have suffered. We in this place share a bipartisan approach to Afghanistan: we will be there until the job is done. I applaud all those who fight for our country and we honour them as great Australians. On this occasion we honour the very great and most excellent soldier Sergeant Brett Matthew Wood MG.

Dr MIKE KELLY (Eden-Monaro—Parliamentary Secretary for Agriculture, Fisheries and Forestry) (16:09): I commend the member for Cowan on his comments and his heartfelt appreciation for the services of Sergeant Wood. One of the great things about parliament is
the way we are able to rally around our troops in a bipartisan way. One of the signal beauties of this parliament is that we can do that. It is based on an understanding and a knowledge of the people we are talking about. We share the experiences of having to go to the ramp ceremonies together and meeting and dealing with the families and getting out there and meeting with the men and women of the ADF as well. It has been tremendous in these last few years in particular to see the participation by members of parliament in the ADF’s parliamentary exchange program. Many members have voluntarily taken the opportunity to get out there and meet with all our men and woman and understand all they go through not only in the service in operations but in all of the hard work and sacrifices they make to even be in the position to deploy into those environments. So I salute all members of parliament who have participated in that and have shared the experiences of our men and women, including, of course, the member for Kooyong, who is here today, who was with me most recently on that exchange program in Afghanistan.

Now we come to salute the service, the life and the achievements of Sergeant Brett Wood, and it is so fitting that we do so, because if there is one individual who really epitomises all that is fine, all that is good in the men and women of our defence forces it certainly is Sergeant Brett Wood. This was in every way an outstanding soldier and a soldier who was one of our excellent senior NCOs. How much do the Australian Army and the Australian Defence Force depend on the high quality of our NCOs? In these sorts of environments in Afghanistan they often talk about the role of the strategic corporal, the strategic NCO, because these environments place so much pressure, so much responsibility on the decisions that the corporals and sergeants make on the ground. They can make or break a mission by what they do and how they perform.

Sergeant Brett Wood was a man who typifies a lot of the reservists in our organisation today who have had previous experience in the Regular Army and in his case coming from Ferntree Gully in Victoria he joined the Regular Army in 1996. After recruit training he was part of one of our finest units, the 6th Battalion of the Royal Australian Regiment, which itself has a wonderful history going back to its days in Vietnam and Long Tan, a very storied regiment that I was proud to have a lot of association with. He went on to undertake the very demanding, very rigorous commando selection and training processes which are incredibly demanding of the individual in every possible way, mental and physical stress. He met the standards of excellence above and beyond what we normally ask for from the men and women of our Defence Force to become part of the 4th Battalion of the Royal Australian Regiment, now known as 2 Commando, in November 1998.

The member for Cowan has mentioned his operational service in Bougainville and Timor and Iraq. He was involved in his third tour of his operational experience in Afghanistan when he met his untimely death in the circumstances of an improvised explosive device detonation. These devices are such an insidious weapon. People should appreciate the extra stress and strain that that adds to just the daily experience of patrolling in that environment, never knowing when you will encounter one of these devices and whether it will mean the loss of limbs or your death, knowing that in some cases serious maiming is a worse fate to endure than death itself. It is an incredibly stressful experience to go through and we ask our men and women to do that on a daily basis in Afghanistan, and they do it. While we were in Afghanistan just recently, the member for Kooyong and I were briefed on the latest
developments in the improvised explosive device tactics of the enemy. It is something that we focus on very heavily in terms of our countermeasures. We have a counter-IED task force in our weapons technical intelligence teams constantly working on ways to improve the way we approach dealing with these insidious weapons, which it must be said injure and kill far more civilians than they do the military personnel in Afghanistan. It is a devastating weapon for all those civilians as well as our own dearly appreciated and loved casualties. Sergeant Brett Wood was a special soldier. As mentioned by the member for Cowan, he received the Medal for Gallantry which indicates what a courageous man he was. This medal ranks second in the gallantry decorations and is awarded to military personnel for acts of gallantry in action or hazardous circumstances. It was a richly deserved decoration for the performance that Sergeant Brett Wood rendered in very difficult and demanding circumstances in the field.

He was in every way a professional, in every way an outstanding soldier, and he will be a great loss to our organisation. Every time you come here to speak—I know the member for Cowan will feel the same way, and I am currently still a member of the reserves as well—you always feel like you have lost someone in the family when we experience this. It never gets any easier. Of course, it will be doubly so for the members of Sergeant Brett Wood's family and particularly his loving wife and family.

We take to our heart, our thoughts and our prayers his family today and we make that commitment to be with them through this. They have made some wonderful statements, as we have heard from the Prime Minister today. That is one of the very special experiences which I think we have all had in dealing with these families—how courageous they are in the face of these losses. They have almost universally indicated that they feel their sons were doing an important job and that they would like the nation to maintain faith with our men and women in the field for the work that they are doing.

They are incredibly courageous people. Other members of the commando fraternity have had dealings with families through the loss of Private Greg Sher, who was another wonderful example of that outstanding fraternity, and his family is just so impressive and so inspiring. I continue to be in contact with his parents who are outstanding members of the community in Melbourne and proud members of the Jewish community there.

I salute you, Sergeant Brett Wood. You will not be forgotten. You have written an outstanding page in the fine traditions and history of the Australian Army, which has a tradition full of so many wonderful stories. Your story will stand out in that collection.

As the member for Cowan mentioned, in the circumstances of these losses we reflect on where we are at in Afghanistan and whether those losses continue to be worth while and continue to mean something. Certainly, having just returned from Afghanistan, we have seen some tremendous signs of progress on the ground. I feel it is one of the proud achievements of the government that we were able to reorient the strategy that was being applied on the ground in Afghanistan. We see there now a deeper understanding of how we apply counterinsurgency tactics in a situation like this.

It is one of the reasons we created the Civil-Military Centre of Excellence in Queanbeyan, which is doing an outstanding job of reorienting the approach of a whole-of-government strategy for environments like this. We see that perfectly illustrated on the ground in Afghanistan in the way the provincial reconstruction team—which I should emphasise is a
multinational effort directed primarily by the efforts of AusAID personnel—is at the centre of the primary scheme of manoeuvre of the commanders in Combined Team Uruzgan.

This is exactly how the mission should be shaped. Instead of being an orphan child or an adjunct to that mission, the mission is wrapped around them because this is the way that we achieve our ticket out of Afghanistan. We build the capacity of governance, of rule of law, of the security sector in Afghanistan and we can get our people out of harm's way. We cannot leave it—as has been said so often—as a vacuum for those terrible terrorism elements to continue to exploit as they had prior to operations in 2001, when they had the full resources and capability of the state to support their effort.

We observed some of the wonderful projects that are underway there—the Sorkh Murgha mosque in Oruzgan that has been completed and is in operation; the wonderful girls school, a beautiful facility, that is not far from completion and that will cater for 750 children; the boys school, which is already complete; and the trade and training centre, at which our engineers are operating and training Afghans, sending them out equipped with tools to go straight into jobs in the construction industry. The wonderful work our Australian Federal Police are doing at the Defence Police Training Centre is starting to make some progress now in an area which has been problematic. But it is one area where we are seeing signs of improvement and I really salute the work of our Australian Federal Police in that effort in difficult circumstances. There has also been great progress in creating that security bubble within which good governance can flourish.

We were at Patrol Base Wali, which is seeing that integration with Afghan security forces in increasing the security space beyond where it has ever previously been in our experience in Afghanistan. There has been tremendous progress in that respect in the last eight months. The key to the effort there is whether that can be sustained through the so-called fighting season of the summer months. It will be challenging and we will face the risk of further casualties, but if those gains can be held during this period we will have made significant strides towards ultimate success for our efforts and for our blood and treasure in Oruzgan province.

The proof of the pudding for our efforts there comes from comments that Combined Team Uruzgan has received from other sources in Afghanistan, particularly General Terry, the Commander of Regional Command South, who has singled out Oruzgan province and said, 'That is what success looks like, they are on the right track; look at what is being done there.' That is the message that I would emphasise and get out there because what is being done in Oruzgan province is not being completely replicated throughout the rest of Afghanistan. We do need to improve that civil-military integration. The way in which that operation is being conducted in Oruzgan needs to be replicated as a model right across the country if we are to advance this cause at a more rapid rate.

The main mission in which our military is involved in the training of the Afghan National Army is probably making the greatest progress of all elements of our activities there. This tragic incident that has occurred in the last couple of days would give people cause to consider whether or not we are succeeding there and whether it is worth our effort, but the Afghan National Army 4th Brigade has achieved great standards and improvements and the Kandaks are being assessed rigorously. Just recently, one of them was given a very high rating for the progress he had made. So we are making progress. We will endure from time to time setbacks of this nature, which will lead us to question and test the resolve of our mentors.
and trainers on the ground in relation to how they interact with their colleagues in the Afghan National Army. That will be a challenge for them, but they are disciplined professionals and they will put this behind them and move on to achieve ultimate success.

Over in Afghanistan we also visited the men and women who are serving in embedded positions in Kandahar. We should not forget those people. They are often left out of references to what is being achieved there and what is going on. They are doing a fantastic job in the embedded arrangements they have with other components of the ISAF effort in Afghanistan and it is so important that they are doing this job because they are value-adding in key positions. I salute their service.

Finally, before I finish today, this is a day where we have also experienced the changeover of leadership in the Australian Defence Force. I firstly pay tribute to the outgoing service chiefs, particularly the CDF who has been an honest, decent and highly competent commander of this organisation through two terms which have been incredibly demanding, and I know that he has put body and soul into this effort. He was a fine man for me to have worked for in the Defence Force and to have worked with in the Defence portfolio. I wish him and his wife all the best for their future. I also salute the selections that the Minister for Defence has made. General Hurley is one of the finest men I have ever worked with, a man of outstanding honesty, who always looks to do the right thing and is incredibly competent in that. He understands the challenges we face in our theatres in Afghanistan and elsewhere, having been a commander on the ground in Somalia of the 1st Battalion Royal Australian Regiment. He is an outstanding choice, as are his support service chiefs: the Vice Chief of the Defence Force, Mark Binskin—a wonderful man as well and a fine leader of men and women; the Chief of Navy, Admiral Griggs; and General Morrison, who will also do a fine job, as will Brown in relation to the Air Force. So I salute those selections and I wish them the best and look forward to helping them in any way I can.

Mr Frydenberg (Kooyong) (16:24): I join with the members for Eden-Monaro and Cowan and colleagues on both sides of this House to pay my respects following the death of Sergeant Brett Wood during operations in Afghanistan. Sergeant Wood's death is a tragedy for his family and a tragedy for our nation. Sergeant Wood was the 24th Australian soldier to lose his life in Afghanistan, and with two more casualties in recent days that number has risen to 26.

Only 32 years of age, Sergeant Wood was widely respected for his decency as a human being and his bravery on the battlefield. In the words of the outgoing Chief of the Defence Force, Air Chief Marshal Angus Houston, Sergeant Wood was 'an exceptional leader, a great warrior'. There could be no higher praise. A Victorian by birth, Sergeant Wood joined the Army 15 years ago, trained with the 6th Battalion of the Royal Australian Regiment and undertook commando selection and training before becoming a member of the 2nd Commando Regiment, based in Sydney.

Sergeant Wood served his nation on numerous deployments abroad—Bougainville in 2000, East Timor in 2001 on Operation Tanager, Iraq in 2003 on Operation Falconer and more recently Operation Slipper in Afghanistan in 2006. It was for his efforts in Afghanistan in 2006 on the first of three deployments there that he in his role as team commander was awarded the Medal for Gallantry. It is therefore appropriate to read from that citation for gallantry. It says:

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MAIN COMMITTEE
Corporal Wood displayed extraordinary leadership and courage, inspiring his team and the remainder of the commando platoon to repel the continued attacks … Only after the engagement had been completed and the threat to the platoon subsided did Corporal Wood inform his commander of the fragmentation wound that he had sustained during the original contact earlier that day.

That is why he was awarded a medal for bravery and gallantry, because he put the interests and the lives of his fellow soldiers before his own.

Having been to Afghanistan in recent weeks as part of a bipartisan parliamentary delegation, I saw first-hand the work that Sergeant Wood and his comrades in uniform, men and women of the Australian Defence Force, were undertaking to make Afghanistan a better place so that it can never again become a haven for terrorism. We are making improvements in this difficult cause. It is a worthwhile cause, and we are not alone. We, Australia, are serving with many other nations, many other NATO countries, and much of the heavy lifting is being done by our most important ally, the United States. We need to stay the course, and it would be wrong to leave the battlefield precipitously.

Sergeant Wood will be sadly missed by his family, his friends and, in particular, his wife, Elvi, who described him as:

… a much loved son, grandson and brother who inspired his family with his dedication and generosity. I have not only lost my husband, I have lost my best friend. The past six years with him were the happiest of my life and it was the biggest honour ever to become his wife and to be part of his family.

There can be no greater tribute to a man who lived his life to the fullest and who will never be forgotten. Sergeant Wood, your grateful country salutes you.

Ms BRODTMANN (Canberra) (16:29): I rise today to support the condolence motion for Sergeant Brett Wood, who was tragically killed on 23 May, Afghanistan time, as a result of the explosion of an improvised explosive device. Sergeant Wood was a much decorated and respected member of the Sydney based 2nd Commando Regiment. He was only 32 years of age and leaves a young wife and a close group of family and friends. His ramp ceremony was held on Tuesday at RAAF Base Richmond where members of 2 Commando formed a guard of honour to receive his casket. His family and special forces personnel were also at the ramp ceremony.

This will be a dreadful week for his family, and I imagine that the coming years will be dreadful too. However, I would like them to know that our thoughts and prayers are with them as they face the grim reality of life without a much loved and devoted husband, son, friend and colleague.

Sergeant Wood was a Victorian by birth, harking from Ferntree Gully. He joined the Army in 1996 at the age of 18 and, following training, he joined the 6th Battalion of the Royal Australian Regiment. He successfully undertook commando training and then joined the then 4th Battalion Royal Australian Regiment—now 2 Commando—in November 1998. So a commando he was by the age of 20. Clearly, Sergeant Wood was a man with significant skills and leadership qualities to achieve so much so quickly.

Two years later he was deployed to Bougainville for his first significant operational experience. Further major operational experience followed with deployment to East Timor on Operation Tanager in 2001. In 2003, he was part of Operation Falconer in Iraq and, in 2006, he was deployed to Operation Slipper in Afghanistan. He was deployed again to Operation
Slipper in 2009 and 2011, and it was this last tour of duty that resulted in his tragic death. It was during Operation Slipper that he was awarded the Medal for Gallantry for leadership in action as team commander.

Other awards Sergeant Wood received for his outstanding service include the Australian Active Service Medal with clasps: East Timor, International Coalition Against Terrorism and Iraq 2003; Afghanistan Campaign Medal; Iraq Campaign Medal; Australian Service Medal with clasps: Bougainville, Counter Terrorism and Special Recovery clasp; Defence Long Service Medal; Australian Defence Medal; United Nations East Timor Medal; NATO ISAF Medal; Special Operations Command Australia Commendation; and Unit Citation for Gallantry. He was also awarded the Infantry Combat Badge. These are all incredible achievements for such a young man and a testament to his courage and leadership.

Like my colleague who spoke before, I met soldiers like Sergeant Wood during my recent tour of Afghanistan. I was there for five days about two weeks ago in Tarin Kowt, Kandahar and Kabul as part of the Defence Subcommittee tour. I was overwhelmed by the gritty and determined Australians who are focused on stamping out terrorism and building a safe Afghanistan.

Soldiers are a very loyal bunch. They feel the loss of their fellow soldiers very deeply and they also honour them very deeply. While I was there I met a number of commandos. They are a whole different group of people. They work very closely together in incredibly challenging conditions and are doing incredibly challenging jobs. They are like a brotherhood. Whenever one of their brothers is killed in action or is injured, they make little bracelets. A number of them had bracelets commemorating each of their brothers who had died in action in Afghanistan. Some had a string of bracelets with a number of names on them, some had bands with knots on them with each knot signifying one of their brothers, and others had particular necklaces. They had different, personal ways of remembering their brothers. As I have said, they are a very close group who do incredibly challenging work in incredibly challenging conditions. They are a deeply loyal, incredibly fit and incredibly well-trained group of young men—an extraordinary group of men. I imagine that this loss will be like a knife through their heart. They will be grieving the loss of their mate very seriously. They will also be grieving the loss of a colleague, a fine soldier and an exemplary leader. They need to know, as they do, that they are making Afghanistan and this world a better place. They have a very strong commitment to bringing about a safe, secure and stable Afghanistan. They are very clear about the mission and are very driven to achieve that mission.

Sergeant Wood's tragic death has no doubt caused his colleagues to pause and contemplate their own mortality. I can only pay tribute to them all for their selfless act of supporting a country that, until it received the support of countries like Australia, had struggled to find safe haven. I really do commend them for their hard work in dealing with incredibly challenging conditions.

As Sergeant Wood's death was the 24th death in action in Afghanistan, no doubt he also considered his own mortality. His courage and bravery in persisting with his chosen career, and in making Afghanistan a safer country, were extraordinary. It is no surprise that he had been much decorated as a result of his extensive operational experience, his leadership talent and his dedication.
Life in Afghanistan for our service men and women is difficult and challenging, as I observed during my recent trip. We heard this morning about winters getting to minus 20. I was there on the edge of summer, which promises to get up to about 50 degrees, and it was about 42 degrees then. It is hot and dusty and it can be pretty uncomfortable, but our service men and women endure these conditions with great tenacity. They get on with it, as Australian soldiers do. And they do so with a sense of humour, as Australians tend to do, as well as a strong sense of commitment, vision and purpose as to why they are there.

Our service men and women are responsive to the local people and their needs. I sat in on many meetings and could not help but be impressed with the sense of dignity that surrounded those meetings. The Afghans are being helped by Australian service men and women and are grateful for the great sacrifice that is being made. I am sure that they will be grieving the loss of Sergeant Wood as well, as they have come to respect people like him. They have depended upon his skills, expertise, leadership and quiet dignity.

The Afghani people are a proud people who appreciate the support of Australia and of dedicated people like Sergeant Wood. They want a life like other citizens in the world, one in which their families are safe, their economic and financial safety can be developed and they can evolve as a country which is not a haven for terrorists and thugs. Above all, they want emotional security. Sergeant Wood made, and Operation Slipper is making, a difference to the lives of the people of Afghanistan.

I say to Sergeant Wood's family, friends, mates and colleagues that we will never forget him. We will remember the contribution he made to the safety and wellbeing of his colleagues and the people of Afghanistan. We are grateful that he chose the profession of serving his country, a profession he chose at the tender age of 18. We thank the leaders who supported his development into a fine soldier and commando at such a young age and who nurtured his leadership qualities. Above all, we thank him for his dedication to duty.

In our grief we will remember the Afghani people, who have lost the support of Sergeant Wood and, after yesterday, that of Lance Corporal Andrew Jones and Lieutenant Marcus Case. These fine Australians were serving their country courageously. Their dedication to the very difficult task that I observed during my recent tour is extraordinary. The service ethos that I encountered is a hallmark of Australian service men and women. They are strongly committed to bringing stability, security and viability to Afghanistan.

In closing, I say to Elvi, Sergeant Wood's wife: your husband was a well-respected and much loved Australian, we all feel your grief, we acknowledge the huge contribution from your husband and we thank you.

Mr TUDGE (Aston) (16:39): I rise to support the words of the Prime Minister and the Leader of the Opposition on this condolence motion in respect of the memory of Sergeant Brett Wood. May I also congratulate the member for Canberra for her fine speech. Sergeant Wood, known as 'Woody' to his mates, was serving with the Special Operations Task Group in Afghanistan when he was tragically killed in action as a result of the explosion of an improvised explosive device on Monday 23 May 2011. He was a much loved husband, father, son, grandson and brother. Our thoughts and prayers are with his wife, Elvi, and their son, his family and his friends as they struggle to come to terms with this dreadful news, as their grieving begins. It is a time of great sadness for them. Whilst this motion is in no way likely
to ease their pain, we mourn the death of a brave soldier who had so much life ahead of him. We sincerely wish those close to him courage and strength into the future.

Sergeant Brett Wood was born in Ferntree Gully, in my electorate in outer eastern Melbourne, in 1978. He was just 32 years of age when he died. He was a genuine professional, an outstanding soldier with 15 years operational experience, having joined the Army in 1996. Sergeant Wood was first deployed in Bougainville, in 2000. In 2001, he was deployed to East Timor on Operation Tanager and, in 2003, to Iraq on Operation Falconer. In 2006, Sergeant Wood was deployed to Afghanistan as part of Operation Slipper. For his actions during a critical battle in southern Afghanistan, he was awarded the Medal for Gallantry for leadership in action as a team commander. It is one of the nation’s highest military honours for bravery under fire.

Following this, Sergeant Wood received a Special Operations Commander Australia commendation for service with the Tactical Assault Group East in 2007, and in 2009 he returned to Afghanistan as a section commander. Sergeant Wood was finally deployed to Afghanistan, for the third time, in March this year, and of course never returned.

He was clearly one of our finest soldiers. We will honour his life and mourn his passing. Sergeant Wood was the 24th Australian killed in Afghanistan. Just yesterday we learnt of the deaths of Lance Corporal Andrew Gordon Jones and Lieutenant Marcus Case, tragically bringing to 26 the number of people who have been killed in Afghanistan. I imagine that, at the time of the deaths of Sergeant Wood, Lance Corporal Jones and Lieutenant Cases, it will also be difficult for the families of the other 23 soldiers who have died in the battle in Afghanistan.

Whilst our soldiers have died tragically, they have died with great honour, serving our nation in the cause of making Afghanistan safer from terrorism. Their sacrifice is not in vain. We honour their memory and the memory of Sergeant Wood by remaining true to the cause that they so well served. Lest we forget.

Mr TEHAN (Wannon) (16:43): I also rise today to talk about the tragic death of Sergeant Brett Wood. What has occurred to such a fine Australian soldier is, obviously, an absolute tragedy—as we have learned, he was one of our finest. His record serving the nation speaks for itself. It is a record which, through deployment upon deployment, shows an outstanding military career. It is absolutely certain that the lives which have been lost in fighting this war in Afghanistan are tragic in every sense of the word, because—as we have heard and seen with every moving speech, every moving funeral and with all the words that families and friends have had to say about all the soldiers that have died—they have an enormous impact on those families, friends and military personnel. But with every one of these deaths we must remember that it is important that these deaths do not take place for a cause which we would walk away from. These deaths are a reminder to us of why we should be in Afghanistan and why we need to continue to be there.

Sergeant Brett Wood, and other soldiers, have given their lives so that we can defend this cause. It is beholden on us to make sure that we remain resolute on the reasons we are there. There are three reasons we must continue in Afghanistan and see the job done. The first, as I have already outlined, is the 26 tragic deaths that we have seen. Each of these soldiers have done the most admirable thing: they have been prepared to give up their lives—and ultimately
they have given up their lives—serving our nation. And there cannot be a more honourable deed.

The second reason we need to stay the course is the reason we are there—that is, the fight against terrorism. In fighting international terrorism in Afghanistan we are helping to keep safe not only Australian citizens but citizens across the world who believe in freedom and democracy and who believe that terror is not the way of the world. We must continue to fight terrorism. And if that means that we must continue the battle in Afghanistan, as hard as that may be, we need to do so. Our resolve must not weaken, because if we are seen to weaken we give heart to the terrorists and they will continue to pursue us, not only in Afghanistan but across the world. And the last thing any of us needs to see is another September 11, another Bali. The tragic consequences for our nation and for the world from these events is why we are in Afghanistan and why we must continue to be there.

The third reason we need to continue the course is because of our alliances—in particular our ANZUS alliance. It was September 11 that led us to invoke the ANZUS alliance and it was largely the reason we have ended up in Afghanistan. That alliance continues to be our most critical alliance today. We must stay the course with the US and make sure, as far as the alliance is concerned, that we are in lock-step with the US in winning this battle in Afghanistan.

The other alliance that we must ensure that we continue to honour is that with our British colleagues—and through them, with NATO—who are also there with us fighting in Afghanistan. It is incredibly important that we continue to play our part, along with NATO, who have done the lion's share in Afghanistan, and make sure that we continue to give them the support they deserve.

I would like to use this opportunity to pay my respects to Sergeant Brett Wood and his family and friends for the tragic loss of life and also to say that his life will not be forgotten because he, along with the 26 others, have made the supreme sacrifice for this nation. It was a supreme sacrifice to ensure that we do everything we can to rid the world of international terrorism and make sure that we protect our key alliances with the US, the UK and NATO.

Mr FITZGIBBON (Hunter—Chief Government Whip) (16:50): I thank earlier speakers, including the Prime Minister, the Leader of the Opposition, the Minister for Defence and his opposition counterpart. Condolence debates are among the most difficult things we do in this place, but one of the things that relieve the pain just a little is the bipartisan approach we see to not only motions such as this but also our contribution in Afghanistan. I do not know whether I ever met Sergeant Brett Wood; I may have. He was part of one of our elite special forces groups. But I do know one thing, and that is that he would have really believed in what he was doing, he would have been absolutely committed to what he was doing, he would have enjoyed what he was doing and as a volunteer he would have fought very hard against any attempt to deny him the opportunity to do what he was doing. Based on my experience as defence minister, it is more than likely that his family and friends felt exactly the same. They would have come to the conclusion some time ago—a long time ago, in his case, I suspect—that this was what he wanted to do, this was what he trained hard to do and this is what he dreamt of doing. And, based on what we have been told, he did it with a high degree of distinction, and his family and friends would have been very supportive.
The bipartisan approach to our role in Afghanistan is very important to all of our troops and to their families and broader loved ones, including their mates. I continue to appreciate it. Let us all work very hard to ensure that that bipartisan approach to our operations in Afghanistan continues, because it might get hard. I have said for a few years now that the longer we are in Afghanistan and the more people we lose the more difficult it will be to maintain broader community support for our operations there. If community support declines, then the temptation emerges to capitalise on community discontent. Let us all hope and pray that both sides of parliament will work together to ensure that that is never the case and, to the extent that that requires bringing the opposition further into the inner circle of decisions, and consulting them more, then let us do it, because I think that is critically important.

Tragically, the next time we are here in this chamber we will have another condolence motion before us, as kicked off by the Prime Minister today, taking our loss in Afghanistan to 26—I hope I have got that right—which is too many. One is too many; 26 is far too many. But, given the size of our involvement in Afghanistan, it is relatively low, and we can be thankful for that. Canada, a country of about 30 million people, had lost over 90 the last time I counted, which is tragic. So let us hope that we continue to operate in a way that keeps our losses to a minimum, and I say again: one is too many. Let us hope we do not go beyond 26.

I said that Sergeant Wood would have believed in what he was doing. So do I and, I judge from earlier contributions, so too do most people in this place. It is important work, and it is not a time to give up. We are making ground. I remain in contact with people on the ground in Afghanistan and, in fact, one said to me, 'You would be very proud of what has been happening in Afghanistan because in Oruzgan province, at least, the environment has substantially changed and it is a far more peaceful and much safer place for ordinary citizens'. In his view we really are making significant ground.

Of course, not so long ago now we reconfigured our operation to focus on the training of the Afghan National Army and the Afghan National Police. This is a transition out of Afghanistan, which will produce an ability in Afghanistan on the part of the security forces to maintain their own security and to enforce their own rule of law. That is why we are there: we are there to build a government, to build a democracy, to help to build an economy and, of course, to build the strength of the security forces. When we get the 4th Brigade up to speed and do more work with the Afghan National Police then we will be in a position to do what we have wanted to do for a long time, I am sure, and that is to get out of Afghanistan. I am sure that that success, while we do not know exactly when it will be, is not too far down the track.

I hope I will be excused by the family, because it is relevant on this occasion to congratulate the new Chief of Defence Force. I know that he is committed to our troops and our work. I know the new service chiefs, including the new Vice Chief, although I do not know the new Chief of Navy or the new Chief of Army all that well. But I know the leadership very well, and I know they are all committed not only to success but to the safety of our troops. It is one of the reasons we have had a relatively—and I underline relatively—low casualty rate, and I wish them all the very best of successes. They take on the heavy responsibility of not only helping to manage an organisation that is 80,000-strong and with a budget of somewhere around $26 or $27 billion but also ensuring our success in Afghanistan.
Just as importantly, if not more importantly, they take on the responsibility for the safety of our troops in Afghanistan.

My thoughts, again, are with Sergeant Brett Wood's wife, his family, his mates and all those who were close to him, including those who have served with him not only in Afghanistan but in other places. He was a highly-decorated soldier, again, part of our elite special forces. I know them well, and I know how amazing they are. To have qualified to be one of them he must have been something special. I just close by appealing to everyone to ensure that the loss of his life will not be one in vain.

Mr McCormack (Riverina) (16:59): Sadly, this parliament and this nation again pause and reflect upon the ultimate price that one of our brave soldiers has paid so that we and others may live in peace. We honour the death of another fallen soldier. In doing so, we are reminded of the sacrifice these men and women gave and continue to give to citizens of other nations so that they can experience the freedoms we mostly take for granted each and every day.

When our service men and women leave this country to serve overseas they know in their hearts and in their minds, and we appreciate it, that it comes with an element of great risk. Unfortunately, that knowledge does little to ease the pain or reduce the shock when the terrible news arrives that one of our soldiers has fallen.

Sergeant Brett Matthew Wood was the 24th soldier to be tragically killed in action in Afghanistan. We must feel comfort in the words of recent Victoria Cross for Australia recipient, Ben Roberts-Smith, who said, 'There is no doubt we are making progress for the people of Afghanistan. We make that progress because of the sacrifice and dedication of our soldiers.' Sergeant Wood was a decorated soldier who had been deployed to Afghanistan in March this year on his third tour of duty. Sergeant Wood had also served in Bougainville in 2000, East Timor in 2001 and in Iraq in 2003. Awarded the Medal for Gallantry for leadership in action as team commander on his tour in Afghanistan in 2006, Sergeant Wood became the man on whom many could rely and who would live and die by his motto 'foras admonitio'—without warning. On Monday, 23 May 2011 Afghanistan time, without warning, Sergeant Wood was tragically killed as a result of an improvised explosive device. Five other soldiers, two of whom were with Sergeant Wood and some of whom were critically injured, suffered wounds as a result of separate actions in Afghanistan over that same tragic 24-hour period in which our courageous digger died. My thoughts go to them and their families for the frightening realisation in which it could have easily been anyone one of them who lost his life. This must indeed bring home the reality of the dangerous jobs that they do each and every day.

The spirit of the Australian Army is strong and the camaraderie which binds them together will help them all get through these tough times—tough times which have claimed another two brave souls since Sergeant Wood's death. So our thoughts are also with the brave Australian men and women who are carrying on the work that Sergeant Wood did in Afghanistan. They will miss their mate dearly. We can be very proud of the work they are doing. They are a tight-knit group who look after each other. I know this because my home town is Wagga Wagga—home of the soldier, the Army Recruit Training Centre at Kapooka.

Just 32 years young, Sergeant Wood leaves behind a loving wife and a loving family. In the words of Brett's grieving widow, Elvi:
Brett was extremely proud to be part of the 2nd Commando Regiment and he considered many of his colleagues to be his second family. He was an excellent soldier, a true leader and a friend to his entire unit. Brett, you have done your country proud and you will always be remembered. Sergeant Brett Wood, in the words of St John and in a line chiselled into so many war memorials dotted right across this country: 'Greater love hath no man than this, that a man lay down his life for his friends.'

To walk away from Afghanistan now would be an injustice to the 26 Australians who have laid down their lives for their friends. There must be no safe haven for terrorists. There must be no nursery for terrorism. We must continue to fight the good fight with our American and other allies. We must stay the course. We must continue to do our duty to serve, to play our part. Sergeant Brett Wood, lest we forget.

Mr CRAIG KELLY (Hughes) (17:02): Today flags flew at half-mast at the Holsworthy Barracks as soldiers gathered for a memorial service to farewell their fallen comrade, Sergeant Brett Woods, and to add his name to its honour roll of comrades killed in action. Sergeant Brett Woods becomes the seventh member of the 2nd Commando Regiment to pay the ultimate sacrifice. His name joins those of Lance Corporal Jason Marks, Lieutenant Michael Fussell and Privates Luke Worsely, Tim Aplin, Ben Chuck and Scott Palmer on the memorial cairn outside the regiment's headquarters.

Sergeant Wood had served with the 2nd Commando Regiment, the predecessor of the 4th Battalion Royal Australian Regiment, 4RAR, for 13 years when he was tragically killed in action as a result of an explosion from an improvised device on Monday, 23 May 2011. Sergeant Wood was also the holder of the Medal for Gallantry and he had stood up against evil on tours to Bougainville in 2000, East Timor in 2001 and Iraq in 2003. In addition, he served on no fewer than three tours of Afghanistan.

As the English philosopher Edmund Burke once famously said, 'All that is needed for the triumph of evil is that good men do nothing.' Sergeant Brett Wood was one of those good men, someone who was prepared to make a stand against evil—a stand for which he gave his life. And today our hearts go out to his wife, Elvi, his family, his entire regiment, his mates and his friends as they grieve his and our nation's great loss. It is worth remembering the evil that Sergeant Brett Wood was fighting against: the Taliban and the sponsors of international terrorism. Throughout history there have been many evil regimes but few as evil as the Taliban. This is a group that has used children with Down syndrome and mentally impaired women as suicide bombers to kill civilians and spread terror. This is a group that has brainwashed and coerced children as young as nine to strap explosive devices to their bodies and blow themselves up in crowded marketplaces. This is a group that has turned the dusty, dried-out football field of Kabul stadium into a killing field where black-turbaned Taliban would force men and women to kneel prior to being publicly executed, or where they would amputate limbs for crimes ranging from robbery to adultery and then hang the severed arms or legs from the goalposts for all to see. This is a group that deliberately destroyed one of the great architectural relics of the world, the Buddhist statues at Bamyan. This is a group that subjects women to oppression and violence and denies them education. This is a group that seeks to deprive people of the joys of music and it even bans the innocent practice of kite flying. This was the evil that Sergeant Brett Wood was making a stand against.
And he was making a difference. The Afghan nation is making progress. Kabul stadium is now covered with green grass and residents now go there to cheer their favourite local soccer teams. Schools are being built and girls are now receiving education. Sport, including the game of cricket, is growing in popularity not only amongst men but also amongst women. For example, more than 100 young women are currently playing cricket in Kabul and the Afghanistan Cricket Board is about to create a national women's cricket team. Construction of the Kabul National Cricket Stadium is almost complete and the renovated stadium will serve as the main hub for hosting both domestic and international events, and it will accommodate more than 6,000 cricket fans. It is a project that will enhance the lives of Afghanistan's young people through sport. One of the reasons that this progress was being made was that men like Brett Wood were prepared to stand up against such evil by being ready, willing and able to fight.

A test of a person's character is what their mates think of them. As his mates from the 2nd Commando Regiment said at their farewell, Brett was a man amongst men, a soldier's soldier, an outstanding leader, a great mate, a loving husband, and courageous and professional to a fault. Sergeant Wood is also remembered by our American friends and allies for his actions in 2006 that earned him the Medal for Gallantry. The citation states:

On the 17th of July 2006 during Operation PERTH, the Commando Platoon was tasked to conduct the clearance of an Anti Coalition Militia sanctuary in the Chora Valley, Oruzgan Province, Afghanistan. The Platoon was partnered in support of an Infantry Company of the United States Army 10th Mountain Division.

At approximately 1pm, the Infantry Company came under heavy rocket-propelled grenade and small arms fire on multiple flanks, resulting in six wounded and one soldier killed in action, effectively halting their advance.

Through thick vegetation, facing large numbers of dispersed Anti Coalition Militia and under heavy fire, the Commando Platoon commenced manoeuvring to provide assistance to the element which was pinned down.

During this move, the Commando Platoon received a volley of four rockets which impacted in the centre of the platoon’s position, resulting in six Australian soldiers wounded in action, a loss to the platoon by one third of its force.

Unknown to the Commander at the time, Corporal Wood had also been wounded in the foot by fragmentation from the rocket-propelled grenade barrage.

In order to regain the initiative, Corporal Wood’s team was tasked by the Commando Platoon Commander to assault forward and clear a group of compounds from which they were receiving Anti Coalition Militia fire.

Under these daunting conditions, Corporal Wood commenced this task without hesitation, completing a rapid and aggressive clearance of numerous threat compounds.

Once achieved, both the United States and Australian elements were free to continue with the battle, providing the necessary time to effect the back loading of the wounded by helicopter to the Forward Operating Base.

Throughout the afternoon, numerous and relentless probing attacks by a determined opponent followed. Corporal Wood displayed extraordinary leadership and courage, inspiring his team and the remainder of the Commando platoon to repel the continued attacks.

He then successfully led a marksmanship team to infiltrate the Anti Coalition Militia-held territory, killing seven Anti Coalition Militia.
Only after the engagement had been completed and the threat to the platoon subsided did Corporal Wood inform his Commander of the fragmentation wound that he had sustained during the original contact earlier that day.

Corporal Wood was then evacuated to the Casualty Collection Point where he was provided with medical treatment and later extracted.

Corporal Wood’s actions on the 17th of July 2006, as a Commando Team Commander during Operation PERTH, were testament to his leadership, fortitude and sense of duty to his team and the platoon.

His determination to continue to lead his team during the battle in extremely hazardous circumstances despite being wounded ensured that the Commando Platoon regained the initiative and contributed significantly to a decisive victory.

His gallantry and leadership in the face of the enemy has been of the highest order and in keeping with the finest traditions of Special Operations Command Australia, the Australian Army and the Australian Defence Force.

Even the US mourns his loss. The US Ambassador to Australia recently said:

He fought bravely as part of our common mission to eliminate terror from the lives of the Afghan people to restore their home to them and to ensure that our own nations are safe.

Sergeant Brett Wood was a man of honour. He was killed leading his unit from the front, as he always did. He made a real difference. The world is a better place for the way he served our nation, with distinction and courage. He will always have the gratitude of this parliament and the nation. Vale Sergeant Brett Wood.

Ms MARINO (Forrest—Opposition Whip) (17:11): I rise to speak on the condolence motion for Sergeant Brett Wood. I start by offering my most sincere sympathy to his wife, Elvi, his parents, his family and his 2nd Commando Regiment. Brett has been acknowledged as one of our most decorated soldiers who was serving with the Special Operations Task Group in Afghanistan when he was killed in action as a result of an improvised explosive device. I would also like to pass on my thoughts and prayers to the two commandos from the 2nd Regiment who were seriously wounded in the same incident in Kandahar.

I also acknowledge Major-General Angus Campbell, who travelled from Al Minhad base to Tarin Kowt to accompany Brett back from the war zone. I met Major-General Campbell recently during a parliamentary visit to Afghanistan. I know that his thoughts, his memories and his grief during that trip will stay with him all his life. I am aware of just how much he respects and cares for each of those fine young men. The crew of the Hercules and Brett's comrades on board would have stayed with Brett's casket right through that repatriation journey. What a tough flight that would have been, but how privileged they would have felt to bring the body of this warrior, their mate, back. They would not have wanted to be anywhere else but with him at that time.

Brett was 32 years old and had significant operational experience in Bougainville, East Timor and Iraq. He was serving his third deployment in Afghanistan. His Special Operations Task Group commander described Brett as 'a man amongst men, a soldier's soldier, an outstanding leader, a great mate, a loving husband, courageous and professional to a fault'.

Elvi Wood, his wife, released a statement dedicated to her soul mate and friend. She said:
Brett was extremely proud to be part of the 2nd Commando Regiment and he considered many of his colleagues to be his second family. He was an excellent soldier, a true leader and a friend to all in his unit.

Elvi described Brett as 'a much loved son, grandson and brother who inspired his family with his dedication and generosity'. Really, this tells us all just how much Brett was loved and respected. It also tells us that he will live on in the hearts and minds of his family and friends, such as those with the Special Operations Task Group, who were immeasurably blessed to have Brett in their lives.

Elvi recognised her time with Brett as the happiest of her life. I will conclude with the words of Elvi Wood. She said:

Brett, you have done your country proud and you will always be remembered.

Lest we forget.

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel and Minister for Indigenous Health) (17:15): Along with others, I would like to offer my sympathy at the death of Sergeant Brett Wood and express my condolences to his wife, Elvi, and his family, friends and comrades. As others have said, Elvi has described Brett as a much loved son, grandson and brother, who inspired his family with his dedication and generosity.

We know that operational deaths are felt deeply across the wider Defence family and, I think, across the wider community. But I think it is important that we let the fine men and women of the Australian Defence Force know that our thoughts are with them during events like this—at this time of sorrow and mourning. I think it is also important that we acknowledge the five young Australians who were wounded in incidents in Afghanistan on the day of Sergeant Wood's death and wish them a speedy recovery.

I rise in parliament for the third time this year to express my sympathy at the death of an Australian soldier. That mere fact and the fact that we are here today underline the dangerous nature of the mission that our troops face in Afghanistan. This is further underlined by the more recent reporting of two more deaths in Afghanistan of brave Australian soldiers. On this day I also remember the family and friends of Corporal Richard Atkinson and Sapper Jamie Larcombe, the brave men killed in action earlier this year.

Sergeant Brett Wood was serving, as we know, with the Special Operations Task Group when he was tragically killed in action by an IED on Monday 23 May 2001 Afghanistan time. We know he was born in Ferntree Gully in 1978 and joined the Army in 1996. After recruit training he joined the 6th Battalion of the Royal Australian Regiment. He then undertook the quite rigorous entry requirements for commando selection and training and joined the then 4th Battalion Royal Australian Regiment, 2nd Commando, in November of 1998. He was just 32 at the time of his death, with much more to live for.

During his service in the Australian Army, Sergeant Wood deployed on the following operations—Operation Bel Isi II in Bougainville in 2000, Operation Tanager in East Timor in 2001 and Operation Falconer in Iraq in 2003. He was also deployed in Operation Slipper in Afghanistan three times—that is, he had three deployments to Afghanistan in 2006, 2009 and 2011. He was not only a professional digger with significant operational experience but also a
much decorated soldier. He was awarded the Medal for Gallantry for leadership in action as a team commander during his 2006 tour of Afghanistan.

It is worth explaining and noting why Sergeant Wood was awarded this Medal for Gallantry. On 17 July 2006, during Operation Perth, the commando platoon was tasked to conduct the clearance of an anti-coalition militia sanctuary in the Chora Valley in Afghanistan. The platoon was partnered in support of an infantry company of the United States Army 10th Mountain Division. At approximately 1 pm, the infantry company came under heavy rocket-propelled grenade fire and small arms fire on multiple flanks, resulting in six wounded and one soldier killed in action, effectively halting their advance. Through thick vegetation, facing large numbers of dispersed anti-coalition militia and under heavy fire, the commando platoon commenced manoeuvring to provide assistance to the element which was pinned down. During this move the commando platoon received a volley of four rockets which impacted in the centre of the platoon's position, resulting in six Australian soldiers wounded in action—a loss to the platoon of one-third of its force.

Unknown to the commander at the time, Corporal Wood, as he then was, had also been wounded in the foot by fragmentation from the rocket-propelled grenade barrage. Corporal Wood's actions as a commando team commander during Operation Perth were testament to his leadership, fortitude and sense of duty to his team and the platoon. His determination to continue to lead his team during the battle, despite his wound and in extremely hazardous circumstances, ensured that the commando platoon regained the initiative and contributed significantly to a very decisive victory. His gallantry and leadership in the face of the enemy was of the highest order and in keeping with the finest traditions of Special Operations Command Australia, the Australian Army and the Australian Defence Force.

He was also recognised for his work back in Australia, receiving a Special Operations Command Australia commendation for service with the Tactical Assault Group (East) in 2007. Sergeant Brett Wood was also awarded the Australian Active Service Medal with clasps for East Timor, International Coalition against Terrorism and Iraq 2003; Afghanistan Campaign Medal; Iraq Campaign Medal; Australian Service Medal with clasp for Bougainville; the Australian Defence Medal; the United Nations East Timor Medal; the NATO ISAF Medal; the Unit Citation for Gallantry and the Infantry Combat Badge. He was also posthumously awarded the newly instituted Counterterrorism and Special Recovery clasp to the Australian Service Medal, and the Defence Long Service Medal at his repatriation ceremony in Sydney on Monday.

At Sergeant Wood's return to Australia at a ramp ceremony at RAAF Base Richmond, the Chief of Army said, 'Army has lost an incredibly talented and truly courageous soldier, and his wife has lost a very loving husband.'

Sergeant Brett Wood died serving his country and is owed an enormous and special debt of gratitude that, of course, we can never repay. He has followed a noble path which has been trod by so many before him. He pulled on the uniform of the Australian Army, as many others have done. He did that and he did what was asked of him by the Australian government.

As Major General Gilmour, Special Operations Commander, said, and this has already been quoted: 'Sergeant Wood epitomised the values of courage, dedication to duty, loyalty and mateship.' He secured our nation on our behalf. He served as an Australian soldier. I think that, as we continue to do these things, it is very, very important that we recognise what this
really means. Anyone who puts on one of these uniforms puts themselves in a position where they too could be in the position of Brett Wood. They put themselves in a position where they can ultimately be in danger in a war action and be killed or wounded, and they do it on our behalf. So those of us who sit here in Parliament House, in our neat suits and lovely ties or beautiful dresses, need to understand that these people are fighting for us. They are down and doing it dirty. And when they do that, when they put themselves in harm's way in the way that they do, they do that for all of us. We must give them thanks for all of that work. This morning I met with a number of Australian wounded diggers—people who have been casualties of the wars that we have fought. To see the courage of these men who have come back from battle, to be in rehabilitation recovering from terrible injuries, and to see the courage they have shown not only in the adversity they have conquered but in seeing their lives before them, we can have nothing but admiration for those people. Sergeant Brett Wood epitomised the courage of Australian men and women in uniform, and for that we thank him.

I acknowledge all of those who have spoken in this discussion—it is hardly a debate—because it is important that we recognise, as I have done, that across the parliament there is unanimous support for the work of our soldiers in Afghanistan. We need to ensure that they understand that our support is ongoing and that the sacrifices of people such as Sergeant Brett Wood are not in vain. Lest we forget.

The DEPUTY SPEAKER (Mr S Georganas): I understand it is the wish of honourable members to signify at this stage their respect and sympathy by rising in their places.

Honourable members having stood in their places—

The DEPUTY SPEAKER: I thank the Committee.

Mr SYMON: I move:

That further proceedings be conducted in the House.

Question agreed to.

STATEMENTS ON INDULGENCE

National Sorry Day

Consideration resumed from 31 May.

Mr WYATT (Hasluck) (17:26): It is a privilege to stand in this chamber and acknowledge Sorry Day. It is surprising how one little word—the word 'sorry'—in any context can heal the hurt and re-establish a relationship of trust and respect. An individual's psyche changes from one of pain to one of being valued. Sorry Day is an opportunity to celebrate the apology delivered by then Prime Minister Kevin Rudd on 13 February 2008, when he finally uttered the words that many across this great nation of ours had waited for. Before I cite his words, let me say that it was probably one of the defining speeches in the Australian parliament. It was a speech that transcended the politics of a party and in fact represented the views of the members of the House—whilst there were some who dissented. It conveyed to all Australians the genuine sense that Australia had reached a watershed level of acknowledging an aspect of our history. To that extent, the importance of the member for Griffith's speech on that day will, I think, be etched in the minds of many Australians—both Indigenous and non-Indigenous—and will not be forgotten. The Prime Minister said:
For the pain, suffering and hurt of these Stolen Generations, their descendants and for their families left behind, we say sorry.

To the mothers and the fathers, the brothers and the sisters, for the breaking up of families and communities, we say sorry.

And for the indignity and degradation thus inflicted on a proud people and a proud culture, we say sorry.

We the Parliament of Australia respectfully request that this apology be received in the spirit in which it is offered as part of the healing of the nation.

The work of the healing of this nation has taken a leap forward, but it is far from over and there is still much to be done. When you consider the context of the speech and what was derived from that speech, the passion and the drive of an individual within the parliament in a leadership role probably shifted Australia's psyche considerably to one of compassion, to one of understanding and to one of finally recognising that there is a duality. In a sense we have a duality: a British heritage from the colonisation of the country and also an Indigenous heritage from the Aboriginal and Torres Strait Islander people, who have existed on this land for 40,000 years. We as a nation have never really acknowledged the fact of the duality of both cultures, and yet we seem to separate them at times and look at one as prevailing over the other, depending on which group you belong to. But nevertheless it is about a nation—and Australia is a great nation.

Tom Calma, the Aboriginal and Torres Strait Islander Social Justice Commissioner, also highlighted the fact that the apology was only just the beginning when he responded to the then Prime Minister's speech. He said:

This is not about black armbands and guilt. It never was.

It is about belonging …

That devastation cannot be addressed unless the whole community listens with an open heart and mind to the stories of what has happened in the past and, having listened and understood, commits itself to reconciliation.

For today is not just about the Stolen Generations—it is about every Australian.

Sorry Day is a time to celebrate, a time to honour the memory of those who were affected and a time for all of us to commit to working together to change the future. A pivotal foundation stone of the then Prime Minister Kevin Rudd's speech is:

The truth is, a business as usual approach towards Indigenous Australians is not working. Most old approaches are not working. We need a new beginning—a new beginning which contains real measures of policy success or policy failure; a new beginning, a new partnership, on closing the gap with sufficient flexibility not to insist on a one-size-fits-all approach for each of the hundreds of remote and regional Indigenous communities across the country but instead allowing flexible, tailored, local approaches to achieve commonly agreed national objectives that lie at the core of our proposed new partnership; a new beginning that draws intelligently on the experiences of new policy settings across the nation.

The intent of the 42nd Parliament to set a destination for the nation, to have a clear point to guide our policy, our programs and our purpose, was meritorious and the work has been progressed, but not as far as I would have expected.

I think when we look across the work that was undertaken under his leadership, the COAG reforms with respect to Indigenous affairs focused on some very key and critical areas: health,
in terms of life expectancy and infant mortality; education, in academic attainment and pathways that would allow children to acquire literacy and numeracy skills commensurate with those of any child within Australia; and employment, with employment opportunities where Indigenous Australians would take their place in the workforce alongside any other Australian. In the early years, the focus of that work was to look at the first eight years of a life but also to look at mothers in pregnancy to ensure that the birth of a child and birth weight were of a quality that meant that the child born had a good foundational start to life. That intent was committed to and put into place and it came in under the title of Closing the Gap. It contains significant merit within its construct, but the bilateral agreements that impinge on the Closing the Gap strategies that are part of those key planks are also affected by the relationship and the commitment of various jurisdictions.

But I think the other thing that is more challenging is that Closing the Gap and the strategies around it are not universal. One would think that in a country where there are 800,000 Aboriginal and Torres Strait Islander people who reside in all jurisdictions, we would and should be able to case manage families whose experiences leave them challenged in the context of both social deprivation and the underlying social determinants in life. We should be far more effective in the implementation. I want to put this proposition. If we had 800,000, we would have to take one quarter of those 800,000. That top quartile will be those employed in good positions, would be part of the Australian workforce and would have the same success rates and achievements across the continuum of life that gives benefit to quality of life, good health, good education, good employment and career path opportunities.

But the other side to that is that the other three quartiles, 600,000, require degrees of intervention, and I use the word 'intervention' in terms of support, in order to bring them to a point where their place within Australian society would in the decade reach a point where they are commensurate or very close to that of any other Australian. One of the challenges in the Close the Gap strategy is that they are targeted. I know that in my own home state when I was involved in the process five targeted communities formed the basis of the early years initiatives, which meant that all those outside those communities did not get the same intensity of support and the preventive measures that were identified within those strategic approaches. It means we also have the challenge of people living within capital cities and large urban settings not having access to the services that we sometimes assume they have. One of the sad facts that still prevails is that racism is an issue we have not fully grappled with in this country, and this parliament has had a debate on the issue in recent times.

There is also a sense that, when you do not have the level of education, you do not have not so much the strength of character but the confidence to challenge those who are far more articulate in language than somebody who does not purport to be. The classic example of this is that when any of us go to a doctor and a doctor prescribes and tells us what our symptoms are then we accept in absolute terms that description of our illness. In Australian society we make an assumption that standard Australian English is equally understood by every Australian. But it is an assumption that we should not make, because the levels of acquisition of literacy vary substantially. If we look at the NAPLAN results and look at what is on the My School website, we can see the variations demographically, and we can certainly see them by socio-economic status. So there are some challenges in how we use the foundation stone of the apology to still lever the changes that are required in this country.
I think the other part is that we have to change the way in which Aboriginal and Torres Strait Islander people become proactive participants in the partnerships with governments and their instrumentalities, that is the agencies, and not be passive recipients. When we sit in committees or in organisations then we come to those tables with an equal understanding to a high degree. We have an understanding of those who sit opposite us so that when we renegotiate we have got some common understanding. We have access to information that makes it very easy to accept the way in which we negotiate. We also know that if we have outcomes then we want to work to win-win situations, not win-lose or win-plus versus win-minus. So those negotiations are absolutely critical. When I was working in Sydney I spoke to a colleague in the private sector and said, 'If you are doing a takeover of a company or you are making a major change in the relationship with another group that is a competitor, how do you go about it?' What he described to me was that whole notion of having equalness in understanding of the parameters in which the negotiations occur, having equalness in terms of the information that you have. And you have the right people at the table. And you make sure that it is a reflection of the corporate companies that are at the table, no different to the way in which we operate within the committee structure of this House. I want to suggest seven simple steps to real engagement for sustainable change based on the work of an author whose book I read on a flight between Sydney and Perth. What I liked about the book was the fact that he talked about human relationships. He also said that if we negotiate then why not share information equally and allow a decision to be arrived at by mutual agreement based on all of the information because you get a better result, you get sustainability and you get the acceptance of responsibility.

When we did the COAG work we worked as jurisdictions. Normally it is the Commonwealth versus the states and territories, but on the Indigenous health one we transcended our jurisdictions, we said, 'Let's identify the responsibilities.' So we identified what the Commonwealth responsibilities would be—and it was not just funding; it was around the way in which Commonwealth agencies that had resources would support the directions we were seeking. Then we identified what the states and territories were responsible for and then we looked at the joint responsibilities. That process enabled us to set a course for the reforms that are occurring—albeit limited by nature of the regions and areas they have selected.

The following are the seven steps that I would suggest, because I think these would make a difference and the Alice Springs setting and context would not be problematic. The first step is in terms of the client. I will use the word 'client' in the context of Aboriginal and Torres Strait Islander people. We need to understand the community and the problem. We need to understand the problem or the reason that we want change but, equally, we need to ask: what is the implication if we do nothing? In the context of the cornerstone of the member for Griffith's key words, we cannot afford to leave the status quo nor operate within the way of the old.

The second point I would make in the seven-stage process is to clarify and find out what is really going on—what is the reason for the current situation and how do you ensure a community voice is heard in that context? I would equally challenge any member of this parliament, both senators and House of Representatives members, as to how much they really know about the Aboriginal and Torres Strait Islander communities within their electorates.
Indigenous Australians are our constituents but how often do we in this House as individuals engage in order to address the gaps that exist? I think that is something that members of this House, leadership within this country and the agencies involved should do.

My partner had a phone call from Canberra where she was asked about the tri-state region of Western Australia, and it was to do with an aged-care facility. The Commonwealth voice on the phone said to her, 'We want you to do a surprise visit,' and she said, 'Okay; tell me how we are going to do a surprise visit, because we will have to charter a plane and fly over the community and somebody will have to come and pick us up.' The Commonwealth officer said, 'Just get a Budget hire car. When you land, take the Budget hire car or hire car and drive into the community to the nursing home and do a spot check.' It is the reality that communities face, and we have to close that gap.

I think the next step is to make it happen. Is the change negotiated and agreed to by and acceptable to both parties and who will have the necessary power to make the decisions? I do not envy ministers and shadow ministers for Aboriginal affairs, because they carry an extraordinary burden on their shoulders to try to be responsible for the resolution of very complex situations. But they often operate without major portfolio agencies and they have to negotiate with each agency to deliver the types of services within Aboriginal communities. That in itself is challenging, particularly if your colleagues are not walking with you. It is easy to agree to things within a party context or within cabinet but, when it comes to the implementation stage or to make it happen, you then say, 'The minister for Aboriginal affairs can do that; that is part of their portfolio.' We have to change that.

The next step is to confirm: make sure that what we have talked about and what we were going to deliver happens. What processes will be established to have open dialogue on the measures, outcomes and sustainability of achievements? In order to do that we are going to have to make sure that that occurs. Next there is continue: make the change stick. What can be done jointly and singularly to ensure change is achieved and sustaining?

If we combine all of those steps then we should achieve all of those facets and the key elements of the COAG reforms that the previous Prime Minister put into place with his cabinet. We should be seeing achievable gains. Skills development and economic participation are absolutely vital. It should not be left just to the mining or resources sectors. There has to be encouragement across the board, and certainly there is much more to do.

One of the things people on the ground say to me is that they do not want touchy-feely, feel-good approaches, because they never deliver and they continue to fail. We have to make some hard choices, but we also have to be upfront. I reaffirm that all members of this Australian parliament, regardless of their political affiliation, need to genuinely identify the gaps in Aboriginal communities and organisations within their electorates if we are serious as a parliament to the commitment that was made in the 42nd Parliament. Unless we do that we will never know the true extent of the problem. But I also want them to identify the jewels in the crown, because there are things that are working and working well. I believe we should identify those and celebrate them. Remember that it is not the exclusive responsibility of the minister for Indigenous affairs or a shadow minister; it is our collective responsibility.

I again reaffirm that I am extremely grateful for the work of the previous Prime Minister, because he has charted a course that enables all parties in this House and all governments, regardless of who is in power, to take a leadership role, to make a difference and, in two
decades, to close not just the gaps but to celebrate the bicultural element of this nation: to acknowledge the British heritage alongside that of the first nations people, who have been here for some considerable time. To that end, I thank the previous Prime Minister for the apology, and certainly I thank the parliament for acknowledging Sorry Day in the parliament last week.

Mr PERRETT (Moreton) (17:48): I begin by acknowledging the traditional owners of the land we are gathered on and thank them for their continuing stewardship. While I do so, I am going to make a political statement, and that is to condemn the Victorian Premier Ted Baillieu for deciding to make it an option for his ministers to give that traditional acknowledgement when they speak at public events. Has so big a man ever been so small? I think that is such a small-minded gesture. To balance out that condemnation of the Liberal Premier of Victoria I would like to commend the member for Hasluck for his contribution on the Sorry Day motion and generally for the contribution he has made to harmony and the entire spirit of reconciliation since he came to the parliament. I commend him for that contribution. I just want to give a little bit of background information before I touch on the event that we acknowledged in the parliament last week—I would not say celebrated, but in a way we do celebrate it. I am going to go back to 10 December 1992, and to an inner suburb of Sydney called Redfern, where the new Prime Minister of Australia, Paul Keating, made the following comment in his now famous Redfern speech. It was on the eve of the International Year for the World's Indigenous People, which was the context of the speech. I do not know what went on in former Prime Minister Keating's head at the time, but he made the speech not in the Northern Territory, or North Queensland, or Western Australia, or the Kimberley or somewhere like that, where he could have had Uluru or Kakadu or something like that in the background. He did not go there to make a speech on the eve of the International Year for the World's Indigenous People, instead he went to Redfern—an inner-city location that was a much more significant choice in a way, because that is the reality for so many Aboriginal and Torres Strait Islander people. They are not in Kakadu or the Kimberley, they are actually in an urban environment and coping with different sorts of challenges. This does not diminish the challenges that come with living in a remote community where, as the member for Hasluck says, there is not a Budget hire car and some of the things that we associate with urban environments.

It was also in the context of the Mabo decision having been made on 3 June 1992; this was 10 December 1992, not that long after. And whilst we now accept native title as a fact of life, back then it was a major challenge to be accepted by the hierarchy, I guess you could say—the accepted history and judicial fabrication that this land was developed on. But to the words of Paul Keating:

It will be a year of great significance for Australia.

It comes at a time when we have committed ourselves to succeeding in the test which so far we have always failed.
Because, in truth, we cannot confidently say that we have succeeded as we would like to have succeeded if we have not managed to extend opportunity and care, dignity and hope to the Indigenous people of Australia—the Aboriginal and Torres Strait Island people.
That speech in 1992 was a great framing process for what happened afterwards. You can go on YouTube and see the speech. You can see different versions of the speech: there is one
where it is set to music. It is a great piece of oratory and I think it does work as a bit of poetry as well as oratory. But when you actually see the raw footage, a fair swag of people were heckling him; there was a lot of tension and a lot of people were ignoring him. It was typical of a politician at an event in the park: most people were down the back just having fun with the kids and doing what you do in Australia. You are not really interested in politicians, whoever they are, even if they are a brand-new politician with a vision.

Nevertheless, the words certainly live on and, as I said, they framed an approach to a number of things. There had been a lot of work going on in the few years surrounding that. Prime Minister Keating then commissioned the National Inquiry into the Separation of Aboriginal and Torres Strait Islander Children from their Families. I think the Attorney-General was a Queenslander at the time, Michael Lavarch, and he established it on 11 May 1995. I would also specially mention the then Minister for Aboriginal and Torres Strait Islander Affairs, Robert Tickner, now the head of the Red Cross, who also was a significant player in that process. So we think of that flow of events, from the Redfern speech through to commissioning the national inquiry, and they are quite significant. That inquiry was primarily conducted by Sir Ronald Wilson, the then President of the Human Rights and Equal Opportunity Commission, and Mick Dodson, the Aboriginal and Torres Strait Islander Social Justice Commissioner. But I am also going to take this opportunity to mention the co-commissioners: Annette Peardon, Marjorie Thorpe, Dr Maryanne Bin Salik, Sadie Canning, Olive Knight, Kathy Mills, Anne Louis, Laurel Williams, Jackie Huggins—a great Queenslander and one of my constituents Josephine Ptero-David and Professor Marcia Langton. The inquiry also benefited from the appointment of an Indigenous advisory council, and there are some names in here that people would recognise: Annette Peardon, Brian Butler, Yami Lester, Irene Stainton, Floyd Chermside, Barbara Cummings, Grant Dradge, Carol Kendall, Lola McNaughton, Isabel Coe, Peter Rotimah, Nigel d'Souza, Maureen Abbott, Margaret Ah Kee, Bill Lowah, Matilda House and Jim Wright—and I will come back to Matilda House later. Seven hundred and seventy-seven submissions were received, and hearings took place in all of the territories. Basically, the commissioners and the co-commissioners went all over Australia to receive evidence.

From there, we flowed to the report actually being presented to the Howard government, as it then was, on 26 May. Since then, we have held National Sorry Day every year on the anniversary of the tabling of the Bringing them home report in parliament. In between times, some other great things have occurred. We have the Stolen Generations Testimonies Foundation, with its 40 oral history testimonies from members of the stolen generations. Apparently, that will be available online from July. We have the National Library of Australia's Bringing Them Home oral history project, an online collection of 191 oral history interviews with people who were involved in or affected by the removal of Indigenous children from their families.

But one of the most significant things to occur was on 13 February 2008. I said earlier that I would return to Matilda House, one of the Indigenous Council Advisory members. I will start with her on 13 February 2008, which was my first day on the job in this House, and the member for Deakin's as well. Before we actually started, we had a welcome to country, performed by Matilda House. I remember it was raining and Parliament House was leaking, in all sorts of ways, and she made a very good joke about that. From there, we moved into the
House of Representatives chamber, where then Prime Minister Rudd began the very first order of business of the 42nd Parliament, reading out his own handwritten apology to the forgotten Australians. I want to quote from that apology on 13 February 2008, at 9 am Eastern Standard Time, when Mr Rudd tabled the apology as the first order of business on the opening of Australia's 42nd Parliament. I will not read the entire apology, because it is well known to most of us and also respected as a great piece of literature and oratory at the time—famous throughout the world, in fact—but just some parts:

We the Parliament of Australia respectfully request that this apology be received in the spirit in which it is offered as part of the healing of the nation.

For the future we take heart; resolving that this new page in the history of our great continent can now be written.

We today take this first step by acknowledging the past and laying claim to a future that embraces all Australians.

A future where this Parliament resolves that the injustices of the past must never, never happen again.

That was certainly very well received by both sides of the parliament—I would almost say unanimously. It was supported unanimously. There might have been a few hiccups in the chamber in the process, but in the spirit of the goodwill of this day I would say it was passed unanimously, which was a significant thing. I note that in his response to Prime Minister's National Sorry Day statement, the Hon. Tony Abbott, the Leader of the Opposition, said:

I should also acknowledge former Prime Minister Rudd for having the vision to say sorry on behalf of our nation. That was an historic day and we all pay tribute to him for that act of statesmanship.

Those are fine words indeed. I do not say that very often about the Hon. Tony Abbott, but on this occasion I can say that. On that note, I recognise that there is work yet to be done and that, until we actually close the gap, apologies and fine words are only part of the job. There is still a lot to be done before we actually have a nation that is truly reconciled with the strange circumstances that formed it. With that, I commend the statement on Sorry Day to the House.

Mr ENTSCH (Leichhardt—Chief Opposition Whip) (18:00): I rise today to lend my support to this motion and to express my sorrow for what has happened to our Indigenous population in the past. I think it is very befitting that we have the opportunity to continue to reflect on things that occurred in the past, but I think we should also use this opportunity to reflect on where we are today and where we hope to find ourselves in the future. I started to reflect on that, given that I have one of Australia's largest Indigenous populations in my electorate of Leichhardt. I have the home of the Torres Strait people, one of our two Indigenous populations. I also have a very significant, large and diverse Aboriginal population, particularly in Cape York, many of them still living in their own homelands. Sorry Day of course was very significant to these people, as it was to so many other Australians.

I look at Sorry Day and I hear other slogans, such as Closing the Gap, that reaffirm a commitment to our Indigenous people and I think to myself that, if we are going to use this sort of terminology and these sorts of slogans, we seriously have to start to evaluate the outcomes we have set so that it is not just a matter of using hollow words or of standing here in a suit in this place and expressing a particular view by repeating these slogans. We need to look seriously at what we have actually achieved.
I have been very specific and looked at my own electorate. I will start with Cape York. Madam Deputy Speaker, I am sure you are aware of the debate we have had on wild rivers in recent times. I was living in Cape York when Indigenous people began to recover some of their own country, to get back some of the cattle properties that they either were born on or had a close association with. It has taken a couple of decades, but they have achieved that. They are now one of the largest holders of pastoral leases in Cape York. They are very excited by this fact. A lot of hard work and effort has gone into achieving this. Then they come across governments beholden to rabid green movements who decide that they are going to take away the rights of these landholders and deny them the right of economic development. So there has been a campaign by the overwhelming majority of Cape York Indigenous people to get control of their own land. Unfortunately, governments are so beholden to the Greens and dependent on them for votes that they have walked away from the needs and aspirations of these Indigenous landholders. They are effectively taking away their right to do anything at all on their land.

Mr Craig Thomson interjecting—

Mr ENTSCH: It is all right for these people in metropolitan areas who go up there for five minutes and blow their wind in Cape York—they have no understanding of the area. Most of the information they are provided with, as we see from the member for Dobell, would have been provided by the Wilderness Society. He would not have spoken to some of those landholders like Alan Creek, who recently got his country near Coen back, who are very concerned about the impact that that is going to have. The overwhelming majority of Indigenous leaders up there are vehemently opposed to what is occurring at the moment and what is being imposed on them.

I am sorry that they have to continue their battle with government and with bureaucracy as they attempt to have some say in what they can or cannot do on their own land. I am also sorry for the traditional owners and the landholders at the Sherga Air Force base, because this is where the government decided to put a detention centre, and they did not even have the courtesy to talk to these freehold landholders to seek their advice or approval to put a detention centre there. The traditional landholders found out about it in the media—the same as others—even though questions had been asked of the government and of the bureaucracy, and in each case no answers were given. As recently as last week, I got communiques from representatives of the traditional owners, who continue to express their frustration, disappointment and anger at the fact that the government and the bureaucracy continue to make decisions in relation to their land without any consultation whatsoever.

There are other issues that are having a significant impact on the lives of our Indigenous people, and we should be saying sorry for that. There is an organisation called EyeFlight which operates in Northern Australia under the Visiting Optometrists Scheme. Funding for this scheme has been provided in recognition of the fact that eye disease in our Indigenous population is six times more prevalent than in the mainstream population. You would think that this is something we would get behind, support and fund to a point where we could guarantee that we would get outcomes. Two million dollars has been made available to this scheme to cover 32,000 patients per year. You can see that figure is not great in relation to the amount of money that is provided for a very significant service.
Recently, I was talking to the providers of EyeFlight, which operates through the Visiting Optometrists Scheme throughout the Torres Strait and the Northern Peninsula Area. They only go there twice a year. At the moment the organisation receives $88,000 to do two flights per year into the area. At this stage, they are funding from their own resources a shortfall of over $50,000. We are talking about an eye disease that is six times more prevalent in our Indigenous population, and for the sake of a relatively small sum of money we cannot even make sure they have the resources to provide appropriate treatment. I am sorry that we are not able to do that. I have written to the minister and I have asked that he reconsider that.

If we are going to make commitments to programs like the Visiting Optometrists Scheme then we need to acknowledge the fact that we have a very significant problem with eye disease. Surely to goodness, the measure of the success of this program is to reduce that six to one figure to something significantly less than that. Even if it takes additional resources, I believe that it is absolutely appropriate that we do this. There are other issues in the Torres Strait that I would like to raise as well. For example, there are renal units that have been mothballed for many years. There is a high incidence of diabetes throughout our Indigenous population. When I was the member some years ago, I was able to secure funding to build renal units in Weipa, Bamaga and Cooktown to accommodate the need that was there. Unfortunately, after they were built the state government saw fit to close those units down because they did not want to provide the nursing staff necessary to assist. They have relocated families that are reliant on this into Cairns, and some of them have been living in Cairns for up to six years. Lency Stephens is one such person. She has been living in a cheap motel in Cairns for six years while waiting for the perfectly functional renal unit in Bamaga to get a nursing sister there to assist with her dialysis. Late last year Queensland Health committed to reopening the unit by Christmas and the family arranged to go back there. It is now the beginning of June and unfortunately they are no closer to opening that unit. I find that very disappointing, and I think we should be saying sorry to the Cape York communities for not finding the resources to open that unit.

If you go to the hospital on Thursday Island you could describe it as Third World at best. There are some serious infectious diseases in the Torres Strait. In the last 12 months there were outbreaks in our northern neighbour Papua New Guinea, which is only a couple of kilometres away from the islands of Saibai and Boigu. We have seen cholera, encephalitis, tuberculosis and malaria, and yet we do not even have an isolation ward in the Thursday Island hospital to protect our local residents. I think we should be saying sorry about that as well. We should be saying sorry for the fact that a hospital that was built to last 10 years has been there for 13 years and is starting to fall down around their ankles. There is not even appropriate accommodation for the nursing staff to provide necessary services. I think we should be not only saying sorry but also providing the resources to ensure that the health of our Indigenous people, particularly of those in the NPA and Torres Strait community, is protected.

Another good example up there which we need to say sorry for is in relation to how we deal with those who are deceased. In the clinics it has built right throughout the Torres Strait Islands, Queensland Health has provided rooms that can be used as temporary mortuaries. Unfortunately, through budget restraints, it has not been able to equip them with the necessary refrigeration to make them work. So for a whole series of islands across the Torres Strait there
is only one functional mortuary, which is on Darnley Island. There is another standalone one on Badu Island which does not meet any of the standards and is not likely to remain open. This means that any deceased person from any of the outer islands has to be brought back to Thursday Island to be prepared for burial and taken back. For these low-income families it costs $12,500 to $13,000 to have their deceased loved one ferried back to Thursday Island for preparation. The Thursday Island mortuary is in the process of being closed down and they are going to replace it with a refrigerated shipping container. Quite frankly, I do not think this is the sort of respect that we should be showing for those loved ones who have passed away in these areas. I believe this is another area where, rather than saying sorry, I would suggest very strongly that we do something to make sure that this is addressed. Another thing we should be apologising for is the fact that we have taken away the Navy presence from up there. They have pulled out the immigration boats and the Customs boats and they have recently pulled out the Navy boats and actually taken the Navy people away. We are a seafaring people, and this is one of the only international borders, and they have shut this facility down, leaving our borders up there totally exposed. This is another area where we should not only say sorry but looking at recommissioning it.

I could go on. There are a lot of issues which I believe that, rather than saying sorry, we should be looking to fix. Some $22 million is needed to repair the seawalls in the outer islands of the Torres Strait. I was up there just before Christmas. It was gut-wrenching to walk with the community down to their cemetery and find that half of it had been washed out into the ocean. It is a $22 million project to do the seawalls on six islands. It is very doable, and the proposal has been around for a long time, but the only solution we have had so far is $400,000 to continue to measure the tidal surge. That does not help the families of those whose tombstones and deceased relatives have already washed out to sea. I think this is an absolute disgrace and needs to be addressed.

So if we are going to start talking about sorry—and it is something I absolutely believe in and am totally committed to—we need to match it with action rather than just words. I say sorry for all of the things that we have not done that are impacting on the lives of Indigenous people today. This is only a very small example of what is out there. By all means let us have a National Sorry Day and be sorry for the past, but what about our treatment of Indigenous people and what we are doing today and tomorrow? Rather than rhetoric, let us measure our real commitment to our Indigenous people by actions and outcomes.

Mr Rudd (Griffith—Minister for Foreign Affairs) (18:17): Sorry Day provides opportunities for us all to reflect upon the past and connect with those who suffered as a result of previous government policies. When I say previous government policies, these are governments of all political persuasions, not just one. Last Thursday I was fortunate to share some time with members of the stolen generation, and their friends, who were in Canberra—Matilda House, Sally Fitzpatrick, Margaret Evans, Maryanne Allan, Siani Jones, Helen Moran, Trish Smith, Ruth Bell, Lester Maher, Peter Beal, Steve Ridgeway, Rebecca Curtis, Sandra Kitchen, Julie Shelley, Aunty Martha, Janet Milera, Lyn Jones, Peter Hawkins, Jenny Carty, Jilpia Jones and Jenny Smith. I asked them a very simple question. I asked them what their experiences have been since the apology was delivered three years ago. Have things improved? What are the challenges they now face? What can be done to continue to improve the lives of our Indigenous brothers and sisters? They told me that the apology was not only...
for the surviving members of the stolen generations but also for those no longer with us—the mothers whose children were ripped from their arms; the brothers and sisters who never knew of each other; the children who grew up without ever knowing their land, their totem, their skin, their people.

These humble souls spoke quietly at first, telling me of the hurt and suffering they still struggle with every day. They spoke of the loss of family, of closeness, of community and of culture. Their stories began when they were small children, taken from their families, sometimes in the middle of the night, and forced into a strange new world that lasted a lifetime. They were taken from communities across the country and forced into homes thousands of kilometres away from their land. In fact, many of them told me that, when the whitefellas came, they said this: 'Now we are taking you on a holiday.' The absolute devastation of being 'taken on a holiday' never to see your mother again is something that those of us who are non-Indigenous Australians can barely understand—the depth of the hurt, the pain and the scarring which occurs to such people. They were taken from their communities across the country, forced into homes thousands of kilometres away from their land. Through their tears they shared the challenges that we as a nation face in making things right and the importance of supporting the work of healing services offered through Link Up, the Healing Foundation and the many other terrific organisations at work out there in the Indigenous communities of Australia. They spoke of the urgency with which we must act to ensure that the work of these fantastic organisations can continue. They expressed the need for understanding and compassion for members of the stolen generations and their families. They said that what happened must never be forgotten, that we must always remember the hurt and suffering that was inflicted upon these First Australians.

Their decision to share with me their stories was their way of making sure that I could walk away from our gathering with a better sense of where to go from here and that as a whitefella I could begin to understand the importance of what lies ahead and that, while the apology has invoked a tremendous healing process, the journey towards reconciliation has only just begun. But it has begun. They also spoke of their vision for the future—one in which we all can come together to honour our differences, share our struggles and celebrate our successes.

Joining me for this special Sorry Day event was the *Koori Mail*. The *Koori Mail* is proudly 100 per cent Indigenous owned and funded and is a true Aboriginal success story. With more than 90,000 readers every fortnight, it is regarded as the voice of Indigenous Australia. The *Koori Mail* is one of the most important sources for Indigenous people to share their stories, connect with their communities and bridge the gap between what we see in the mainstream media and what is really happening in our communities. I thank the *Koori Mail* for attending the event and am sure that, like me, they recognise that closing the gap is the beginning of this very long journey.

Fourteen years ago the Human Rights and Equal Opportunity Commission's report, *Bringing them home*, was tabled in this parliament, providing a blueprint for this journey. Dr McKendrick assisted in the writing of the report and found that:

… when Aboriginal people (who were removed) come to have their own children, they've really got no idea how to parent in either the conventional Aboriginal or non-Aboriginal way … so their children are very often removed from them (by welfare agencies) which sets up this terrible cycle which goes on for generations.
The findings showed that much needed to be done to repair the damage caused to Indigenous Australians since settlement and that, if the intergenerational psychological scarring inflicted on the stolen generations was ignored, the cycle of disadvantage would continue. A healing process therefore needed to begin.

One of the key recommendations of the Bringing them home report was for an official apology to be given by the governments of Australia. Every state and territory leader delivered a formal apology in the late 1990s. But a gap remained. As the late and great Rick Farley argued, 'Until the community has a common understanding of what has occurred in the past, there is no foundation for moving ahead together.' There needed to be an acceptance by the wider community that Indigenous Australians were the traditional owners of the land, that the British came and colonised the continent, that atrocities such as those endured by the stolen generations took place and that Indigenous Australians still suffer severe levels of disadvantage.

The apology gave us the opportunity to do that. In the lead-up to the 2007 election, I promised that, if Labor were elected, I would apologise to the stolen generations. I said sorry on 13 February 2008. This was an important day for all of us. I am pleased that it was an important day in the lives of so many people around the country. Since then, the government has used the momentum of the apology to kick-start a comprehensive agenda to improve the lives of our nation's first people.

Closing the Gap is based on six targets and the Australian government has implemented programs to decrease the gaps that exist. The first target is closing the gap in life expectancy between Indigenous and non-Indigenous Australians within a generation. Under the federal government, expenditure on Indigenous-specific health programs has increased by 87 per cent to almost $1.2 billion since 2007-08. Some $58.3 million has been allocated over four years to deliver a major increase in services to address trachoma with the expansion of the Visiting Optometrists Scheme. These changes to Aboriginal life expectancy must be measured into the future so that we can judge the extent to which we are succeeding or the extent to which we are not.

The second target is halving the gap in mortality rates for Indigenous children under the age of five by 2018. Between July 2008 and June 2010, children in remote Northern Territory communities and town camps received nearly 8,000 dental services, 4½ thousand audiology services and 3,000 ear, nose and throat services. The government will also be delivering new and expanded maternal and child health services and more access to antenatal care. Once again I sound a note of warning: let us wait for the figures to come in to see if these mortality rates for little children under the age of five across Indigenous Australia do in fact come down. This again must be the subject of rigorous measurement.

The third target is to ensure access to early childhood education for all Indigenous four-year-olds in remote communities by 2013, with $970 million being invested to reach this goal. Progress has been made, with enrolment rates for Indigenous children in New South Wales increasing from 79 per cent to 88 per cent in one year. That is not insignificant. That is an important step forward. The Australian government is investing $59.4 million to improve the quality of 140 early childhood services, including approximately 100 Indigenous services. Again, we need to see the measurements to ensure that we are in fact realising that gap...
concerning the provision of early childhood education for littlies under the age of four in Indigenous communities.

Target No. 4 is to halve the gap in reading, writing and numeracy achievement for Indigenous children by 2018. The government is assisting schools to expand intensive literacy and numeracy approaches that have previously been successful with Aboriginal and Torres Strait Islander students, with $54.6 million over four years. Once again, we wait for the measurements to come in. The inputs are there. Let us measure the outcomes when they are there for the whole community to be seen.

The fifth target is to halve the gap for Indigenous students in year 12 or equivalent attainment rates by 2020. The government is providing $2.6 billion through the Smarter Schools National Partnerships. The government has invested record amounts in education and it is starting to pay off, with school attendance in Aurukun increasing from an average attendance rate of 37 per cent in July 2009 to 63 per cent in July 2010. Again, this is a good number. It reflects measurable progress. What we do need to see, however, is how this is reflected across Indigenous communities throughout the nation.

Finally, target No. 6 is to halve the gap in employment outcomes between Indigenous and non-Indigenous Australians by 2018. The government has implemented reforms to employment programs so that more Indigenous people can gain employment. Since 1 July 2009, more than 28,750 Indigenous Australians have been placed into employment by Job Services Australia.

The apology was a first step towards reconciliation with Aboriginal and Torres Strait Islander people. Much has been achieved since then, but there is still much to be done, including the recognition of Indigenous peoples in the Constitution of the Commonwealth of Australia. It has instilled upon future generations an ongoing commitment to justice for Indigenous Australians. Specific, detailed reporting will hold the nation accountable for reaching our targets in the future. It will guide us as a nation as we continue to work together, both Indigenous and non-Indigenous, to close the gap.

As I met with these representatives of the stolen generations only a few days ago in this, the parliament of the Commonwealth, it was a moving experience listening, one by one, to each member of the stolen generations as to what had happened to them over the last three years. I wish I could stand here and say before the parliament that it has all worked really well. The truth is that it has not in all cases. That is the truth. Not one of them, however, said that the apology was not important to them; it was. Since that time it has opened up new possibilities and new hopes but has also created some new challenges.

Think of this for a moment, those of us who do not come from Indigenous Australia: if you have been physically removed from a member of your family for 20, 30 or 40 years and are reintroduced for the first time, how do you pick up the traces again? How do you really pick up the traces again? How do you really establish contact again? How do you really forge an emotional bond again? What has happened in those respective lives over that intervening 40-year period? One by one, I heard these stories about how difficult and painful that road has been. The other thing I heard very clearly was the importance of services like Link-Up being able to stay with these folk of the stolen generation into the future and to have the resources to support them once contact has been established. If you look across the sheer numbers and the physicality of those whom we call the stolen generation we are talking about tens of
thousands of our Aboriginal brothers and sisters. And if you begin to think of the case management of this through Link-Up Australia, it is a phenomenal task—that is, for a case management officer to attach themselves to a member of the stolen generation, often with very few research tools, and then commit themselves to walking with that person through a very difficult evidentiary process to establish who the family was, where they have gone and often, worst of all, whether they have died in the meantime. This takes time, energy and resources. I know the Minister for Families, Housing, Community Services and Indigenous Affairs, Jenny Macklin, is working hard on how to make sure that Link-Up is properly resourced into the future so it is able, first of all, to manage the caseload, the sheer numbers of people who still have not had the link re-established.

Then there is a second point. Think about this by putting yourselves into the circumstances of one such person. You are in Melbourne. You have discovered that you have a living relative—a brother, a sister, even a mother or a father—in Perth. You are flown to Perth, where the arrangements have been made to link up after 20, 30, 40 years or sometimes half a century. That occurs, and the difficulties and the joy, the mixture of both that I described before, all unfold; they all happen. What do you do then? It is pretty hard, because our Indigenous brothers and sisters are often living in pretty difficult financial circumstances. So how do you then sustain that contact into the future? What are the mechanisms to provide that ongoing support? If we as a nation have a genuine debt of responsibility towards these for whom successive parliaments—of all political persuasions, state and federal, over the generations—have acted in the people's name in removing the stolen generation, then what do we do at least to make sure that these bonds, once established and often fragile, are sustained? That is a second practical problem which the good folk at Link-Up are having to wrestle with.

I am not for a minute beginning to pretend that any of this is easy for that wonderful band of people at Link-Up who are doing the absolute best they can. But we are dealing with very damaged lives and very damaged souls. It is very important therefore that, in the spirit in which the apology was delivered, it is not just words, it is deeds; that we make sure that what we have committed to we then, in fact, do; and that we stay with these most wounded Australians until healing does occur for as many of them as is possible.

As we reflect on National Sorry Day and where we have come from, there are so many good things to talk about. There are so many things that we do not know because we cannot yet measure them. But for each of these lives, at a very personal and individual level, let us reflect on how hard each of those journeys is and on what we can still do as a civilised and caring community to support these, our brothers and sisters, on their path to healing.

Dr STONE (Murray) (18:33): I too wish to rise to acknowledge Sorry Day, which was last week. I had the privilege of growing up in northern Victoria surrounded by the physical evidence of the traditional owners in that part of the world, the Dja Dja Wurrung. Unfortunately, there were no people left; just the kitchen middens, the scarred trees, some spearheads and so on. So I have to say that, growing up as a fifth-generation on that property, I was conscious of the original owners but knew nothing about them. I think that is pretty typical of a lot of people in Australia today. While 'sorry business' became part of the Australian lexicon, I believe a lot of people still do not understand and there is a lot of confusion. I also had the privilege of being on the Council for Aboriginal Reconciliation for a number of years as we tried to bring forward a document that would encapsulate exactly what
Australians needed to know and understand and how we were to be reconciled. That was a very important document and I do not think we refer to it enough today or look back at the words that were crafted at that time. I want to begin by talking about 1788, when the huge fleet of over 2,000 souls arrived in the Port Phillip-Botany Bay area under the guidance of Captain Phillip, an amazing man, who bore with him instructions from the British Admiralty. Those instructions said that he was to deal with the natives, as they were called at the time, in a way that was kind—the actual words were 'kindness and amity'. There was a bit of an undercurrent running through the instructions along the lines that, if they were dealt with kindly, they may be found to be of use to the new colony. Certainly they might be able to supply information which could be of great use in understanding what the resources of this new country were.

But you can imagine the impact the 2,000-plus British convicts, soldiers and a few free settlers had on the very small nation of owners of that country, only numbering several hundred, who very quickly saw their food supplies run down. Fish stocks were very quickly depleted by the use of the colonists' nets. The kangaroos were very quickly driven away. The birds, especially the water birds, were very quickly out of the reach of the traditional owners with their traditional hunting methods. Even access to the Tank Stream, which had been critical to the original owners, was severely restricted. There was no understanding at that first settlement that the Indigenous Australians, the local owners, could not simply fall back a little way towards the Blue Mountains and beyond once it became obvious there was not enough food to share with those hungry mouths, those starving new arrivals.

Then very quickly there was despair when the settlers saw so many of the traditional owners of the area falling sick and dying. There were a lot of early descriptions of the caves full of the dead and dying Aboriginal people with smallpox scars covering their bodies. It is a very sad thing to read those early documents. I spent several years researching these periods and producing a documentary history—which alarmed me because by the time I produced it I had already completed an anthropology degree specialising in traditional Australian culture, but I had not until then learned about how the transition occurred from traditional Australian culture to the time of fringe dwelling, extreme poverty, sickness and despair that is the lot of so many Aboriginal Australians today. I think every Australian, at the time of Sorry Day, should check their own knowledge of our Australian history.

We need to go back and understand that too many of the things that happened to Australia's original owners were the result of policies which were well meaning, were philanthropic in intent at the time, but which had the most dire consequences for the people. I will mention, for example, the protectorate system in Victoria. When the settlers in Victoria were pushing so hard into all of the pasture lands and the water supplies to settle their sheep and their beef cattle, which were protected by the convicts assigned to them, it became a case of frontier war with the local Aboriginal people. This was particularly so in Gippsland, where the forest cover made it very hard for the new settlers to win those skirmishes. They quickly found that, if an Aboriginal person was in heavily timbered country and the pursuers on horseback had to get off their horses, it became an equal fight. Too often the traditional owners won those skirmishes and that eventually led to the protectorate system—but before that, in Queensland, New South Wales and Victoria, it led to a native police system.
There were royal commissions that looked at the native police, particularly in Queensland in the 1830s, and what they found was that this was a force which was under white leadership, under white officer direction, but which was not to have written instructions. It was to respond to pastoralists who called for protection of their livestock due to depredations, incursions or attacks on that livestock from the local Aboriginal peoples. When someone had a few cattle speared or had a few sheep speared or just had livestock under threat—perhaps there were individuals involved in hand-to-hand combat—then the native police would be called up. They consisted of Aboriginal troopers. Many of those troopers had been in the prisons under charges of assault or even murder. They were put into a uniform and told that if they went out and joined the native police force, they would be free men—they would be given a rifle and a horse and the spoils of their activities would be theirs. They referred to the outcomes of those contacts with the traditional peoples charged with stealing livestock or worse as 'dispersal'. The official title of those activities was 'dispersals', typically carried out at dawn or dusk in the form of raids. According to the documentation at the time, those who survived the dispersals—and I mean that literally—moved themselves to towns or bigger regional centres in an effort to be safer and often to work in the abattoirs or the fishing industry or to get some other job. Those native police were very much a part of the settlement of Australia, but not many people understand why they were formed and how they worked. I have to say that we still need to address the curriculum in Australia to ensure the real Australian history is understood—not to be ashamed of it, not to say it is something that can never be remediated in Australia, but it is important to know the facts about Australian history.

When the protectorates were set up in Victoria, the idea was, again, as the name implies, to give protection to the tribes who remained, but what they in fact did was bring together disparate tribes who spoke different languages and who were traditional tribal enemies. They were brought together and contained in, or confined to, small areas under the control of a person employed by the colonial government. They were not allowed to speak their own languages and their children were required to go to school. There was no employment for anybody. And, because the remnants of the different tribal groups were pushed together onto these protectorates, you can imagine how intertribal warfare accelerated, especially when the traditional tribal enemies obtained guns and used them against each other or when there was even more revenge killing than usual because of all the deaths. So the protectorates, far from giving protection to the remnants of the Aboriginal tribes in Victoria, hastened their demise and certainly destroyed the remnants of their cultures. I have to say that today it is a sad thing when the Aboriginal peoples in my area strive as hard as they do to try and find some parts of language remaining or to capture from their elders some of the last stories about those earlier periods, because very little was documented at the time for them. There were some photos but not much else survived.

We then get to the stage of the stolen children—that was called a miscegenation policy. The idea was to 'rescue' the children of mixed unions. The idea was that, given they had 'white blood', they 'deserved'—as the documents said at the time—an alternative upbringing and, ideally, could then be trained to work as unskilled labourers on pastoral stations or in laundries and so on, filling a much needed part of the workforce that Australia has always had difficulty filling. That might have worked too; but, unfortunately when you look at where the children were placed—so-called orphanages or compounds where they were supposedly to be
educated and supported into this new life—again and again you see from the government records and the Hansards of the day, that those programs were underfunded and badly managed, with often the cruelest people left in charge. There were often triumphs too with very kindly souls, some missionaries, who did very good work. But, when you read time and time again the reports, the annual statements and the press releases, and look at the photos and the health reports of the children in places like the Telegraph Station at Alice Springs or in the Darwin compound in the 1940s, it is quite shocking to see what conditions had to be survived and particularly the lack of respect for the people of mixed descent who, at the time, were called names like octoroons, quadroons and half-castes. There were different policies proposed for those different so-called mixes of blood.

Australia has a very complex past in terms of our race relations. As I said a minute ago, often the policies were aimed at a good outcome for all but too often they were based on wrong assumptions about the dying-out of the traditional owners, and the expectation that Darwin was right and so they said, if you were of a darker colour or a so-called full-blooded Aboriginal, you were therefore one of the lowest orders of human evolution. We have come a very long way, to now be standing in parliament once a year and expressing our sorrow and the fact that we are sorry about that past. But I think that is only the beginning and it is not enough. We have to make sure that every government program, whether it is at the local, state or federal level, actually delivers great outcomes for Aboriginal peoples, is delivered in cooperation with those individuals and is in fact always led, as far as possible, by the Indigenous people themselves. After all, they are members of the longest continuous surviving culture on earth. We have to learn from the Aboriginal peoples now about environmental sustainability. We have to learn about how families in good circumstances can be supportive of one another. But we also have to understand the legacy of generations of oppression, poverty, disease and, more recently, alcohol and drug addiction.

One of the things I want to do most in this parliament now is to address foetal alcohol spectrum disorder, or FASD. This is not just an Indigenous problem at all, but a lot of our Indigenous communities have great difficulty now with levels of alcohol consumption. Too often we have children being born with FASD, which leaves the child with permanent brain damage and a lifelong limitation on their opportunities and their chances to reach their full human potential. So there is still a lot of work for us to do in this parliament. It is work we must do with bipartisan support I am very pleased to stand up and support this 'Sorry' motion. I want to make sure that all that I do helps in the future, because I am an Australian and every Australian has a responsibility to make sure all Australians, of whatever background, have a fair go.

Mr NEUMANN (Blair) (18:47): During National Reconciliation Week, I think it is appropriate to support this motion. We need to take every opportunity to acknowledge the important contribution that Indigenous Australians have made throughout the history of our country, to acknowledge the important history and the achievements of Indigenous Australians. I also want to take the opportunity to reflect on our history, to express contrition, to say sorry and to reaffirm our commitment to closing the gap—to making sure that we do everything we possibly can to give our brothers and sisters of Indigenous background the same opportunities that those of us not from that background enjoy in our country.
National Reconciliation Week is a very significant week in the life of our country. It is my honour to be the Chair of the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs. I will talk in a few minutes time about what we are doing in our inquiry into the incarceration of Indigenous juveniles and young adults.

When I was elected in November 2007, I came to this parliament on the first day, in February 2008, acknowledging that it was our party's policy to say sorry. I knew that was important. Ipswich, where I live, has a very large Indigenous community. In fact, in the whole Ipswich-Logan corridor there is a very large Indigenous community—and great workers. Indeed, the electorate of Blair is named after Harold Blair, an Indigenous opera singer, civil rights campaigner and former Labor candidate who grew up in the Purga Mission south of Ipswich. I pay tribute to the Purga elders who are still doing good work and the great organisations in my electorate like the Kambu Medical Centre, which provides health services, dental services and a whole range of allied health services to the people of the western corridor and Ipswich. But I did not really realise the implications of saying sorry in my heart. I knew it in my head. I want to pay tribute to the former Prime Minister, Kevin Rudd, now our foreign minister, for expressing on behalf of our country that we are sorry. It was a brilliant and moving speech. I would have to say that, apart from that, the two greatest speeches that I have heard in my lifetime are the 'It's time' speech by Gough Whitlam back in 1972, when I was a young fellow—that was pretty good—and Paul Keating's Redfern speech, which was simply superb. Mr Rudd made his apology speech on 13 February 2008, and it was extraordinary. He acknowledged the mistreatment of the stolen generations, that blemished chapter in our nation's history, and the fact that it was time for our country to turn the page. He apologised for the laws and policies of successive governments which caused profound grief, loss and sorrow, especially the removal of Indigenous children from their mums and dads. He said acknowledgement was the first step towards reconciliation and a future in which the injustices of the past would never be repeated.

But there could not have been the sorry speech of former Prime Minister Rudd without the sorry speech, if I can put it like that, of Paul Keating. He talked of Australia as 'truly the land of the fair go and the better chance'. He gave that speech in Redfern, which was an appropriate place to do it, on the occasion of the Australian launch, on 10 December 1992, of the International Year of the World's Indigenous People in 1993. He wanted to recognise the plight of Aboriginal Australians, and he said these words, which I think bear repeating:

… the starting point might be to recognise that the problem starts with us non-Aboriginal Australians. It begins, I think, with the act of recognition. Recognition that it was we who did the dispossession. We took the traditional lands and smashed the traditional way of life. We brought the disasters. The alcohol. We committed the murders. We took the children from their mothers. We practised discrimination and exclusion.

It was our ignorance and our prejudice. And our failure to imagine these things being done to us. With some noble exceptions, we failed to make the most basic human response and enter into their hearts and minds. We failed to ask—how would I feel if this were done to me?

Mr Keating went on to say:

I think what we need to do is open our hearts a bit.

All of us.
You can see what a wonderful speech it was. And the speech of former Prime Minister Rudd could not have happened without that earlier speech.

We must never, ever again pursue policies of discrimination. We must redouble our efforts to close the gap. Two centuries of white settlement have brought great benefit to this country, and we embrace with pride and respect what we have done, but there has also been heartache. We have caused grief and despair and loss—the loss of language and the loss of loved ones stolen away. There are huge gaps between Aboriginal and non-Aboriginal Australians. There are areas of disadvantage: life expectancy and lifestyle, alcohol and abuse, family violence and foetal alcohol spectrum disorder, education and employment, health and home, and income and incarceration.

It is that last matter, incarceration, that I want to look at for a couple of minutes. The House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs is about to table a report that acknowledges, in the 20 years since the report by the Royal Commission into Aboriginal Deaths in Custody, the shameful history under all governments of our record with respect to the incarceration of Indigenous youth and young adults. Prisoner census data shows that, between 2000 and 2010, the number of Indigenous people incarcerated increased dramatically—Indigenous men by 55 per cent and Indigenous women by 47 per cent. It is a sorry state of affairs and, with Sorry Day just past, it is appropriate to acknowledge this shameful state of affairs and commit ourselves to working in partnership with our Indigenous brothers and sisters to close the gap.

I would like to acknowledge a couple of people who came forward to give evidence on the record in the inquiry. There were so many across about 110 submissions and 17 public hearings, including a roundtable in Redfern which was quite poignant and moving. Shane Phillips, from the Tribal Warrior Association in Sydney, is mentoring young men to be productive and strong leaders in their communities. Duncan Smith actually taught the committee a traditional song from his homeland to take to New Zealand when we engaged with the Maori leaders there. He runs an enterprising dance and culture business here in Canberra. But there are so many other notable people and organisations across the country, including in my home state of Queensland, up in Cape York, and in my electorate as well. People involved in mentoring programs, family support, maternal and child welfare and health services, and, I have to acknowledge, the Aboriginal Grannies—they are groups across our country who work at change at a local level. That is why it is so important—because Indigenous women are 35 times more likely to be hospitalised as a result of spouse or partner violence than non-Indigenous women.

Our inquiry heard some pretty shameful statistics about the rates of detention and incarceration. But we heard some inspirational stories as well: people from Indigenous and non-Indigenous backgrounds who are focusing on the future, yet facing the past and trying to move on. We will focus on prevention and early intervention; we will identify strategies to reduce the alarming detention and incarceration rates across the country. Two statistics are most stark to me—the detention rate for Indigenous juveniles is currently 28 times higher than the rate for non-Indigenous juveniles, and for Indigenous adults of 17 to 24 years of age it is 15 times the rate. What a tragedy.

Our inquiry brought together magistrates, state police, NGOs, academics, social researchers, drug and alcohol counsellors, justice organisations and so many others involved
in diversion and intervention. The problems surrounding juvenile justice, incarceration and alternative strategies to divert people away from incarceration are very complex and longstanding. But we must harness the knowledge and commitment of all of us, particularly those who work in the field, to bring real change and opportunities for the future.

We in the federal Labor government are committed to finding solutions to reverse the trend of increasing numbers of juveniles and young adults of Indigenous background being entrapped in the criminal justice systems across the country. I am thoroughly offended when I hear law and order campaigns perpetrated and perpetuated by political leaders and parties, particularly at a state level, when they want to simply whip up hysteria in their campaign for votes. This has often resulted in more young people and young adults becoming involved in the criminal justice systems in this country.

We are committed to breaking the cycle of Indigenous disadvantage, intergenerational poverty and the cycle of offending and recidivism. We are committed to increasing educational retention and expanding employment opportunities. We need to provide better homes and better health for Indigenous people across the country, to provide accommodation options for Indigenous young people at risk and after release, and to ensure rehabilitation and appropriate health care.

It is very easy to say sorry. I was not planning to make any political points in this speech but when I heard the member for Leichhardt ranting and raving in his criticism of us, and of the Queensland state Labor government, I have to say that the former Prime Minister John Howard never seemed to be able to say he was sorry. Those words never seemed to pass his lips as he floundered and fumbled on Indigenous issues and affairs. I am proud to say that we did, as the first act that we could undertake legislatively, in February 2008, simply say 'sorry'.

The tears, the pain and the anguish we saw that day was mingled with joy and happiness, relief and elation, not just here but back in our schools, our communities, our business places and our homes. That is a start, and only a start, as we tackle these Indigenous issues. It is appropriate we redouble our efforts to ensure that we do close the gap. It is not just rhetoric. It becomes reality.

Ms BRODTMANN (Canberra) (18:59): I rise tonight in support of the Prime Minister's statements on National Sorry Day. In doing so I wish to acknowledge the traditional custodians of the land we are meeting on, the Ngunawal people. I also wish to acknowledge and pay my respects to their continuing culture and the contribution they make to the life of this city, this region and my electorate. The 26th of May is a very important day for Australia and marks the day when we as a country recognise the wrongs that have been committed to our Indigenous people. It is the day that the Bringing them home report was tabled in this parliament, a report that detailed quite clearly what had occurred to the stolen generation and acknowledged the forced separation of Indigenous children from their families. It was a report that caused more than a few tears to be shed, both in this chamber and across Australia, amongst both the Indigenous community and the non-Indigenous community.

National Sorry Day is about more than simply admitting any personal fault. National Sorry Day is about sending a powerful message that you care about and recognise the hurt that has been caused, irrespective of whether or not you were personally responsible for it. It is a very important symbolic gesture and it occurs at the beginning of National Reconciliation Week, a week that recognises two events: the day when 90 per cent of Australians voted in a
referendum to recognise Indigenous Australians as citizens and Mabo Day, which is a day honouring the man who gave a name and a face to the important issue of land rights and recognised the historical and cultural significance this continent has for Indigenous people.

However, it goes beyond just symbolism to have practical and tangible effects on the community. To this end I was very fortunate to be invited to attend a special assembly last Friday to honour National Reconciliation Week at Richardson Primary School in my electorate. Richardson Primary School has students from all backgrounds, from many diverse communities. It is also a school with a very large Indigenous community. I have been fortunate enough to visit Richardson Primary School on a number of occasions and each time I have been impressed by the inclusive community and the real commitment to learning and to developing and growing the students. This shone through particularly well at this special assembly. I was especially impressed with the work the students had put into message sticks they displayed at the assembly. They were quite large message sticks and they each had little motifs on them of particular cultural significance to the students. The sticks honoured the Indigenous culture and history of the people around Canberra and also the people around Australia.

The students worked on these sticks not just as part of a class activity but also during their lunch hours, which shows true commitment to the importance of reconciliation. They were really into them and they were very proud of them afterwards. The students, already at this young age, had understood that this week is about bringing together Indigenous and non-Indigenous people to share our stories and most importantly to understand each other. It is about recognising the importance of those stories and what each of us individually contributes to our country. Our stories are unique and important, whether we are Indigenous or not. It is particularly important to point out the need for language to continue, because language is essentially what keeps cultures alive. So it is very important that we keep the many Indigenous languages throughout Australia alive and being spoken. As soon as the communities stop speaking them, essentially that little part of the community, that culture, dies. It is very important that we not only keep these stories alive but also keep the language that tells them alive. Sorry Day and Reconciliation Week are more than just symbolic. They are also about ensuring that we as a parliament and a country are bridging the gap between Indigenous and non-Indigenous Australians. I would therefore like to use this opportunity to honour the work being done in my electorate by the Winnunga Nimmityjah Aboriginal Health Service. Winnunga Nimmityjah was founded in 1988 and has grown into a significant and important Indigenous health provider. It is located in a mad old 1960s or 1970s building in Narrabundah that I think was gifted to the community by the Whitlam government. I have been very fortunate to have visited Winnunga on a number of occasions. One occasion was with Warren Snowdon and Tom Calma to launch a health day for Indigenous communities throughout Australia.

Winnunga have played a very pivotal role in ensuring Indigenous health in Canberra and the region for many years. In fact, they service not only the community here in Canberra but also around 25 per cent of the region. People come from far and wide to use the services at Winnunga. The services are many and varied. There are dental health services. There are a number of doctors who work there part time, often on a pro bono basis, to help the Indigenous community. They do basic medical checks—such as blood pressure checks and cholesterol
checks—and a whole range of things. They also provide diabetes checks, which are particularly important given the incidence of diabetes in the Indigenous community, and they offer physio services. What I was particularly heartened by was the fact that they also offer infant welfare services. Infant welfare services are not structured in the same way that they used to be when my mother used to take my sisters and me to get our needles and have health checks in the 1960s and 1970s. So it was great to see that these services are there to help new mums, particularly new young mums, with advice on infant welfare and to support the mothers in breastfeeding and on a range of other issues.

Speaking about Winnunga, I would also like to acknowledge Dr Peter Sharp. He worked at Winnunga and I just heard last week that he has been diagnosed with cancer and the diagnosis does not look that good. I just want to acknowledge and honour the work he has done for the Indigenous community in Canberra, particularly at Winnunga. He has dedicated his life to helping to improve the health of the Indigenous community. It was tragic news for everyone in Canberra, particularly the Indigenous community and those at Winnunga, to hear that Dr Sharp was suffering from cancer. We wish him well and we wish him a recovery from the illness. It was a deep blow to hear that news last week.

In closing, I would like to say on behalf of the people in Canberra that, when we said sorry, everyone here was absolutely elated. We were very proud of the fact that a Labor government had done it. I think that Canberrans are deeply committed to improving the health, welfare, education and prosperity of the Indigenous community not only here in Canberra but also throughout Australia. It was a great day for all Canberrans. It is also a great honour to be able to acknowledge that day today and speak during National Reconciliation Week.

Mr ZAPPIA (Makin) (19:08): In speaking to the Prime Minister's statement on National Sorry Day, I begin by acknowledging the traditional owners. I also acknowledge that this week is National Reconciliation Week, as is always the case between 27 May and 3 June. Both dates are significant in our calendar, with 27 May being the date of the 1967 referendum where 90 per cent of Australians voted to give the Commonwealth the power to make laws for Aboriginal and Torres Strait Islanders and to recognise them in the national census and 3 June 1992 being the date the High Court delivered its landmark Mabo decision about Aboriginal land rights. National Sorry Day, as other members have said, occurs each year on 26 May. That is the date on which the Bringing them home report, also known as the stolen generations report, co-authored by the late Sir Ronald Wilson and Mick Dodson, was presented to parliament. I had the privilege of inviting Sir Ronald Wilson to the city of Salisbury when I was the Mayor of Salisbury. As part of our Reconciliation Week events, I invited Sir Ronald Wilson to come and address the local community about his report. In fact, I think it was the first public address he made with respect to it after having presented it to parliament. I well recall him describing the emotions he went through and the feelings he had as he was taking evidence from people from around Australia in the preparation of that report. I know how strongly he felt about the issue and the recommendations that he prepared for the parliament.

The report talked about the forced removal of Indigenous people in this country in the period 1909 to 1969. Of course, we know that forced removal of Indigenous people occurred both before and after those dates. Interestingly there were 777 submissions made and, of those, 500 were confidential. The reason they were confidential was that the people who made submissions did not want to talk openly about their experience. They just felt so emotional.
about it that they were only prepared to make those submissions in confidence to Sir Ronald and those that were with him as part of the inquiry. I remember him making a very strong point about that.

His final report had some 54 recommendations, which included three key ones that I want to briefly touch on: firstly, that funding should be provided to ensure that the stories and the records of those people were in fact compiled; secondly, that reparations should be made with respect to those people that had been forcibly removed as children; and, thirdly, that the Australian government should issue an apology. As we have heard from other speakers, that was done on 13 February 2008 by the then Prime Minister, Kevin Rudd. Again as other speakers have mentioned, I think it was a historic day for this nation. I felt very proud to be a member of this House and of the government that provided that apology. It is certainly one of the memorable events in my time since having been elected to this place.

The Royal Commission into Aboriginal Deaths in Custody was conducted by Justice Elliott Johnston and concluded in 1991. It is notable that 50 per cent of the deaths investigated by the royal commission related to people who had been removed from their homes. That is an interesting correlation between the two reports. Justice Johnston addressed a community forum in my community on that very topic, and I can recall his personal insight into the inquiry that he conducted.

The issues of both Aboriginal deaths in custody and reparations bring me to the issue of legal aid for Indigenous people in this country. Aboriginal legal rights services commenced throughout Australia in the early 1970s. The Aboriginal Legal Rights Movement of South Australia commenced on 21 January 1973. These services were essentially established to provide legal support and advice to Aboriginal people for mainstream legal matters—typical civil and criminal matters—but also to provide legal aid for members of the stolen generations. With respect to the need for legal aid assistance to Indigenous people I want to quote a report entitled Issues of equity and access by Professor Chris Cunneen and Melanie Schwartz. The report says:

The difficulties experienced by Indigenous people in their interactions with the criminal justice system have been well documented and are regularly reported upon through the Review of Government Service Provision (Productivity Commission) process. The extent of over-representation of Indigenous prisoners has deepened since the landmark Royal Commission into Aboriginal Deaths in Custody in 1991, and, as the recent 2007 Overcoming Indigenous Disadvantage Report noted, "Indigenous people's involvement with the criminal justice system continued to deteriorate". Some relevant headline statistics—

and these are critical—

- At 30 June 2006—

and I realise that these dates are now a few years old, but I suspect that little has changed—

Indigenous prisoners represented 24% of the total national prisoner population, the highest proportion since 1996. The actual number of Indigenous prisoners at 30 June 2006 was 6,090—a dramatic increase from 3,275 10 years earlier.

- Between 2002 and 2006, the imprisonment rate for Indigenous women increased by 34% and for Indigenous men by 22%.

- Currently, Indigenous people are 13 times more likely to be imprisoned than non-Indigenous people.
- At 30 June 2005, Indigenous juveniles were 23 times more likely to be detained than non-Indigenous juveniles.
- In 2002, some 16% of Indigenous people reported being arrested at least once in the previous five years.
- The last national police custody survey (2002) showed that Indigenous people comprised 26% of all police custodies in Australia and were 17 times more likely to be held in police custody than non-Indigenous people.
- Deaths in custody still occur at unacceptably high levels. Of the 54 deaths in custody in 2005, some 28% involved Indigenous detainees.

There are other matters within that report that I would love to quote, but time will not allow me tonight.

The point I would make about that is that the need for Aboriginal legal aid is clearly evident when you look at those statistics and the court presentations that would flow from them. The issue in respect of the legal assistance to members of the stolen generations was also highlighted on 1 August 2007 when in the South Australian Supreme Court Justice Thomas Gray awarded $775,000 to a person who had been taken from his family. Regrettably, that person, less than a year later, passed away.

I just want to finish on this point, because I note that the member for Lingiari is here and also wants to make a contribution to this debate before our time expires. Both the CEO of the Aboriginal Legal Rights Movement, Neil Gillespie, and chairperson of that movement, Frank Lampard, have raised with the government their concerns about the adequacy of Indigenous legal aid funding and have also raised the question of responsibility for that funding between the federal government and the states. It seems to be an ongoing issue as to who should be responsible.

They have also highlighted that Aboriginal people will not access mainstream legal aid services for various reasons. Again, I could go into that if I had the time, but I will not. But the fact is that they will not access mainstream legal aid services. The Aboriginal legal rights services around this country are losing experienced lawyers because of the shortfall in funding. These are important matters and, since they are related to the Sorry Day statement that we are debating tonight, I bring them to the government's attention. I am pleased to be able to support the government's statement with those remarks.

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel and Minister for Indigenous Health) (19:18): I thank my colleague who has just spoken for his contribution and all those other people who have involved themselves in this debate before our time expires. Both the CEO of the Aboriginal Legal Rights Movement, Neil Gillespie, and chairperson of that movement, Frank Lampard, have raised with the government their concerns about the adequacy of Indigenous legal aid funding and have also raised the question of responsibility for that funding between the federal government and the states. It seems to be an ongoing issue as to who should be responsible.

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Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel and Minister for Indigenous Health) (19:18): I thank my colleague who has just spoken for his contribution and all those other people who have involved themselves in this debate on National Sorry Day—the members for Hasluck, Moreton, Leichhardt, Griffith, Murray, Blair and Canberra. I firstly acknowledge the Ngunawal traditional owners of this country on which we are meeting. It is my own birthplace, by the way. Ngunawal country is something I must say I did not know a lot about as a kid, but I have learnt a lot about it since.

Last week we celebrated National Sorry Day, a day that meant so much to all Australians. Its significance is recognised each year and the momentum is building to better the lives of members of the stolen generations, their families and their communities. We remember the apology, initiated by the member for Griffith when Prime Minister, to Aboriginal and Torres Strait Islander people. It was delivered on 13 February 2008. In the years that I have been in the parliament, and there have been a lot of them, I cannot think of a prouder day than the day
that we issued that national apology, and I want to thank the member for Griffith for that initiative and for the way in which he delivered what was a very fine speech. I think the sentiments in it epitomised the feelings of all the people in the parliament and I am very pleased to have been there that day. I have many friends from the stolen generations who were also present and I know what it meant to them.

On National Sorry Day last year, the Minister for Families, Housing, Community Services and Indigenous Affairs, Ms Macklin, and I launched the *Stolen generations working partnership*. This seeks to harness the efforts of government and non-government organisations in supporting members of the stolen generations to heal the grief of past practices of forcible removal. While much has already been done towards achieving the priorities outlined in the document, there is still much to do.

The Australian government acknowledges the importance of ongoing advocacy of the stolen generations. Part of demonstrating this is the acknowledgement of the recently released National Sorry Day Committee scorecard. The scorecard is a measure of progress in the first 12 months of operation of the *Stolen generations working partnership*. I am pleased to commit to ongoing dialogue with the stolen generations. We welcome their engagement in the planning and implementation of future activities. I know a lot of people who are members of the stolen generations and their families. Their stories, as we all know from what was said in the parliament the day that the Prime Minister gave the apology, are heart wrenching. People were taken away from their parents. In the case of people from Central Australia, many were taken to Croker Island, off the coast of the Northern Territory, never to return. Or they were taken to other places, Bathurst and Melville Island and other parts of the Northern Territory, never to return. When they have returned in later years as adults, often their parents are no longer there, and the sadness of that and what it means for all families should be obvious to all of us.

The 2011-12 budget recognises that members of the stolen generations need ongoing support for their journey of healing. The government announced the expanded investment of $54.4 million over five years to continue counselling, family tracing and reunion services for members of the stolen generations, currently provided under the Bringing Them Home and Link Up programs. In addition, the national mental health reform package provides expanded access to allied psychological services with a particular focus on Aboriginal and Torres Strait Islander people. Some $10 million will go towards Aboriginal and Torres Strait Islander specific suicide prevention and mental health services under the ATAPS program over the next five years. The expansion of this program will involve funding of support services to 18,000 Aboriginal and Torres Strait Islander people.

Sorry Day is a national day of commemoration and remembrance in the Australian calendar. We recognise and acknowledge the stolen generations and all that they have endured as a result of the forced removal policies of the past. We will continue to work together to improve on Aboriginal and Torres Strait Islander disadvantage. As the Minister for Indigenous Health, I have great pleasure in talking to Aboriginal people across this country on a regular basis about how we can empower them to have greater control over their lives—in this case, through the delivery of health services. We fund nationally around 152 community controlled health organisations, and they are very fine examples of comprehensive primary health care being delivered for and by Aboriginal community controlled organisations. They
have much to be proud of. But there is more to do; there is a great deal more to do. My friend here has just spoken about legal aid and the number of Aboriginal and Torres Strait Islander people that are before the courts and in the jail system and the number of Aboriginal and Torres Strait Islander people who do not get a good education and who are worried about what their next meal might be. They are the things we need to think about in this country. We need to understand that the original inhabitants, the longest-surviving culture on this planet, deserve a great deal better than they have. We need to be working with them. I say to those members of the stolen generations who have been the subject of these silly policies of the past that it is a sad indictment of the policymakers of the era that they were ever put in place in the first instance. The national apology, I hope, has helped heal some of the hurt. It will never replace family relationships. As a parent, I cannot imagine what it must feel like to have a child taken away. So I am very pleased to be able to contribute to this debate, although, as I have said on an earlier occasion today, this is not a debate; this is speaking to a motion across the parliament, and it is good to see the cross-party support the motion has been given.

Debate adjourned.

BUSINESS

Mr ZAPPIA: I move:

That further proceedings on orders of the day Nos 17, 19 and 21, private Members’ business, be conducted in the House.

Question agreed to.

Main Committee adjourned at 19:27
QUESTIONS IN WRITING

Advisory Group on Reform
(Question No. 177)

Mr Fletcher asked the Minister representing the Minister for Finance and Deregulation, in writing, on 9 February 2011:

In respect of the Advisory Group on Reform of Australian Government Administration’s report Ahead of the game: Blueprint for the reform of Australian Government administration (March 2010, page 44), has recommendation 3.3 ‘Improve policy implementation’ been implemented; if so, what measures have been taken in this area to prevent a repeat of the policy implementation problems experienced with the Home Insulation Program, the Green Loans Program and the Building the Education Revolution program.

Mr Swan: The Minister for Finance and Deregulation has supplied the following answer to the honourable member’s question:

The government has previously announced a remediation process relating to the Home Insulation Program and the Green Loans Program is not proceeding. The Building the Education Revolution program is delivering vital infrastructure to school communities on an unprecedented scale.

With regard to the wider reform agenda, I refer the member to my speech to the Commonwealth Authorities and Companies Discussion Forum, “Better Government”, at the National Portrait Gallery in Canberra on Wednesday 8 December 2010.

Ministers: Staff, Capital Works and Acquisitions
(Question No. 248)

Mr Briggs asked the Minister representing the Minister for Finance and Deregulation, in writing, on 3 March 2011:

(1) How many personal staff are employed by the Minister.

(2) What is the (a) total cost, and (b) breakdown of costs, of all capital works and acquisitions in the Minister's private office since 3 December 2007.

Mr Swan: The Minister for Finance and Deregulation has supplied the following answer to the honourable member’s question:

(1) The employment of staff under the Members of Parliament (Staff) Act 1984 is administered by the Department of Finance and Deregulation (Finance). On 22 February 2011, the Department tabled with the Senate Finance and Administration Committee, a list of Government Personal Staff Positions as at 1 February 2011.

(2) The cost of capital works and acquisitions for ministers’ offices is shared by the Department of Parliamentary Services (DPS), Finance and home departments in line with Appendix 2 of Supporting Ministers, Upholding the Values.

The Special Minister of State will accordingly respond on behalf of all ministers in respect of costs incurred by DPS and Finance.

I am advised that the cost incurred by the Finance home department area is:

(a) $17,893.92
(b) Capital Works—$3,247.40; Acquisitions—$14,646.52
The Minister for Finance and Deregulation was appointed on 14 September 2010. As such, no data is provided for the period prior to this date.