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SITTING DAYS—2013

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>4, 5, 6, 7, 11, 12, 13, 14</td>
</tr>
<tr>
<td>March</td>
<td>12, 13, 14, 18, 19, 20, 21</td>
</tr>
<tr>
<td>May</td>
<td>14, 15, 16, 27, 28, 29, 30</td>
</tr>
<tr>
<td>June</td>
<td>3, 4, 5, 6, 17, 18, 19, 20, 24, 25, 26, 27</td>
</tr>
<tr>
<td>August</td>
<td>20, 21, 22, 26, 27, 28, 29</td>
</tr>
<tr>
<td>September</td>
<td>9, 10, 11, 12</td>
</tr>
<tr>
<td>October</td>
<td>1, 2, 3, 21, 22, 23, 24, 28, 29, 30, 31</td>
</tr>
<tr>
<td>November</td>
<td>18, 19, 20, 21, 25, 26, 27, 28</td>
</tr>
</tbody>
</table>

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FORTY-THIRD PARLIAMENT
FIRST SESSION—NINTH PERIOD

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

House of Representatives Office holders
Speaker—Ms Anna Elizabeth Burke MP
Deputy Speaker—Hon. Bruce Craig Scott MP
Second Deputy Speaker—Mr Steven Georganas MP
Members of the Speaker's Panel—Hon. Dick Godfrey Harry Adams MP, Mr Darren Cheeseman MP, MP, Ms Sharon Joy Grierson MP,
Dr Andrew Keith Leigh MP, Ms Kirsten Fiona Livermore MP,
Mr Geoffrey Raymond Lyons MP, Mr Robert George Mitchell MP, Mr John Paul Murphy MP,
Mr Robert James Murray Oakeshott MP, Ms Deborah Mary O'Neill MP,
Ms Amanda Louise Rishworth MP, Mr Michael Stuart Symon MP,
Ms Maria Vamvakinou MP, Mr Anthony Harold Curties Windsor 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 Ed Husic 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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## Members of the House of Representatives

<table>
<thead>
<tr>
<th>Members</th>
<th>Division</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abbott, Hon. Anthony John</td>
<td>Warringah, NSW</td>
<td>LP</td>
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<tr>
<td>Adams, Hon. Dick Godfrey Harry</td>
<td>Lyons, TAS</td>
<td>ALP</td>
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<td>Albanese, Hon. Anthony Norman</td>
<td>Grayndler, NSW</td>
<td>ALP</td>
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<td>Alexander, John Gilbert</td>
<td>Bennelong, NSW</td>
<td>LP</td>
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<tr>
<td>Andrews, Hon. Kevin James</td>
<td>Menzies, VIC</td>
<td>LP</td>
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<td>Andrews, Karen Lesley</td>
<td>McPherson, QLD</td>
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<td>Baldwin, Hon. Robert Charles</td>
<td>Paterson, NSW</td>
<td>LP</td>
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<td>Bandt, Adam Paul</td>
<td>Melbourne, VIC</td>
<td>AG</td>
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<td>Billson, Hon. Bruce Fredrick</td>
<td>Dunkley, VIC</td>
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<td>Bird, Sharon Leah</td>
<td>Cunningham, NSW</td>
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<td>Mackellar, NSW</td>
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<td>LP</td>
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<td>McMahon, NSW</td>
<td>ALP</td>
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<td>Lindsay, NSW</td>
<td>ALP</td>
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<td>Briggs, Jamie Edward</td>
<td>Mayo, SA</td>
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<td>McMillan, VIC</td>
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<td>Canberra, ACT</td>
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<td>Wright, QLD</td>
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<td>Watson, NSW</td>
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<td>Gippsland, VIC</td>
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<td>Dawson, QLD</td>
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<td>Clare, Hon. Jason Dean</td>
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<td>Collins, Hon. Julie Maree</td>
<td>Franklin, TAS</td>
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<td>Combet, Hon. Greg Ivan, AM</td>
<td>Charlton, NSW</td>
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<td>Parkes, NSW</td>
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<td>Crean, Hon. Simon Findlay</td>
<td>Hotham, VIC</td>
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<td>Crook, Anthony John</td>
<td>O'Connor, WA</td>
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<td>Melbourne Ports, VIC</td>
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<td>D'Ath, Yvette Maree</td>
<td>Petrie, QLD</td>
<td>ALP</td>
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<td>Isaacs, VIC</td>
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<td>Dutton, Hon. Peter Craig</td>
<td>Dickson, QLD</td>
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<td>Elliot, Hon. Maria Justine</td>
<td>Richmond, NSW</td>
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<td>Ellis, Hon. Katherine Margaret</td>
<td>Adelaide, SA</td>
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<td>Emerson, Hon. Craig Anthony</td>
<td>Rankin, QLD</td>
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<td>Entsch, Warren George</td>
<td>Leichhardt, QLD</td>
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<td>Werriwa, NSW</td>
<td>ALP</td>
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<td>Batman, VIC</td>
<td>ALP</td>
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<td>Fitzgibbon, Hon. Joel Andrew</td>
<td>Hunter, NSW</td>
<td>ALP</td>
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<td>Fletcher, Paul William</td>
<td>Bradfield, NSW</td>
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<td>Mallee, VIC</td>
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<td>Kooyong, VIC</td>
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</tr>
<tr>
<td>Members</td>
<td>Division</td>
<td>Party</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-----------------------</td>
<td>-------</td>
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<td>Gambaro, Hon. Teresa</td>
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<td>Kingsford Smith, NSW</td>
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<td>Gash, Joanna</td>
<td>Gilmore, NSW</td>
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<td>Georganas, Steve</td>
<td>Hindmarsh, SA</td>
<td>ALP</td>
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<td>Gibbons, Stephen William</td>
<td>Bendigo, VIC</td>
<td>ALP</td>
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<td>Lalor, VIC</td>
<td>ALP</td>
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<td>Gray, Hon. Gary, AO</td>
<td>Brand, WA</td>
<td>ALP</td>
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<td>Grierson, Sharon Joy</td>
<td>Newcastle, NSW</td>
<td>ALP</td>
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<td>Bruce, VIC</td>
<td>ALP</td>
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<td>Griggs, Natasha Louise</td>
<td>Solomon, NT</td>
<td>CLP</td>
</tr>
<tr>
<td>Haase, Barry Wayne</td>
<td>Durack, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Hall, Jill</td>
<td>Shortland, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Hartsuyker, Luke</td>
<td>Cowper, NSW</td>
<td>Nats</td>
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<tr>
<td>Hawke, Alexander George</td>
<td>Mitchell, NSW</td>
<td>LP</td>
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<tr>
<td>Hayes, Christopher Patrick</td>
<td>Fowler, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Hockey, Hon. Joseph Benedict</td>
<td>North Sydney, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Hunt, Hon. Gregory Andrew</td>
<td>Flinders, VIC</td>
<td>LP</td>
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<tr>
<td>Husic, Edham Nurredin</td>
<td>Chifley, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Irons, Stephen James</td>
<td>Swan, WA</td>
<td>LP</td>
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<tr>
<td>Jenkins, Harry Alfred</td>
<td>Scullin, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Jensen, Dennis Geoffrey</td>
<td>Tangleys, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Jones, Stephen Patrick</td>
<td>Throsby, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Jones, Ewen Thomas</td>
<td>Herbert, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Katter, Hon. Robert Carl</td>
<td>Kennedy, QLD</td>
<td>Ind</td>
</tr>
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<td>Keenan, Michael Fayat</td>
<td>Stirling, WA</td>
<td>LP</td>
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<td>Kelly, Hon. Michael Joseph, AM</td>
<td>Eden-Monaro, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Kelly, Craig</td>
<td>Hughes, NSW</td>
<td>LP</td>
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<tr>
<td>King, Hon. Catherine Fiona</td>
<td>Ballarat, VIC</td>
<td>ALP</td>
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<td>Laming, Andrew Charles</td>
<td>Bowman, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Leigh, Andrew Keith</td>
<td>Fraser, ACT</td>
<td>ALP</td>
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<tr>
<td>Ley, Hon. Sussan Penelope</td>
<td>Farrer, NSW</td>
<td>LP</td>
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<td>Livermore, Kirsten Fiona</td>
<td>Capricornia, QLD</td>
<td>ALP</td>
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<tr>
<td>Lyons, Geoffrey Raymond</td>
<td>Bass, TAS</td>
<td>ALP</td>
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<td>McClelland, Hon. Robert Bruce</td>
<td>Barton, NSW</td>
<td>ALP</td>
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<tr>
<td>Macfarlane, Hon. Ian Elgin</td>
<td>Groom, QLD</td>
<td>LP</td>
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<td>Jagajaga, VIC</td>
<td>ALP</td>
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<tr>
<td>Marino, Nola Bethwyn</td>
<td>Forrest, WA</td>
<td>LP</td>
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<td>Markus, Louise Elizabeth</td>
<td>Macquarie, NSW</td>
<td>LP</td>
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<td>Corio, VIC</td>
<td>ALP</td>
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<td>Macarthur, NSW</td>
<td>LP</td>
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<td>Nats</td>
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<tr>
<td>Melham, Daryl</td>
<td>Banks, NSW</td>
<td>ALP</td>
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<td>Indi, VIC</td>
<td>LP</td>
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<td>McEwen, VIC</td>
<td>ALP</td>
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<tr>
<td>Morrison, Scott John</td>
<td>Cook, NSW</td>
<td>LP</td>
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<tr>
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<td>Pearce, WA</td>
<td>LP</td>
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<td>Reid, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Neumann, Shayne Kenneth</td>
<td>Blair, QLD</td>
<td>ALP</td>
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<tr>
<td>Members</td>
<td>Division</td>
<td>Party</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>---------------</td>
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<td>Lyne, NSW</td>
<td>Ind</td>
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<td>O'Conner, Hon. Brendan Patrick</td>
<td>Gorton, VIC</td>
<td>ALP</td>
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<tr>
<td>O'Dowd, Kenneth Desmond</td>
<td>Flynn, QLD</td>
<td>Nats</td>
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<td>Higgins, VIC</td>
<td>LP</td>
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<tr>
<td>O'Neil, Deborah Mary</td>
<td>Robertson, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Owens, Julie Ann</td>
<td>Parramatta, NSW</td>
<td>ALP</td>
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<tr>
<td>Parke, Melissa</td>
<td>Fremantle, WA</td>
<td>ALP</td>
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<tr>
<td>Perrett, Graham Douglas</td>
<td>Moreton, QLD</td>
<td>ALP</td>
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<td>Sydney, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Prentice, Jane</td>
<td>Ryan, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Pyne, Hon. Christopher Maurice</td>
<td>Sturt, SA</td>
<td>LP</td>
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<tr>
<td>Ramsey, Rowan Eric</td>
<td>Grey, SA</td>
<td>LP</td>
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<tr>
<td>Randall, Don James</td>
<td>Canning, WA</td>
<td>LP</td>
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<tr>
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<td>Kingston, SA</td>
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<td>Goldstein, VIC</td>
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<td>ALP</td>
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<td>Gellibrand, VIC</td>
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<td>Longman, QLD</td>
<td>LP</td>
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<td>Griffith, QLD</td>
<td>ALP</td>
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<td>Ruddock, Hon. Philip Maxwell</td>
<td>Berowra, NSW</td>
<td>LP</td>
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<td>Saffin, Janelle Anne</td>
<td>Page, NSW</td>
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<td>Schultz, Albert John</td>
<td>Hume, NSW</td>
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<td>Murray, VIC</td>
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<td>ALP</td>
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<td>Van Manen, Albertus Johannes</td>
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<td>LP</td>
</tr>
</tbody>
</table>
Members of the House of Representatives

<table>
<thead>
<tr>
<th>Members</th>
<th>Division</th>
<th>Party</th>
</tr>
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<tbody>
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<tr>
<td>Zappia, Tony</td>
<td>Makin, SA</td>
<td>ALP</td>
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</tbody>
</table>

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—C Mills
Parliamentary Budget Officer—P Bowen
<table>
<thead>
<tr>
<th>Title</th>
<th>Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Prime Minister</strong></td>
<td>The Hon Julia Gillard MP</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister on Digital Productivity</td>
<td>Senator the Hon Stephen Conroy</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister on Asian Century Policy</td>
<td>The Hon Dr Craig Emerson MP</td>
</tr>
<tr>
<td><strong>Minister for Social Inclusion</strong></td>
<td>The Hon Mark Butler MP</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister on Mental Health Reform</td>
<td>The Hon Mark Butler MP</td>
</tr>
<tr>
<td><strong>Minister for the Public Service and Integrity</strong></td>
<td>The Hon Mark Dreyfus QC MP</td>
</tr>
<tr>
<td><strong>Cabinet Secretary</strong></td>
<td>The Hon Jason Clare MP</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister on the Centenary of ANZAC</td>
<td>The Hon Warren Snowdon MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon Dr Andrew Leigh MP</td>
</tr>
<tr>
<td><strong>Treasurer</strong></td>
<td>The Hon Wayne Swan MP</td>
</tr>
<tr>
<td>(Deputy Prime Minister)</td>
<td></td>
</tr>
<tr>
<td><strong>Minister for Financial Services and Superannuation</strong></td>
<td>The Hon Bill Shorten MP</td>
</tr>
<tr>
<td>Assistant Treasurer</td>
<td>The Hon David Bradbury MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Treasurer</td>
<td>The Hon Bernie Ripoll MP</td>
</tr>
<tr>
<td><strong>Minister for Broadband, Communications and the Digital Economy</strong></td>
<td>Senator the Hon Stephen Conroy</td>
</tr>
<tr>
<td>(Leader of the Government in the Senate)</td>
<td></td>
</tr>
<tr>
<td><strong>Minister for Finance and Deregulation</strong></td>
<td>The Hon Mark Dreyfus QC MP</td>
</tr>
<tr>
<td>(Deputy Leader of the Government in the Senate)</td>
<td>The Hon David Bradbury MP</td>
</tr>
<tr>
<td><strong>Special Minister of State</strong></td>
<td>The Hon Mark Dreyfus QC MP</td>
</tr>
<tr>
<td>Minister Assisting for Deregulation</td>
<td>The Hon David Bradbury MP</td>
</tr>
<tr>
<td><strong>Minister for Defence</strong></td>
<td>The Hon Stephen Smith MP</td>
</tr>
<tr>
<td>(Deputy Leader of the House)</td>
<td></td>
</tr>
<tr>
<td>Minister for Veterans' Affairs</td>
<td>The Hon Warren Snowdon MP</td>
</tr>
<tr>
<td>Minister for Defence Science and Personnel</td>
<td>The Hon Warren Snowdon MP</td>
</tr>
<tr>
<td>Minister for Defence Materiel</td>
<td>The Hon Dr Mike Kelly AM MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Defence</td>
<td>Senator the Hon David Feeney</td>
</tr>
<tr>
<td><strong>Minister for Infrastructure and Transport</strong></td>
<td>The Hon Anthony Albanese MP</td>
</tr>
<tr>
<td>(Leader of the House)</td>
<td></td>
</tr>
<tr>
<td>Minister for Road Safety</td>
<td>The Hon Catherine King MP</td>
</tr>
<tr>
<td><strong>Minister for Regional Development and Local Government</strong></td>
<td>The Hon Anthony Albanese MP</td>
</tr>
<tr>
<td><strong>Minister for the Arts</strong></td>
<td>The Hon Tony Burke MP</td>
</tr>
<tr>
<td><strong>Minister for Sport</strong></td>
<td>Senator the Hon Kate Lundy</td>
</tr>
<tr>
<td><strong>Minister for Regional Services, Local Communities and Territories</strong></td>
<td>The Hon Catherine King MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for the Arts</td>
<td>The Hon Michael Danby MP</td>
</tr>
<tr>
<td><strong>Minister for Families, Community Services and Indigenous Affairs</strong></td>
<td>The Hon Jenny Macklin MP</td>
</tr>
<tr>
<td><strong>Minister for Disability Reform</strong></td>
<td>The Hon Jenny Macklin MP</td>
</tr>
<tr>
<td><strong>Minister for Housing and Homelessness</strong></td>
<td>The Hon Mark Butler MP</td>
</tr>
<tr>
<td><strong>Minister for Community Services</strong></td>
<td>The Hon Julie Collins MP</td>
</tr>
<tr>
<td><strong>Minister for the Status of Women</strong></td>
<td>The Hon Julie Collins MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Homelessness and Social Housing</td>
<td>The Hon Melissa Parke MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Disabilities and Carers</td>
<td>The Hon Amanda Rishworth MP</td>
</tr>
<tr>
<td><strong>Minister for Foreign Affairs</strong></td>
<td>Senator the Hon Bob Carr</td>
</tr>
<tr>
<td><strong>Minister for Trade and Competitiveness</strong></td>
<td>The Hon Dr Craig Emerson MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Trade</td>
<td>The Hon Kelvin Thomson MP</td>
</tr>
<tr>
<td>Title</td>
<td>Minister</td>
</tr>
<tr>
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</tr>
<tr>
<td>Parliamentary Secretary for Pacific Island Affairs</td>
<td>Senator the Hon Matt Thistlethwaite</td>
</tr>
<tr>
<td>Minister for Sustainability, Environment, Water, Population and Communities</td>
<td>The Hon Tony Burke MP</td>
</tr>
<tr>
<td>(Vice-President of the Executive Council)</td>
<td></td>
</tr>
<tr>
<td>Parliamentary Secretary for Sustainability and Urban Water</td>
<td>The Hon Amanda Rishworth MP</td>
</tr>
<tr>
<td>Minister for School Education, Early Childhood and Youth</td>
<td>The Hon Peter Garrett AM MP</td>
</tr>
<tr>
<td>Minister for Employment and Workplace Relations</td>
<td>The Hon Bill Shorten MP</td>
</tr>
<tr>
<td>Minister for Early Childhood and Childcare</td>
<td>The Hon Kate Ellis MP</td>
</tr>
<tr>
<td>Minister for Employment Participation</td>
<td>The Hon Kate Ellis MP</td>
</tr>
<tr>
<td>Minister for Indigenous Employment and Economic Development Relations</td>
<td>The Hon Julie Collins MP</td>
</tr>
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<td>(Manager of Government Business in the Senate)</td>
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<td>Minister for Agriculture, Fisheries and Forestry</td>
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</tr>
<tr>
<td>Parliamentary Secretary for Agriculture, Fisheries and Forestry</td>
<td>The Sid Sidebottom MP</td>
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<td>Minister for Tertiary Education, Skills, Science and Research</td>
<td>The Hon Dr Craig Emerson MP</td>
</tr>
<tr>
<td>Minister for Climate Change, Industry and Innovation</td>
<td>The Hon Greg Combet AM MP</td>
</tr>
<tr>
<td>Minister for Small Business</td>
<td>The Hon Gary Gray AO MP</td>
</tr>
<tr>
<td>Minister Assisting for Industry and Innovation</td>
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<tr>
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<td></td>
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<tr>
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<td>The Hon Sharon Bird MP</td>
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<tr>
<td>Parliamentary Secretary for Small Business</td>
<td>The Hon Bernie Ripoll MP</td>
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<td>The Hon Yvette D'Ath MP</td>
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<tr>
<td>Minister for Health</td>
<td>The Tanya Plibersek MP</td>
</tr>
<tr>
<td>Minister for Mental Health and Ageing</td>
<td>The Mark Butler MP</td>
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<tr>
<td>Minister for Indigenous Health</td>
<td>The Warren Snowdon MP</td>
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<td>Minister Assisting on Queensland Floods Recovery</td>
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<td>Minister for Justice</td>
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<td>Parliamentary Secretary to the Attorney-General</td>
<td>The Shayne Neumann MP</td>
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<td>The Gary Gray AO MP</td>
</tr>
<tr>
<td>Minister for Tourism</td>
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<tr>
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</tr>
<tr>
<td>Minister for Human Services</td>
<td>Senator the Hon Jan McLucas</td>
</tr>
</tbody>
</table>

Each box represents a portfolio. **Cabinet Ministers are shown in bold type.** As a general rule, there is one department in each portfolio. However, there is a Department of Veterans' Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases.
<table>
<thead>
<tr>
<th>Title</th>
<th>Shadow Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Leader of the Opposition</strong></td>
<td>The Hon Tony Abbott MP</td>
</tr>
<tr>
<td><em>Shadow Parliamentary Secretary Assisting the Leader of the Opposition</em></td>
<td>Senator Arthur Sinodinos</td>
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<tr>
<td><strong>Shadow Minister for Foreign Affairs</strong></td>
<td>The Hon Julie Bishop MP</td>
</tr>
<tr>
<td><strong>Shadow Minister for Trade</strong></td>
<td>The Hon Julie Bishop MP</td>
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<tr>
<td>(Deputy Leader of the Opposition)</td>
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<tr>
<td><em>Shadow Parliamentary Secretary for International Development Assistance</em></td>
<td>The Hon Teresa Gambaro MP</td>
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<tr>
<td><strong>Shadow Minister for Infrastructure and Transport</strong></td>
<td>The Hon Warren Truss MP</td>
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<tr>
<td>(Leader of The Nationals)</td>
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<tr>
<td><em>Shadow Parliamentary Secretary for Roads and Regional Transport</em></td>
<td>Mr Darren Chester MP</td>
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<tr>
<td><strong>Shadow Minister for Employment and Workplace Relations</strong></td>
<td>Senator the Hon Eric Abetz</td>
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<tr>
<td><strong>Shadow Attorney-General</strong></td>
<td>Senator the Hon George Brandis SC</td>
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<tr>
<td><strong>Shadow Minister for Justice, Customs and Border Protection</strong></td>
<td>Mr Michael Keenan MP</td>
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<td><em>Shadow Parliamentary Secretary to the Shadow Attorney-General</em></td>
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<td>Shadow Assistant Treasurer and Shadow Minister for Financial Services and Superannuation</td>
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<td>The Hon Tony Smith MP</td>
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<td>(Deputy Chairman, Coalition Policy Development Committee)</td>
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<tr>
<td><strong>Shadow Minister for Education, Apprenticeships and Training</strong></td>
<td>The Hon Christopher Pyne MP</td>
</tr>
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<td>(Manager of Opposition Business in the House)</td>
<td></td>
</tr>
<tr>
<td><strong>Shadow Minister for Childcare and Early Childhood Learning</strong></td>
<td>The Hon Sussan Ley MP</td>
</tr>
<tr>
<td>Shadow Minister for Universities and Research</td>
<td>Senator the Hon Brett Mason</td>
</tr>
<tr>
<td><strong>Shadow Minister for Youth and Sport</strong></td>
<td>Mr Luke Hartsuyker MP</td>
</tr>
<tr>
<td>(Deputy Manager of Opposition Business in the House)</td>
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<tr>
<td><em>Shadow Parliamentary Secretary for Regional Education</em></td>
<td>Senator Fiona Nash</td>
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<tr>
<td><strong>Shadow Minister for Indigenous Affairs</strong></td>
<td>Senator the Hon Nigel Scullion</td>
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<tr>
<td>(Deputy Leader of the Nationals)</td>
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<tr>
<td><strong>Shadow Minister for Indigenous Development and Employment</strong></td>
<td>Senator Marise Payne</td>
</tr>
<tr>
<td><strong>Shadow Minister for Regional Development, Local Government and Water</strong></td>
<td>Senator Barnaby Joyce</td>
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<tr>
<td>(Leader of the Nationals in the Senate)</td>
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</tr>
<tr>
<td><strong>Shadow Minister for Regional Development</strong></td>
<td>The Hon Bob Baldwin MP</td>
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<td></td>
</tr>
<tr>
<td><em>Shadow Parliamentary Secretary for Northern and Remote Australia</em></td>
<td>Senator the Hon Ian Macdonald</td>
</tr>
</tbody>
</table>
Title

Shadow Parliamentary Secretary for Local Government
Mr Don Randall MP

Shadow Parliamentary Secretary for the Murray-Darling Basin
Senator Simon Birmingham

Shadow Minister for Finance, Deregulation and Debt Reduction
The Hon Andrew Robb AO MP
(Chairman, Coalition Policy Development Committee)

Shadow Special Minister of State
The Hon Bronwyn Bishop MP

Shadow Minister for COAG
Senator Marise Payne
(Chairman, Scrutiny of Government Waste Committee)

Shadow Minister for Energy and Resources
The Hon Ian Macfarlane MP

Shadow Minister for Tourism
The Hon Bob Baldwin MP

Shadow Minister for Defence
Senator the Hon David Johnston

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 the Hon Michael Ronaldson

Shadow Parliamentary Secretary for Defence Materiel
Senator Gary Humphries

Shadow Parliamentary Secretary for the Defence Force and Defence Support
Senator the Hon Ian Macdonald

Shadow Minister for Communications and Broadband
The Hon Malcolm Turnbull MP

Shadow Minister for Regional Communications
Mr Luke Hartsuyker MP

Shadow Minister for Health and Ageing
The Hon Peter Dutton MP

Shadow Minister for Ageing
Senator Concetta Fieravanti-Wells

Shadow Minister for Mental Health

Shadow Parliamentary Secretary for Primary Healthcare
Dr Andrew Southcott MP

Shadow Parliamentary Secretary for Regional Health Services and Indigenous Health
Dr Andrew Laming MP

Shadow Minister for Families, Housing and Human Services
The Hon Kevin Andrews MP

Shadow Minister for Seniors
The Hon Bronwyn Bishop MP

Shadow Minister for Disabilities, Carers and the Voluntary Sector
Senator Mitch Fifield
(Manager of Opposition Business in the Senate)

Shadow Minister for Housing
Senator Marise Payne

Shadow Parliamentary Secretary for Supporting Families
Mr Jamie Briggs

Shadow Parliamentary Secretary for the Status of Women
Senator Michaelia Cash

Shadow Minister for Climate Action, Environment and Heritage
The Hon Greg Hunt MP

Shadow Parliamentary Secretary for Environment
Senator Simon Birmingham

Shadow Minister for Productivity and Population
Mr Scott Morrison MP

Shadow Minister for Immigration and Citizenship
The Hon Teresa Gambaro MP

Shadow Parliamentary Secretary for Citizenship and Settlement
Senator Michaelia Cash

Shadow Parliamentary Secretary for Immigration

Shadow Minister for Innovation, Industry and Science
Mrs Sophie Mirabella MP

Shadow Parliamentary Secretary for Innovation, Industry, and Science
Senator the Hon Richard Colbeck
<table>
<thead>
<tr>
<th>Title</th>
<th>Shadow Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shadow Minister for Agriculture and Food Security</td>
<td>The Hon John Cobb MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Fisheries and Forestry</td>
<td>Senator the Hon Richard Colbeck</td>
</tr>
<tr>
<td>Shadow Minister for Small Business, Competition Policy and Consumer Affairs</td>
<td>The Hon Bruce Billson MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Small Business and Fair Competition</td>
<td>Senator Scott Ryan</td>
</tr>
</tbody>
</table>
## CONTENTS

### TUESDAY, 14 MAY 2013

**Chamber**

**BUSINESS**
- Suspension of Standing and Sessional Orders .......................................................... 3039
- Rearrangement ................................................................................................................ 3039

**PERSONAL EXPLANATIONS** .......................................................................................... 3039

**BILLS**
- Aged Care (Living Longer Living Better) Bill 2013—
- Australian Aged Care Quality Agency Bill 2013—
- Australian Aged Care Quality Agency (Transitional Provisions) Bill 2013—
- Aged Care (Bond Security) Amendment Bill 2013—
- Aged Care (Bond Security) Levy Amendment Bill 2013—
- Second Reading.............................................................................................................. 3039
- Aboriginal Land Rights and Other Legislation Amendment Bill 2013—
- Aviation Transport Security Amendment (Inbound Cargo Security Enhancement) Bill 2013—
- Court Security Bill 2013—
- Court Security (Consequential Amendments) Bill 2013—
- Customs Tariff Amendment (Incorporation of Proposals) Bill 2013—
- National Measurement Amendment Bill 2013—
- Veterans' Affairs Legislation Amendment (Military Compensation Review and Other Measures) Bill 2013—
- Reference to Federation Chamber .................................................................................. 3064

**COMMITTEES**
- Membership...................................................................................................................... 3064

**BILLS**
- Aged Care (Living Longer Living Better) Bill 2013—
- Australian Aged Care Quality Agency Bill 2013—
- Australian Aged Care Quality Agency (Transitional Provisions) Bill 2013—
- Aged Care (Bond Security) Amendment Bill 2013—
- Aged Care (Bond Security) Levy Amendment Bill 2013—
- Second Reading.............................................................................................................. 3065

**CONDOLENCES**
- Oldmeadow, Mr Maxwell Wilkinson, OAM—
- Wilson, Hon. Ian Bonython Cameron, AM—
- Reference to Federation Chamber .................................................................................. 3070
- Thatcher, Baroness Margaret............................................................................................ 3070

**STATEMENT BY THE SPEAKER**
- Budget and Budget Reply ............................................................................................... 3071

**MINISTERIAL ARRANGEMENTS** .................................................................................. 3071

**QUESTIONS WITHOUT NOTICE**
- Budget............................................................................................................................ 3075
- Budget............................................................................................................................ 3075
- Budget............................................................................................................................ 3076
## CONTENTS—continued

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>3077</td>
</tr>
<tr>
<td>Budget</td>
<td>3079</td>
</tr>
<tr>
<td>Bruce Highway</td>
<td>3080</td>
</tr>
<tr>
<td>Workplace Relations</td>
<td>3081</td>
</tr>
<tr>
<td>Budget</td>
<td>3081</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>3082</td>
</tr>
<tr>
<td>Budget</td>
<td>3083</td>
</tr>
<tr>
<td>Defence</td>
<td>3084</td>
</tr>
<tr>
<td>Economy</td>
<td>3085</td>
</tr>
<tr>
<td>Local Government</td>
<td>3086</td>
</tr>
<tr>
<td>Budget</td>
<td>3087</td>
</tr>
<tr>
<td>Tasmanian Economy</td>
<td>3088</td>
</tr>
<tr>
<td><strong>DOCUMENTS</strong></td>
<td></td>
</tr>
<tr>
<td>Presentation</td>
<td>3089</td>
</tr>
<tr>
<td><strong>AUDITOR-GENERAL'S REPORTS</strong></td>
<td></td>
</tr>
<tr>
<td>Reports Nos 27 to 34 of 2012-13</td>
<td>3090</td>
</tr>
<tr>
<td><strong>PARLIAMENTARY OFFICE HOLDERS</strong></td>
<td></td>
</tr>
<tr>
<td>Speaker's Panel</td>
<td>3090</td>
</tr>
<tr>
<td><strong>DOCUMENTS</strong></td>
<td></td>
</tr>
<tr>
<td>Presentation</td>
<td>3091</td>
</tr>
<tr>
<td>Law Making Powers of the Houses</td>
<td>3091</td>
</tr>
<tr>
<td><strong>MATTERS OF PUBLIC IMPORTANCE</strong></td>
<td></td>
</tr>
<tr>
<td>Border Protection</td>
<td>3091</td>
</tr>
<tr>
<td><strong>BILLS</strong></td>
<td></td>
</tr>
<tr>
<td>Offshore Petroleum and Greenhouse Gas Storage Amendment (Compliance</td>
<td></td>
</tr>
<tr>
<td>Measures No. 2) Bill 2013—</td>
<td></td>
</tr>
<tr>
<td>Reference to Federation Chamber</td>
<td></td>
</tr>
<tr>
<td><strong>MINISTERIAL STATEMENTS</strong></td>
<td></td>
</tr>
<tr>
<td>Council of Australian Governments Review of Counterterrorism Legislation</td>
<td></td>
</tr>
<tr>
<td><strong>BILLS</strong></td>
<td></td>
</tr>
<tr>
<td>Maritime Powers Bill 2013—</td>
<td></td>
</tr>
<tr>
<td>Maritime Powers (Consequential Amendments) Bill 2013—</td>
<td></td>
</tr>
<tr>
<td>Agriculture, Fisheries and Forestry Legislation Amendment Bill (No. 1)</td>
<td></td>
</tr>
<tr>
<td>2013—</td>
<td></td>
</tr>
<tr>
<td>International Tax Agreements Amendment Bill 2013—</td>
<td></td>
</tr>
<tr>
<td>Aboriginal and Torres Strait Islander Peoples Recognition Bill 2013—</td>
<td></td>
</tr>
<tr>
<td>Electoral and Referendum Amendment (Improving Electoral Procedure) Bill</td>
<td></td>
</tr>
<tr>
<td>2012—</td>
<td></td>
</tr>
<tr>
<td>National Disability Insurance Scheme Bill 2013—</td>
<td></td>
</tr>
<tr>
<td>Appropriation Bill (No. 3) 2012-2013—</td>
<td></td>
</tr>
<tr>
<td>Appropriation Bill (No. 4) 2012-2013—</td>
<td></td>
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<tr>
<td>Higher Education Support Amendment (Further Streamlining and Other</td>
<td></td>
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<tr>
<td>Measures) Bill 2013—</td>
<td></td>
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<tr>
<td>Royal Commissions Amendment Bill 2013—</td>
<td></td>
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<tr>
<td>Television Licence Fees Amendment Bill 2013—</td>
<td></td>
</tr>
<tr>
<td>Electoral and Referendum Amendment (Improving Electoral Administration)Bill 2013—</td>
<td></td>
</tr>
<tr>
<td>Fisheries Legislation Amendment Bill (No. 1) 2013—</td>
<td></td>
</tr>
</tbody>
</table>
Completion of Kakadu National Park (Koongarra Project Area Repeal) Bill 2013—
Customs Amendment (Anti-Dumping Commission) Bill 2013—
Customs Amendment (Miscellaneous Measures) Bill 2013—
Australian Capital Territory (Self-Government) Amendment Bill 2013—
Broadcasting Legislation Amendment (Convergence Review and Other Measures) Bill 2013—
Export Finance and Insurance Corporation Amendment (Finance) Bill 2013—
   Assent........................................................................3115

COMMITTEES—
Public Accounts and Audit Committee ..........................................................3115

BILLS—
Tax and Superannuation Laws Amendment (2012 Measures No. 1) Bill 2012—
   Report from Committee ........................................................................3117
Referendum (Machinery Provisions) Amendment Bill 2013—
   Second Reading........................................................................3119
   Consideration in Detail ........................................................................3124
   Third Reading.......................................................................................3131
Appropriation Bill (No. 1) 2013-2014—
   First Reading......................................................................................3132
   Second Reading...................................................................................3132

DOCUMENTS—
Budget Documents 2013-14—
   Presentation........................................................................................3140

BILLS—
Appropriation Bill (No. 2) 2013-2014—
   First Reading......................................................................................3141
   Second Reading...................................................................................3141
Appropriation (Parliamentary Departments) Bill (No. 1) 2013-2014—
   First Reading......................................................................................3142
   Second Reading...................................................................................3142

MINISTERIAL STATEMENTS—
Regional Australia......................................................................................3142
Continued Investment to Close the Gap.........................................................3142
International Development Assistance Program........................................3142
House adjourned at 20:07........................................................................3143

NOTICES..........................................................................................3143

Questions In Writing
SMS Text Based 000 Emergency Service—(Question No. 1295)..................3144
Satellite Phone Subsidy Scheme—(Question No. 1297).................................3144
Pharmaceutical Benefits Scheme—(Question No. 1332)...............................3145
National Broadband Network—(Question No. 1333)....................................3145
Telstra Exchange: Warmambool—(Question No. 1334).................................3146
National Broadband Network—(Question No. 1335)....................................3147
Telecard Calling Card—(Question No. 1336)................................................3147
CONTENTS—continued

AusAID: Overseas Development Assistance Program—(Question No. 1337).......................... 3148
AusAID—(Question No. 1338) ........................................................................................................ 3148
Disability Employment Services—(Question No. 1339) ................................................................. 3149
Older People and the Law: Government Response—(Question No. 1344) .................................... 3151
Financial Investments of Pensioners—(Question No. 1346) .......................................................... 3151
Financial Investments of Pensioners—(Question No. 1347) .......................................................... 3152
Financial Investment of Pensioners—(Question No. 1348) ............................................................ 3152
Deeming Rates—(Question No. 1349) ............................................................................................ 3153
Female Labour Participation—(Question No. 1350) ...................................................................... 3153
Native Title Respondent Funding program—(Question No. 1356) .................................................. 3159
Home Insulation Program—(Question No. 1361) ........................................................................ 3160
United Nations Human Rights Council—(Question No. 1364) ..................................................... 3161
Macquarie River to Orange Pipeline Project—(Question No. 1367) ............................................... 3162
Budget—(Question No. 1369) ........................................................................................................ 3162
Australian Citizens Overseas—(Question No. 1373) ................................................................... 3163
Type 1 Diabetes: Funding—(Question No. 1374) .......................................................................... 3164
Medical Devices—(Question No. 1377) ....................................................................................... 3164
Medical Devices—(Question No. 1379) ....................................................................................... 3165
Pharmaceutical Benefits Advisory Council—(Question No. 1382) ............................................. 3165
Pharmaceutical Benefits Scheme—(Question No. 1383) .............................................................. 3166
Pharmaceutical Benefits Scheme—(Question No. 1384) .............................................................. 3166
Pharmaceutical Benefits Advisory Council Reviews—(Question No. 1385) ............................... 3167
AusAID—(Question No. 1386) ........................................................................................................ 3167
AusAID—(Question No. 1387) ........................................................................................................ 3167
AusAID—(Question No. 1388) ........................................................................................................ 3168
AusAID—(Question No. 1389) ........................................................................................................ 3169
AusAID—(Question No. 1390) ........................................................................................................ 3169
Child Support Agency—(Question No. 1391) ............................................................................... 3170
Child Support Agency—(Question No. 1392) ............................................................................... 3170
Child Support Agency—(Question No. 1393) ............................................................................... 3171
Child Support Agency—(Question No. 1394) ............................................................................... 3172
Child Support Agency—(Question No. 1395) ............................................................................... 3172
457 Visa—(Question No. 1421) ...................................................................................................... 3173
Subclass 457 Visas—(Question No. 1427) .................................................................................... 3173
Subclass 457 Visas—(Question No. 1428) .................................................................................... 3173
Australian Tourism Industry—(Question No. 1455) ..................................................................... 3173
Life Saving Drugs Program—(Question No. 1470) ...................................................................... 3174
Pharmaceutical Benefits Scheme Reviews—(Question No. 1472) ............................................... 3174
Pharmaceutical Benefits Scheme Reviews—(Question No. 1473) ............................................... 3175
Pharmaceutical Benefits Scheme—(Question No. 1475) ............................................................. 3175
Pharmaceutical Benefits Scheme—(Question No. 1476) ............................................................. 3176
Health—(Question No. 1478) ........................................................................................................ 3176

...
CONTENTS—continued

Pharmaceutical Benefits Scheme—(Question No. 1479) ........................................ 3177
Pharmaceutical Benefits Scheme—(Question No. 1480) ........................................ 3178
Pharmaceutical Benefits Scheme—(Question No. 1482) ........................................ 3178
BUSINESS

Suspension of Standing and Sessional Orders

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (12:01): by leave—I move:

That, unless otherwise ordered, so much of the standing and sessional orders be suspended as would prevent the following arrangements applying for this sitting:

1. during the period from 12 noon until 2 p.m. any division on a question called for in the House, other than on a motion moved by a Minister during this period, shall stand deferred until the conclusion of the discussion of a matter of public importance;

2. during the period from 12 noon until 2 p.m. if any member draws the attention of the Speaker to the state of the House, the Speaker shall announce that she will count the House at the conclusion of the discussion of a matter of public importance, if the Member then so desires; and

3. any variation to this arrangement to be made only by a motion moved by a Minister.

This is an arrangement that has been agreed to by the Manager of Opposition Business in order to facilitate further debate, particularly on the aged-care legislation that is before the House.

Question agreed to.

Rearrangement

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (12:02): I move:

That orders of the day Nos 1, 2 and 3, government business, be postponed until a later hour this day.

Question agreed to.

PERSONAL EXPLANATIONS

Mr GRAY (Brand—Special Minister of State and Minister for the Public Service and Integrity) (12:02): Madam Speaker, I seek leave to explain that I have been misrepresented.

The SPEAKER: Leave granted. The minister has the call.

Mr GRAY: On 2 May 2013, the Adelaide Advertiser carried a headline 'Nuclear energy will come on tap' and reported that I had 'thrown' my 'support behind developing a nuclear energy industry in Australia'. I did not. My address to the South Australian Resources and Energy Investment Conference on 1 May has been seriously misrepresented. I made optimistic and supportive comments about the mining industry in Australia with specific reference to South Australia and uranium mining, and they have been misrepresented by the Adelaide Advertiser.

BILLS

Aged Care (Living Longer Living Better) Bill 2013
Australian Aged Care Quality Agency Bill 2013
Australian Aged Care Quality Agency (Transitional Provisions) Bill 2013
Aged Care (Bond Security) Amendment Bill 2013
Aged Care (Bond Security) Levy Amendment Bill 2013

Second Reading

Cognate debate.
Debate resumed on the motion:

That this bill be now read a second time.

Mr DUTTON (Dickson) (12:03): I rise to speak on the Aged Care (Living Longer Living Better) Bill 2013 and the related bills. For the many of us who have had a relative
requiring care, the experience can be a daunting and at times personally distressing experience. Irrespective of their financial position, our grandfather, grandmother, mother or father deserve respect, dignity and quality in their senior years. As family members we want to know what options are available for our loved ones. The simpler the system is to navigate, the better for all concerned. There should be opportunities for appropriate care in the home. Understandably, so many want to stay in the surroundings they love and that are familiar to them and their family. If they require residential care—low or high care—there should be options readily available, preferably in their local community.

I do respect the intent of aspects of the reforms that have been proposed. We know that there are many, many challenges ahead and the proportion of the population over 70 years of age is expected to double over future decades. The incidence of chronic disease continues to grow rapidly. One million Australians receive aged-care services subsidised by the Commonwealth, and that is expected to more than double by 2050. Despite this, the government's approach to aged care and much promised reform has been protracted to say the least. The government announced the Productivity Commission's terms of reference almost three years ago. The draft report was released in January 2011, and the final report was provided to the government in June of that year. The minister and Prime Minister did not publicly release the report until August 2011, and it took a further 250 days to respond to the PC's recommendations in the form of the Living Longer Living Better policy.

The government trumpeted the release on the day as a revolution for the sector. The government continues to claim that this policy is a $3.7 billion investment when it is not. Not surprisingly, stakeholders were initially enthusiastic given the flashy headlines. Looking at the finer detail, the proposals are nowhere near as ambitious as first made out. That has been a current theme across the last six years under the stewardship of this government. The government is saving over $560 million through means testing, and they include that as part of the so-called $3.7 billion investment. Over $2½ billion is being redirected from existing programs, including $1.6 billion from the Aged Care Funding Instrument. Places and funding are to be transferred from residential care to home care, and funding will be cut from the Long Stay Older Patients initiative. The net investment over four years is just $284.6 million, not $3.7 billion. In fact, it is less than one per cent of the existing aged-care budget over the forward estimates. The unanticipated changes to ACFI and how they are applied have reduced confidence in a sector already struggling to break even.

It is, to say the least, a ham-fisted and counterproductive way to initiate reforms. In the few months following the policy's release, $3.5 billion of capital projects were found to be in jeopardy as a result of the uncertainty caused. In fact, independent analysis undertaken by the Centre for International Economics for Leading Age Services Australia found a revenue black hole of more than $750 million for providers due to the ACFI cuts. The average reduction for each affected resident is estimated at between $20,000 and $30,000 in care funding every year. This corresponds with what we are hearing from providers, and it is particularly hard on the smaller operators and those in regional and rural areas.

The minister has implied that there has been rorting and 'unusual claiming'. However, at Senate estimates it was confirmed that there has not been a single
prosecution in the last five years. The sector is crying out for incentives to invest in new capital to open new beds. The government's actions so far appear to have had the opposite effect. The other significant aspect, recently launched by the government, is the workforce compact. This complex arrangement appears to be linked to the funding lost through the ACFI changes. Under the compact, providers with 50 beds or more must have an enterprise bargaining agreement to receive that funding. Those with fewer than 50 beds do not require an EBA but must still comply with the compact obligations to access funding. In itself, this will impose further cost pressures, again particularly affecting smaller providers in rural and regional areas. Providers unable to comply with these requirements will not be able to access the funding.

Across the sector there is recognition that the hardworking staff in aged care need to be paid well for the demanding and important work they perform, but this proposal, certainly by any objective analysis, seems more about propping up the beleaguered HSU than about genuinely helping the workers, those in care or, indeed, the providers.

The bills before the parliament today enacting the government's Living Longer Living Better policy reflect a small hit-and-miss selection of the Productivity Commission's recommendations. Specifically, the bills: (1) remove the distinction between low-level and high-level residential care; (2) provide a new means test combining income and assets tests and new annual and lifetime caps on means tested care fees. As stated in the minister's second reading speech an annual cap of $25,000 will apply for means tested fees, with a lifetime cap of $60,000. Both are to be indexed. Any contribution does require an appropriate safety net. We do not want a situation where people are precluded from necessary care because of what they are required to pay. It is appropriate that the proposed contributions and respective caps are examined as part of the Senate inquiry.

I recognise that there is a delicate balance between funding quality care, ensuring affordability of care and the sustainability of the system overall. In relation to accommodation costs the bill will allow fees to be paid through a refundable lump sum, a rental periodic style supplement or combination; (4) make changes to home care, including requiring contributions for people that enter home care on or after 1 July 2014; (5) establish a new aged-care pricing commissioner; (6) extend the operation of the accommodation bond guarantee scheme to new bond arrangements reflected in the government's reforms; and, finally, establish the new Australian Aged Care Quality Agency to replace the Aged Care Standards and Accreditation Agency from 1 January 2014.

The Aged Care (Living Longer Living Better) Bill 2013 removes the distinction between low care and high care, which is intended to provide one approval process for residential care. It is argued by the minister that this will reduce reassessments and allow individuals requiring a permanent residential care place to access services according to need. The bill proposes changes to the residential care subsidies and fees for residents who enter care on or after 1 July 2014. This includes a new means test combining income and asset tests and new annual and lifetime caps on means tested care fees. As stated in the minister's second reading speech an annual cap of $25,000 will apply for means tested fees, with a lifetime cap of $60,000. Both are to be indexed. Any contribution does require an appropriate safety net. We do not want a situation where people are precluded from necessary care because of what they are required to pay. It is appropriate that the proposed contributions and respective caps are examined as part of the Senate inquiry.
minister may by legislative instrument determine the maximum amount of accommodation that an approved provider may charge, including the maximum daily accommodation payment amount and the method for working out the refundable accommodation deposit. The bill also proposes a new form of home care to replace community aged care packages, extended aged care at home and dementia packages. An income tested care fee will apply to home care for all except pensioners. This again will be capped by year and by lifetime.

The Aged Care Pricing Commissioner is also established for the stated purpose of making decisions on pricing issues. The functions of the commissioner are as follows: to approve extra service fees; to approve accommodation payments that are higher than the maximum amount of accommodation payment determined by the minister; and other functions as determined by other acts or by the minister by determination. Whilst I acknowledge that there are lead times for these changes, the independent review proposed in the legislation is not to commence until 2016 and will not report to parliament until 30 June 2017.

The two bond security amendment bills extend the operation of the Accommodation Bond Guarantee Scheme to new accommodation payment arrangements. The Australian Bond Guarantee Scheme, prescribed in the 2006 act, provides a mechanism by which the Commonwealth may repay outstanding bond balances to care recipients should a provider become insolvent or be unable to refund the balances. There is also the capacity for the Commonwealth to recover the cost of refunding these bonds which is amended through the relevant act to reflect the changes to accommodation payments.

The Australian Aged Care Quality Agency Bill 2013 establishes a new agency. This is to replace the Aged Care Standards and Accreditation Agency from January next year. Aged care providers will be responsible to it for quality assurance of aged care services delivered in the home or a residential facility. The functions of the new agency are as follows: accrediting residential care facilities; conducting quality reviews of home care services; promoting high quality care, innovation and continuous improvement amongst approved providers of aged care; and providing information, education and training to approved providers of aged care.

I am yet to be convinced that red tape in what is already a highly regulated sector has been appropriately streamlined or that it has even been genuinely a priority for the government in this process. I do support high standards and efficient regulation to ensure consistent, quality services for the many vulnerable people in care, but nothing is achieved by unnecessary red tape except a diversion of much needed resources away from those most in need. If we want an innovative and efficient sector, unnecessary red tape cannot be ignored.

The related Australian Aged Care Quality Agency (Transitional Provisions) Bill 2013 enables the transfer of assets and liabilities from the Aged Care Standards and Accreditation Agency Ltd to the Commonwealth to facilitate the establishment of the new agency. Over $20 million was included in the budget for the Aged Care Financing Authority and over $14 million for the Aged Care Reform Implementation Council. About half the council's budget is for communications. The financing authority's role will be to provide independent advice on pricing and financing issues. It will make recommendations about subsidies and payments. It will also approve
higher fees for accommodation and extra services not covered by subsidies. While there may be good intent and while we do not disagree with some of the functions performed, there has been a proliferation of separate bureaucratic structures under this government; in fact, it is a hallmark of this government. We believe more focus should be on the resources for front-line services and reducing where possible costly bureaucracy.

The government's time lines are peculiar on these bills. Despite years of deliberation, the bills were only introduced in the last sitting period, and the minister has said that they should be passed immediately. The government has set the snail pace of these reforms to date. The government has not brought the bills on for debate until today. I am not sure why or how procedurally the minister was expecting to ram the bills through the parliament. This is far from what should be normal process.

The coalition is keen to support good reform in this important area. Disappointingly for some, the reforms proposed fall very well short of what was promised. The House should remember that this is the minister who is responsible for delivering 16 early psychosis prevention and intervention centres, yet since 2010, when that promise was made, a grand total of zero of the 16 has been delivered. This is despite the Prime Minister herself saying:

I want to be absolutely clear—mental health will be a second term priority for this Government.

Those people right across the Australian community in the mental health sector, those people who access services provided by mental health providers or, indeed, those people in the aged-care sector can add that quote from the Prime Minister to the long list of broken promises that has come to plague this government. For the aged-care sector, this is not a good track record, and it comes on the back of so many other implementation blunders across the rest of government.

The bills have rightly been referred to a Senate inquiry, and the coalition will carefully consider the findings and the submissions. A number of changes will be enacted by regulation rather than legislation, and some of that detail is yet to be provided and will also require responsible scrutiny. This House should have the opportunity to properly consider any complex changes to aged care. The Senate inquiry provides that opportunity. We need to ensure that we can at least achieve the best outcome from what is before us.

In closing, I want to say to the many providers that I have spoken to around the country, particularly regional providers, that we hear their concerns. We do share their view that this minister has a tin ear when it comes to the concerns that they have raised either with the government or through the peak bodies about some of the sections within this act. It is exactly the reason that we set up the Senate inquiry and asked for people across the sector to provide input so that we can improve this legislation. As I say, the time lines on this legislation have been protracted. It has gone on for the last six years. It is interesting to note that out of the billions of dollars that this government wasted in its response to the GFC not one dollar was spent on aged care: no money for additional infrastructure or for providers, no money in wage compacts, no money for patients and services provided to the clients and residents within aged-care facilities—not a dollar.

This government came into power in 2007 promising that it would reform the aged-care sector. This minister has only been in the portfolio since the second half of these six years of the disastrous Rudd-Gillard
government, but the dysfunction has continued up until this very day, and we are seeing it play out in this bill. We all want to see a better outcome for older Australians in terms of their interaction with the aged-care system, and the coalition is committed to trying to resolve some of those outstanding issues. We wanted to entertain consideration of this bill, but we also wanted to ask for providers, for care givers, for people of good intent to come forward to that Senate inquiry to make sure that their detail was provided, that their concerns were aired, and we expected that the government would listen to some of those concerns. This is a government that cannot be trusted. It says, ‘Trust us in the detail; we’ve got the bare bones of the legislation now and we’ll rush all of the other detail through in another process,’ but this government cannot be trusted.

The Treasurer will deliver the speech tonight that people are anticipating will chart some way forward from the disaster of the last five or six years, but people will not get the outcome that they want from this Treasurer, they will not get the outcome that they want from this government, because that has been the track record over the last six years. Because of this government’s dysfunction, because of distractions with leadership, because it has promised surpluses and then failed to deliver them, because it has spent money and run us into enormous debt, it is unfortunate that people who are looking for aged-care services in our country today have suffered because of that distraction. They have suffered because this government decided that aged care was not a priority for the Rudd government and it has not been a priority for the Gillard government.

I think the responsible course of action for this government to take would be to listen to the concerns of those who raised them, quite rightly, in the Senate process and to look at sensible amendments that could be proposed to try and improve this bill. As a parting gesture to the Australian people, with only a few months to go before the next election, in the dying days of the Gillard government, please listen to those concerns of the aged-care sector, of the aged-care providers and the people who seek care and are being cared for in these facilities around the country. Listen to the expertise that they bring to the table.

Listen to their concerns about this compact. They do not want to feather the lifestyle of people like Craig Thomson who now occupy the upper echelons of the HSU. That is what this bill provides: it is taking money away from one part of the aged-care sector and seeing it, at least in part, dispersed back through the HSU. The HSU is a disgraced union body in this country. The member for Dobell, I note, has just been told that he cannot run again for the Labor Party—three months before the election. It is absolute contempt that the Labor Party has for the people in the seat of Dobell and, indeed, that through his own actions he has.

This bill seeks to confer an ultimate benefit on the HSU. People are asking why is that the case, why divert money away from aged care and impose another cost burden on aged-care providers in terms of having to engage with the HSU? Why do they need to do that? I will tell you why: because they decide the preselections of people who sit on this government bench. They decide the preselections of people like Craig Thomson and others who come into this parliament and ultimately decide whether or not they will direct their backbenchers, and frontbenchers, to vote for Julia Gillard or Wayne Swan or Kevin Rudd or Bill Shorten or Mark Butler or—
The SPEAKER: Order! The member will refer to members by their appropriate titles.

Mr DUTTON: whoever it is, Madam Speaker, that seeks leadership of the ALP. That, when you cut it all down, is what a significant part of this bill is all about. And that is why the Australian public continue to express disgust in this government.

They cannot sort out their own internal issues and therefore those in the aged-care sector have suffered. They do not want to listen to the outcome of the Senate inquiry because essentially all they have sought to deliver through this bill is not reform to the aged-care sector but a blank cheque to the HSU and to the other unions involved. That will be an albatross around this minister's neck. This minister will seek leadership of the Labor Party at some point into the future—I am sure he will; he is an ambitious person.

The SPEAKER: The member will return to the bill before the House.

Mr DUTTON: For a long time, Madam Speaker, this minister has fooled the industry, but I find as I move around the country talking to providers that they are now starting to see through all of the smoke and mirrors. They are now starting to see this bill for what it is. It is not about a reform of the aged-care sector. If they were serious about doing that they would have done it five or six years ago. They would have applied at least one dollar of the billions of dollars they wasted to the aged-care sector to help build infrastructure and to make it more affordable for people on low incomes to go into aged care, but they sought to do none of that. They pushed it off to the Productivity Commission to try to get through the last election. Then, when they had the Productivity Commission recommendations, they sat on them and pushed them aside because they had run out of money. That is what happened with this government's approach to aged care. Then they tried to pretend that they had some $3.7 billion huge investment, but when you strip it down it is a net extra spend of $250 million over that four-year period and a shameful exercise in deception by this government and by this minister. They need to be called for it.

So what have we done? We have tried to engage constructively with the sector to work out how this bad bill could be improved. What could be changed to improve the situation for aged care in this country? How could we make it easier for people to find their way through the mess of aged care and find a place for that grandmother, grandfather, mother, father or loved one? That is what we sought to do through the Senate inquiry process, and yet what does this minister do? This minister says, 'We are going to ignore that Senate inquiry process, we are not going to listen to the recommendations of the sector, we are not going to listen to people of good will who sought to make this bill better; we just want to deliver for the HSU.' That is really the only objective that the government seeks in this bill. They want to make sure that they repay a dividend to their union bosses, and that really sums up what this whole sad, six-year period in our country's history is about.

This is what it amounts to. The puppeteers have pulled the strings for the last six years, and we have seen it play out through leadership changes which have impacted on the government's desire in this area. This is the point. This government has been distracted by its own leadership deliberations, by the knifing of Kevin Rudd and by the proposed resurrection of Kevin Rudd—not to be. This government, whilst it has been distracted by that, has not concentrated on aged care or the millions of Australians in the future who will seek aged-
care services for their loved ones. The government brings this bill in at the eleventh hour of this dying government because they seek to repay a dividend to those union bosses who supported their entry into this place. Craig Thomson—

The SPEAKER: The member will refer to members by their appropriate titles.

Mr DUTTON: I am sorry. The member for Dobell stands as the monument of the HSU and the government's activities in this place. He stands here as a reminder to all Australians that this government has not had its eye on aged care. In this bill they have one focus, and that is to repay their very heavy due to the HSU. That is what this minister needs to account for.

Accordingly, I move:

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

"the House is of the opinion that further consideration of this bill, and the related bills, should be deferred until the Senate Standing Committee on Community Affairs has reported on its inquiry into the bills."

The SPEAKER: Is the amendment seconded?

Dr Southcott: I second the amendment.

The SPEAKER: The original question was that this bill be now read a second time. To this the honourable member for Dickson has moved that all words after 'That' be omitted with a view to substituting other words. If it suits the House, I will state the question in the form that the amendment be agreed to. The question now is that the amendment be agreed to.

Mr GEORGANAS (Hindmarsh—Second Deputy Speaker) (12:28): I am very pleased and very honoured to speak on the Aged Care (Living Longer Living Better) Bill 2013 today, because this bill delivers security, certainty and fairness for millions of older Australians. It delivers fairer and more flexible arrangements for people looking to stay at home or to move into aged care. This bill is very important to me and to many of my constituents. As I have said many times in this place, the electorate of Hindmarsh has one of the oldest demographics in the country. Twenty per cent of the residents of Hindmarsh are age 65 and over. Many say it is the oldest electorate in the country; I like to say it is the wisest electorate in the country, because with age comes wisdom, and I have benefited greatly from the many older constituents in my electorate.

In my electorate, there are an extra 870 high-care places and 968 low places thanks to the extra funding in 2010 and 2011. On 20 April 2012 we heard the minister announce the $3.7 billion for the Living Longer, Living Better aged care reform. That is a huge increase, and what it means is that people are being looked after when they need to be. As we have heard, many of these people have worked all their lives and paid their taxes. Many have fought in wars. They deserve the best treatment and care that we can possibly give. These people have contributed so much to this wonderful nation. They built the foundations that have allowed us to prosper.

There are a lot of wonderful facilities in and around my electorate that are providing these new places and they deserve, very quickly, due credit for their hard work in this process. They include places like St Hilarion, an Italian nursing home that looks after many more people than just Australians with Italian backgrounds; the ECH; Southern Cross; Masonic Homes; St Basil's; St Martin's; Kilparrin Nursing Home; and the Ridleyton Greek Home for the Aged. All of them do a wonderful job in caring for and looking after those in need in their old age. In addition, I would like to thank the tireless efforts of the staff from each facility who
look after those residents to ensure that their lives are happy and comfortable.

This government has also delivered 475 community aged packages in my electorate of Hindmarsh. This is in addition to the 54 extended aged-care at home packages and 20 extended aged-care at home dementia packages. We know how important it is for people to be able to stay in their homes. When you speak to people in my electorate, the majority say that they wish to stay in their homes and be cared for there. These extra packages are very beneficial.

The committee that I currently sit on recently finished an inquiry into dementia and how as a nation we can best care for people living with this condition. Australia is a wealthy nation and Australians are living longer. It is fantastic that we are living longer. Medical breakthroughs allow us to live longer. They allow our bodies to keep going and to keep supporting us for many more years than people in the past. Medical breakthroughs have been good for us. But there is another story. People with dementia are unfortunately growing in numbers. We know that by 2050 the number of Australians with dementia will quadruple. We will have quite an epidemic on our hands unless we do things now to put things in place to look after those people.

We know that not everyone is going to need aged care when they get older. In fact, we would all probably—as I said earlier—prefer to stay home and have the care required to look after us offered there. That is why the government also gave over $3 million in 2011-12 to centres in my electorate for day therapy. Day therapy gives older people the chance to come along and take part in activities away from home. This is a big thing. When you get older, you may lose some mobility and confidence. Having support so that you can get out to one of these day centres is a great thing.

This bill also addresses some of the issues facing those who care for our older Australians. Aged-care workers are some of the lowest-paid workers in Australia. They perform the vital task of looking after our parents, our grandparents and our great-grandparents—the older Australians in our community. We know that most Australians who pursue a career in aged care do it for much more than the financial reward. But pay rises are a big incentive to work in this growing industry. With the aged-care workforce needing to almost triple in size by 2050 to support our ageing population, we need to act now to attract and retain aged-care workers.

That is all part of the Living Longer, Living Better aged-care reforms. The Australian government announced that up to $1.2 billion will be provided to address the workforce pressures. We know that the current workforce is one of the oldest workforces. That is what the demographics of the aged-care workforce in Australia tell us.

Funding will flow through from July by way of a workforce supplement, delivering pay rises for aged-care nurses, care workers and others in the aged-care industry who look after older Australians. An additional one per cent pay rise will be available, above minimum annual wage increases or other wage rises which are negotiated through enterprise bargaining agreements, for workers who are employed by aged-care providers who meet the requirements of a workforce compact.

What does that mean? A personal care worker, who is currently paid the award rate and who is employed by an aged-care provider who meets those requirements would, effectively, see a pay rise close to 18
per cent over four years. Enrolled nurses will receive 25 per cent higher pay and registered nurses close to 30 per cent, in the same situation.

The second part of the Addressing Workplace Pressures initiative is the Aged Care Workforce Development Plan, which will begin in mid-2013. An expert advisory group will be established to focus on better ways to support the aged-care workforce. This group will seek to ensure that, on top of wage increases, those aged-care workers get benefits, including improved career structures; better training and education; and better work practices, including lowering the high rate of workplace injuries in aged care.

The workforce supplement is part of the Addressing Workforce Pressures initiative, which will be delivered in two parts through the aged-care workforce compact and through the Aged Care Workforce Development Plan. These are very important initiatives. As I get around in my electorate and talk to aged-care providers, one of the biggest issues they raise is maintaining and retaining the workforce required to look after older Australians in their facilities.

Another big and fairly complex issue in my electorate is multicultural aged care. The Australian government is committed to ensuring equitable access to high-quality, culturally-appropriate aged care for all people from culturally and linguistically diverse backgrounds. As I said, this is extremely important for my electorate because I have a very high number of Greek Australians and Italian Australians who migrated here in the fifties and sixties, all as young men and women, perhaps in their 20s, perhaps even in their teens or late 20s, who today are the fastest ageing Australians in my electorate. They are now at the stage where they are already needing services or are starting to need them. They are not the only ones. People from culturally and linguistically diverse backgrounds have specific needs that must be addressed. Those needs can be as basic as having familiar food available.

We know that when people develop, for example, dementia, nothing is worse than not being able to speak the language or know what people are saying to you. We know that many older Australians revert to their native tongue when they develop dementia. It might simply be a case of employing bilingual workers who can speak the language of the resident, make them feel comfortable so they feel they are being listened to. All these things are contained within the new strategy, which aims to ensure that aged care is inclusive of people from all backgrounds.

Initiatives outlined in the strategy also include a rolling review of the National Aged Care Advocacy Program, to include an emphasis on promoting, supporting and maximising access to advocacy for older people from culturally and linguistically diverse backgrounds, their families and their carers. It also includes ensuring that the Aged Care Complaints Scheme is promoted to linguistically diverse background communities, including the use of interpreting and translating services, and working with the culturally and linguistic diverse background sector to provide the cultural competency training for promotion and incorporation into all aged-care services. It also includes developing structured pathways to facilitate the employment of appropriate bilingual staff in the aged-care system. There has been a lot of work going towards ensuring that we have in place a system that caters for all Australians, no matter where they come from or what their background is.

I am very proud of this bill and that is why I am supporting it. One day we as a nation...
will be judged on how we have looked after our elderly. As I said earlier, many of the people that we are talking about today have paid their taxes all their lives, have worked hard and have gone through wars just to ensure that the foundations of this country are steadfast so that we can live a better life than they did. I am proud to support this bill and I commend it to the House.

Ms MARINO (Forrest—Opposition Whip) (12:40): I support the amendments moved by the shadow minister, because we know that under this government the aged-care system in Australia is rapidly approaching crisis point, particularly if you live in an electorate like mine, which is a rural and regional one, or one of those that involve smaller providers. Prime examples are in Western Australia, where last year the federal government allocated 1,564 additional residential aged-care places to our state. However, only 314 of these beds were actually taken up—it is a great indication. 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 bed licences, the licence that provides the funding for aged-care beds were handed back to the government—283 of those were from Western Australia. Now in WA we are some 2,400 beds short of our aged-care requirements. That is a lot of people in my state and in my part of the south-west.

The government has chosen not to fund aged care in the way it needs to. Instead, it has wasted billions of dollars on unrealistic dreams and schemes that often have turned out to be nothing less than a nightmare. This is a at time when the group referred to as the baby boomers, those born between 1946 and 1964, start to enter retirement—that section of our community who are now between 46 and 65 years old and are looking at their retirement and aged-care solutions. It also looks as though we will have to defend their superannuation savings from being grabbed by what is just an incredibly wasteful Labor government.

Around nine per cent of our population is aged 70 years or older. That is expected to rise to 13 per cent by 2021 and 20 per cent, around 5.7 million people, in 2051—and this government has sat on its hands. By 2050 over 3.5 million Australians are expected to use aged care each year. As we are ageing we are acquiring more complex healthcare conditions and changing disease patterns, resulting in increasing and changing aged-care needs. The challenges include a larger, increasingly culturally diverse, ageing population. I see that in my electorate.

The dependency ratio in 2007 was six people of working age for every person aged 67. By 2047 this will be almost halved, to 3.2 people of working age for every person aged over 67. So with fewer people generating taxation revenue, care options of concessional and assisted aged-care residents, those with the least resources, will be jeopardised. And at this crucial time, under a dysfunctional Labor government, the agenda in Australia has been to remove support for residential-aged-care provision and waste taxpayers funds hand over fist in so many ways.

The fact that we are debating this bill prior to an election shows that this government has not prioritised aged care at all. It is no wonder that residential aged-care providers are not taking up those bed licences. Despite promises of reform, five years on under this government there is very little actual change in the communities—my communities and your communities—where it is so desperately needed. We have seen the government undertake a litany of reports and reviews, including 20 reviews and three Productivity Commission reports. They were
continually ignored. They were put off until now when here we are, just prior to election, discussing aged care. They were continually ignored or responded to with more inquiries without a decision being made or anything being done to secure aged care into the future. However, the bills only cherry-pick a few recommendations of the Productivity Commission report *Caring for older Australians*, which brings us to the focus of the bill before the House today.

The government's changes to aged-care funding which came into effect on 1 July last year under the Living Longer Living Better program represent, in effect, a knife to the heart of small regional aged-care service providers. I know that because they have told me. When the Labor Party and the Labor government spruik their plan as the panacea for our aged-care system, they deliberately failed to tell the Australian people that this program in fact claws back $750 million from the aged-care sector over the next 2½ years. The actual practical result, as opposed to the misrepresentations of the government, is that residential aged-care providers will receive less funding for new patients than they got for patients last year. That is what my aged-care providers are telling me. The 2012-13 budget alone will see $500 million of ACFI funding ripped out of a sector that is already under pressure.

Grant Thornton reported, in the *Living Longer, Living Better reform report #2*, of June 2012:

In the last two months since the Government's reform announcements, over $3.5 billion in planned aged care development projects have been shelved.

That is the actual result. A very frail elderly Australian entering aged care in the current year brings with them federal funding of around $56 to $63 a day less than a resident admitted in the last financial year. Given the average turnover rate in aged-care facilities of around 50 per cent per annum, by the end of the current financial year half of the residents will be supported at this new lower rate. One can only imagine what it is doing in the smaller facilities. I know you can well imagine it, Mr Deputy Speaker Scott. At the end of the next financial year, nearly all of the residents will be on the lower rate of funding. For a 40-bed unit, this would represent a loss of funding of close to half a million dollars by 2014-15. With only 40 per cent of residential aged-care providers operating in the black, I just wonder whether this government has been asleep in developing this policy and presenting it at this late date, so close to the election.

In its media release of 10 August 2012 entitled 'Aged care providers facing a $750 million revenue shortfall', Leading Age Services Australia asserts:

Aged care providers face a revenue black hole of more than $750 million over the next two-and-a-half years …

It also outlines research findings as follows:

… 89 per cent of aged care facilities will face "unrecoverable" losses of revenue under the revised funding model, which came into effect on 1 July, 2012.

"This ultimately means an average reduction of between $20,000 and $23,000 in care funding for each affected resident every year" …

... ... ...

"The average loss per aged care facility is more than $125,000 each year, with some facing revenue shortfalls of up to $560,000. Smaller and rural facilities are potentially the most affected. I know that also for the reason that these are the providers that come and speak to me directly.

Many aged-care providers in regional Australia are already losing money. The government members need to come out into the regional areas and see exactly what this is doing. Funding for residential aged care is
managed under ACFI, the Aged Care Funding Instrument, in which levels of acuity—nil, low, medium and high—are assessed over a range of biological and behavioural factors determining the funding received. The factors are categorised as activities of daily living, behaviour and complex health care, and there are 12 in total. The levels are frequently reviewed in individual patients. In one case recently, from my electorate, the patient's level of acuity rose from low to medium in the behavioural section, due to deteriorating behaviour; however, the payments actually dropped by $18 a day. Astoundingly, as the need increased, the funding reduced.

Given the impending increase in aged-care needs bearing down on Australia in the form of our ageing population, this assault on the viability of residential aged-care providers is not acceptable or sustainable. A $56-a-day loss equates to $392 a week, or $20,440 a year, per patient. The onset of this issue will be insidious; it will be gradual, as more and more residents are turned over and lower payments become far more common. Crunch time will probably be at the end of the current financial year, when the new budgets for these providers are prepared. And if, as I heard, we are to be judged on how we treat our most vulnerable, the Labor government's new funding model is definitely a fail. This is why aged-care providers cannot afford the additional beds: they are already losing on each and every bed, so extra beds mean greater losses. And that is why, of the 5,278 new residential aged-care places allocated to Western Australia since 2007, only 910, or 36 per cent, have been taken up, simply because they do not attract sufficient funding. Well, now they are going to attract even less. This government is making it even harder for our elderly by cutting support to the most needy and the most frail.

The other issue to be addressed in the government's changes is Labor's new agenda of interfering in management through the workplace supplement. In aged care the Labor government, as it has in childcare, has sought to enhance union control and government interference. It offers more money for wages, but receiving it can cost providers more than they actually receive. Aged and Community Services WA estimates that an aged-care provider who operates a small 31-bed regional facility would be eligible to receive $17,000 under the workforce supplement principles but in order to receive this would have to commit to an additional $30,000 in wages. That is a false economy—and a devious manipulation from a government becoming famous for such actions.

At the last federal election the coalition outlined our plan for the first-ever four-year agreement, and we set out some areas that we believe ought to be included in any agreement. We are committed to the delivery of a high-quality, affordable and accessible aged-care scheme that meets the needs and the preferences of older Australians. Our goal has always been to provide the very best care, whether in the community or in residential care, and particularly for people in rural and regional areas like my own electorate. The fundamental work on the first-ever aged-care provider agreement is certainly going to be retained. I certainly support the amendments moved by the member for Dickson. And I would say to those members opposite who have not spent time discussing how Labor's policies are actually impacting smaller rural and regional providers that I strongly encourage you (1) not to have aged care as a last resort of this government just prior to an election and (2) to actually get out there and talk to them on the ground; go and talk to the people in my electorate this is affecting so badly—perhaps...
the people at Tuia Lodge in Donnybrook. I had a whole raft of different providers, not just from my electorate but from other electorates, come to visit me just to say how badly this is affecting them. They are concerned about their ongoing viability. They are desperate to be able to provide the supports and services the people in their care need, and they so desperately want to provide these supports and services. But the government is putting all of that at risk.

I know in talking not only to the providers but to the staff as well that they are very passionate about what they do; they are passionate about the people in their care. And I know that the people who live in those communities desperately want to be able to spend their last years in small facilities in their own communities, and that is the type of facility that is on offer out in our electorates. We need to work hard to make sure these providers are in a position to offer opportunities for people in those smaller communities to actually receive the aged care they need in their local community. So, on that basis, I support the amendments moved by the member for Dickson.

Ms BRODTMANN (Canberra) (12:54): My electorate of Canberra is the largest by population in Australia, so I proudly represent a very large number of older Australians, older Canberrans and older people who look to government to help them make sure that as they live longer they also live better. There are more than 1,100 residents in mainstream residential aged-care facilities in my electorate and I have had the pleasure of visiting many of them. I have spent a lot of time talking with residents and staff and families. Most recently, last week, I was out at Brindabella Gardens visiting Eileen Pegrum, who turned 100 last week, and I am visiting a number of other people who are turning 100 throughout this year, Canberra's centenary year, to drop flowers off for them and take some cake and just catch up with them.

Just recently, I visited Alice Lukac at her home in Isaacs and I spent a wonderful morning with her family—her grandchildren, her daughter her granddaughter and her great granddaughters. They are very interested in education and it was wonderful not just talking to the family about their aspirations for education but also talking to this woman in the family home about her history. I visit many Canberrans throughout the course of my job every week, and it is a great pleasure in many ways to sit at their feet and just listen to the stories and the contributions they have made to Australia and, most importantly, to Canberra—people out at Araluen and St Andrews and Goodwin and Brindabella. I have also hosted a very well-attended aged-care forum with Minister Butler and I have taken the minister to meet with aged-care providers and residents around the electorate as well. He has always been very well received and has always listened very closely to the needs and the discussions with those residents, staff and families at those aged-care providers.

Canberra is fortunate to have so many quality aged-care providers and services; however, we all recognise that the system needs to be constantly improved to meet changing demands. The current aged-care system needs to be reformed to meet the needs of an ageing Australia, and that is what we are doing. I know that, when it comes to aged care, the preference is for people to stay in their family home for as long as possible. We all want to be able to age with dignity in our own home. But, when that is not possible, we all want to be assured that there are aged-care services offering certainty and stability and dignity.

I know, from speaking to the many people in my electorate in aged-care services and
the providers, that there are three things of particular concern to my community. The first is the quality of care that is being provided in the aged-care sector, the second is the financial cost associated with aged care, and the third is being confident of access to the right information to make the right choices. I have no doubt that the legislation the government is introducing today will vastly improve the way aged care is delivered in Australia.

The government's $3.7 billion Living Longer Living Better reform package contains five bills that build on the Productivity Commission's recommendations. Many Canberrans who are involved in the aged-care sector made submissions to the Productivity Commission inquiry into caring for older Australians, and these bills represent Labor's plan for the future aged-care needs of all Australians. These are major reforms that will benefit both the key providers of aged-care services and those who need them.

Others will speak in more detail about the specifics contained in these bills, but I want to talk today about the positive impact these reforms will have in my electorate. These reforms will increase and improve the supply of aged-care services so that the sector can better address changes in demand. In a generation's time the population of people aged over 65 is expected to increase from about 3,000,000 to over 8,000,000. Labor recognises that current and future demographic changes are placing increasing pressures on the aged-care sector, which is why we are aiming to increase and improve the supply of services.

In a growing electorate like Canberra, which also serves as a regional hub and provides care to many people living in the capital region, this is a significant and welcome reform. Labor understands that families and those receiving aged-care services want to have better information so they can have greater choice and greater control. That is why we have sat down with industry and with aged-care consumers and age-care workers to create these reforms.

In all areas of health care, access to transparent information and choice is vital. Labor has initiated a raft of improvements for consumers in all areas of health care. Most importantly, empowering people to meet their aged-care and healthcare needs is at the centre of our reforms. I know these measures will be welcomed by aged-care providers and aged-care consumers.

In my many visits to aged care homes and in my conversations with providers and residents, workforce issues are almost always raised with me. They are always, if not at the start of the conversation, in the middle of the conversation. They are up there. We must have a stable, skilled and dedicated workforce to deliver the reforms Labor is bringing about. These bills specifically address the workforce issues in aged care with measures to attract and retain a skilled and capable workforce. There is up to $1.2 billion in funding to address workplace pressures.

I note that the Minister for Mental Health and Ageing just recently announced 72 new aged-care nursing scholarships as part of Labor's commitment to boost the aged-care workforce. This was in addition to an investment of more than 2,800 scholarships over four years. The scholarships provide financial support for people to study nursing at university or to undertake continuing professional development. They also support people who wish to undertake nurse re-entry studies—that is particularly important. These scholarships are part of the government's efforts to address workforce pressures, with the aged-care workforce needing to almost
triple in size—as my colleague pointed out—by 2050 to support our ageing population.

I am particularly supportive of the measures that will expand, support and improve access to aged-care services for people with diverse needs. I know the Greek population here has its own aged-care facility and it is particularly important that the diverse needs of Australia's population and of Canberra's population are factored into future aged-care services. My electorate is not just large but very diverse. In all areas of service provision, understanding and catering to a range of different people's needs is critical. This is something the government truly understands and is acting upon. For my electorate, this means the quality of aged-care provision will continue to improve, and Canberrans can feel confident that their loved ones will receive the best quality care possible.

The other issue raised with me is the financial cost of aged-care provision. This is a vexed issue, and I know there are different views in the sector about how to address it. In these bills we see measures that will improve the equity and the sustainability of aged-care sector financing. People entering the aged-care system need to understand exactly how much they have to pay, what they are paying for and why. The current system of government subsidies and user contributions for both residential and home care can vary. The changes we are introducing will greatly improve transparency and provide greater clarity. These reforms will result in better alignment of financial arrangements and ensure a more sustainable future for aged-care funding. Under these reforms, those who can afford to help pay for the aged care will be asked to do so while those who cannot afford to pay will still be able to access aged care.

Through these bills, the government is building a more sustainable future for aged-care funding and giving consumers real choices about how they pay for their care. For the first time, people will have real choice in how they pay for the accommodation they receive. At the same time, we are also improving the regulation of residential aged care. We are making sure there is more opportunity for care recipients and their families to purchase additional services. We are creating an aged-care system that will be simpler to navigate, will be fairer and that will create a better pathway for transition from home to residential care.

We are creating a new veterans supplement, dementia supplement and workforce supplement. We are investing millions into dementia research and help for those affected by this condition. From 1 July next year there will be just one type of approval for permanent residential care. There will also be greater continuity of services, and it will be easier under these reforms for people to move through the aged-care system.

In broad terms, these are the major changes contained in these bills. They are measures that have undergone extensive consultation, particularly here in my electorate of Canberra. I understand that the consultation process has been welcomed and was positive, and that following the introduction of these bills there will be ongoing information sessions both here in Canberra and throughout the country.

Labor is introducing landmark legislation that will create an aged care system that will meet the demands and wishes of our ageing population. I commend the bills to the House.

Mr McCormack (Riverina) (13:05): I rise, following on from the member for Canberra, who spoke about the importance
of seniors wanting to live with dignity in their own homes and that if that were not possible, with certainty and stability in aged care facilities such as retirement villages and nursing homes. On that point I certainly agree with her wholeheartedly, as I am sure all members in this House would.

We do have an ageing population, and that is why discussion about the Aged Care (Living Longer Living Better) Bill 2013, Australian Aged Care Quality Agency Bill 2013, Australian Aged Care Quality Agency (Transitional Provisions) Bill 2013, Aged Care (Bond Security) Amendment Bill 2013 and Aged Care (Bond Security) Levy Amendment Bill 2013 is so vitally important.Whilst I agree with the member for Canberra on some of the statements she made on the Commonwealth being able to provide for those people in their twilight years, certainly her side of politics has not helped our aged people to be able to live with the dignity that they deserve.

During the 2010 election campaign, the Prime Minister, Julia Gillard, stated that aged care reform would be a second-term priority. In the same election campaign the Prime Minister had to deny that she had not supported big increases to the age pension because 'old people never vote for us'. Last year this Labor government, which tonight will deliver its sixth successive budget deficit, cut $1.6 billion from the aged care funding instrument, the ACFI, to fund a $1.2 billion workforce compact. The ACFI is the means by which Commonwealth subsidies are allocated to residential aged care providers. The government justified this by publicly suggesting widespread rorting was occurring amongst aged care providers, even though there has not been a single—not one!—prosecution in five years. An entire sector has been tainted—sullied—by this outrageous claim.

This government has undertaken numerous reports and reviews, including 20 reviews and three Productivity Commission reports. These reviews and reports have either been ignored continually or responded to with even more inquiries without any decisions being made to secure aged care into the future. Five years on, there is still no change on the ground—five years on.

In 2010 the government asked the Productivity Commission to undertake an inquiry into the aged care system, and the final report, Caring for older Australians, was released by the Prime Minister and the Minister for Mental Health and Ageing, Mark Butler, on 8 August 2011. Eight months later, on 20 April 2012, the Prime Minister and Minister Butler announced the government's response to the report entitled Living longer. Living better.

The bills before the House today implement those parts of the package which require legislative changes, whilst implementations that required no legislative action began in April 2012. The Living Longer Living Better package of the five bills we are debating now does not resolve many outstanding viability issues for providers. These bills seek to: (1) remove the distinction between low-level and high-level residential care so there will be only one approval process for residential aged care; (2) provide a new means test, combining income and assets tests and new annual and lifetime caps on means-tested care fees; (3) allow accommodation costs to be paid for through a refundable lump sum, a rental periodic-style supplement or combination; (4) make changes to home care, including requiring a contribution for people who enter home care on or after 1 July 2014; (5) establish a new aged-care pricing commissioner; (6) extend the operation of the Accommodation Bond Guarantee Scheme to new bond arrangements reflected
in the government's reforms; and, finally, establish the new Australian Aged Care Quality Agency to replace the Aged Care Standards and Accreditation Agency from 1 January next year.

In typical Labor style, the government has cherry-picked from the Productivity Commission report, with industry sources estimating that only five to eight per cent of the recommendations have been adopted. We heard the member for Canberra just moments ago talking about how the government had consulted, how it had made wide-ranging representations to the sector. However, we all know, certainly in this House and certainly on this side of the House, just what the level of Labor consultation goes to. It is not sufficient, it is not adequate; it is never anywhere good enough. The final report received extensive industry support, with 500 submissions made to the Productivity Commission during the inquiry and an additional 500 made following the release of the draft report. Yet Labor all too often ignores the advice it has been given, as it certainly did when it decided to come out with a report following on from the Productivity Commission's, and it does not go far enough to talk to the industry sectors, whether it is agriculture, defence or, in this case, aged care.

According to a Grant Thornton report from June 2012 following the announcement of the Living Longer Living Better package, more than $3.5 billion worth of planned aged-care development projects have been shelved. Further, an August 2012 media release from Leading Aged Care Services stated that aged-care providers face a 'black hole of more than $750 million over the next 2½ years'.

The Aged Care (Living Longer Living Better) Bill 2013 will remove the distinction between low-level and high-level residential care, so there will be only one type of approval for residential aged care. The minister has argued this will mean fewer reassessments and allow individuals requiring a permanent residential care place to access any service to meet their needs. The bill will make significant changes to the residential care subsidies and fees for recipients who enter care on or after 1 July next year. This will include a new means test combining incomes and assets tests and new annual and lifetime caps on means tested care fees. As the minister outlined in his second reading speech, the annual cap of $25,000 will be applied for means tested care fees, with a lifetime cap of $60,000. These fees are also both to be indexed.

With regard to accommodation costs, this bill will allow fees to be paid through a refundable lump sum, a rent or periodic style supplement, or combination thereof. Aged-care providers will not be able to distinguish between care recipients based on how they will pay for their accommodation. Clause 52G-3 will provide that the minister may, by legislative instruments, determine the maximum amount of accommodation payment which an approved provider may charge a person, including the maximum daily accommodation payment amount, and a method of working out the refundable accommodation deposit.

This bill will also introduce a new form of care, home care, from 1 July 2013 which will replace community aged-care packages, extended aged care at home and extended aged care at home dementia. An income tested care fee will also be applied to home care for all except full pensioners. This fee will also be capped by year and lifetime, starting on 1 July 2014. The Aged Care Pricing Commissioner will be established under this bill to make decisions on pricing issues. The functions of the commissioner will be to approve extra service fees, to
approve accommodation payments which are higher than the maximum amount of accommodation payment determined by the minister, and other functions as determined by other legislation or by the minister. Furthermore, this bill provides for an independent review to commence in 2016 and a report to the parliament by 30 June 2017.

The Aged Care (Bond Security) Amendment Bill 2013 and the Aged Care (Bond Security) Levy Amendment Bill 2013 will extend the operation of the accommodation bond guarantee scheme to new bond arrangements reflected in the government's reforms. The Australian bond guarantee scheme as prescribed in the 2006 act provides a mechanism by which the Commonwealth may repay outstanding bond balances to care recipients should a provider become insolvent or unable to refund balances. There is also the capacity for the Commonwealth to recover the costs of refunding those bonds according to the Aged Care (Bond Security) Levy Act 2006, which is amended to reflect the changes to accommodation in the Aged Care (Living Longer Living Better) Bill 2013.

The new Australian Aged Care Quality Agency, to replace the Aged Care Standards and Accreditation Agency from 1 January next year, is established under the Australian Aged Care Quality Agency Bill 2013. This new body will be the sole agency which providers of aged care will deal with in relation to quality assurance of aged-care services providers, whether in the home or in a residential facility. The functions of the new agency will be to accredit residential care facilities; conduct quality reviews of home care services; promote high-quality care innovation in quality management and continuous improvement amongst approved providers of aged care; and provide information, education and training to approved providers of aged care. The Australian Aged Care Quality Agency (Transitional Provisions) Bill 2013 will enable the transfer of assets and liabilities from the Aged Care Standards and Accreditation Agency Ltd to the Commonwealth to facilitate the establishment of the new Australian Aged Care Quality Agency from New Year's Day 2014.

On 7 November last year I hosted the shadow minister for ageing and mental health, Senator Concetta Fierravanti-Wells, in my electorate of Riverina. We held a forum attended by a large number of aged-care providers and interested people at Griffith to discuss their thoughts and concerns about the Living Longer Living Better proposals specifically and aged-care services more broadly. We also visited Scalabrinipe Village, Griffith, where Lauren Kingsbury showed us through before we visited the Griffith Neighbourhood House to discuss with Monica Beckman the facility and the funding needs it has to continue to provide much-needed services to the community—a community, I might add, which has been hard-hit in recent times by poor water policy from this government, and a community which has an ageing population. Many of those people came to this country to start a new life after the ravages of World War II. They did everything this government required of them in building a wonderful city and a wonderful community, and they now deserve the very best treatment in aged-care services that this country and this government can provide, because they have done their bit to help this nation—certainly to grow food to help feed this nation and others—and now we owe it to them to repay that faith that they showed in this country. Many of them, of course, are Australian born, and they too have done their bit—more than their bit, I might add—to
help this country and to make it the great food provider that it is. It behoves us to make sure that we look after those people in their twilight years.

One of the major failings of this package is the opportunity the government has missed to reduce the administrative burden—and haven’t we heard that on so many levels, in so many speeches that I and many of my colleagues have given—and the red tape and, in too many cases, the green tape. In a sector already swaddled in red tape, this package will deliver even more regulation. The point is repeatedly made—and indeed, was made at the aged-care forum in Griffith that I hosted—that aged-care nurses spend a significant amount of time on unnecessary paperwork. This package is only going to make the piles of paperwork grow and grow and, unfortunately, grow.

The coalition wants reform in partnership with the aged-care sector, and we will provide that. Hopefully, we will be able to do that after 14 September. We do not believe fundamental reform should be imposed from above. Should we be elected to government, we will deliver the first ever aged-care providers’ agreement framework, which will be the cornerstone of all of our policy. We want this agreement in place within a year of our taking office in order to begin the real reform that this sector so desperately needs and that Labor has continually failed to deliver.

In my time available, I will also mention the Haven’s recent $7.8 million upgrade, which was completed and opened on 27 March. I was fortunate enough to be at that opening with the general manager of that fine organisation, Shane McMullen. Interestingly, the renovation and enlargement of 36 single rooms within the Nan Roberts Community, the construction of two more rooms, improvements to staff facilities and all of the rest were done without government grants. Recurrent funding was used to complete the upgrade, and the South Wagga Lions Club, a wonderful community organisation, did so much work and so much fundraising to make that a reality. All too sadly, in regional areas communities are left to fund their own projects. I could mention the radiotherapy centre at Wagga Wagga, where the community pitched in when there was no—or very little—government help forthcoming to make sure that they got their own facility, which is now the pride of southern New South Wales as far as those facilities are concerned. It is used all too frequently, I might add, because of the number of cancer sufferers and patients in southern New South Wales. But it is still a marvellous and necessary facility. At the moment, there is a very dedicated group of people working to provide palliative care services in Wagga Wagga. Hopefully, this government or a future government will be able to provide much-needed funding for that particular issue and that particular cause, which is so very vital in Wagga Wagga and, indeed, the Riverina electorate I represent.

Mrs MARKUS (Macquarie) (13:20): I rise to speak on the Aged Care (Living Longer Living Better) Bill 2013 and cognate bills. I believe that one of the ways we as a society are judged is the way in which we look after and care for our elderly. Those in aged-care facilities are at a very vulnerable and sometimes difficult stage in life. We have all been in a position where a grandmother, grandfather or parent has had to go into aged care, and as fellow human beings we know that our elderly deserve not only dignity but also respect at this stage of their lives. We have a responsibility to the aged—to our seniors—to provide them with the best services and care available and to support the service providers who engage and respond to their needs.
During the 2010 election campaign the Prime Minister said, 'If re-elected, further aged-care reform will be a second-term priority for my government.' Australians can add that statement to the list of broken promises by this Prime Minister. We have seen a government undertake a litany of reports and reviews, including 20 reviews and three Productivity Commission reports, which are continually ignored or responded to with more inquiries without making any decisions to secure aged care into the future.

Despite promises of reform, five years on there is very little evidence of real change on the ground, where it counts the most. After five years of Labor's neglect our aged-care system needs urgent change to provide viable and effective aged-care services for older Australians. Labor has failed to undertake proper and sustainable reform and to make the hard decisions to give effect to it. It is clear that the Living Longer Living Better package of five bills does not resolve many outstanding viability issues for providers. Under these reforms there have been cuts from the Aged Care Funding Instrument—ACFI—that have placed substantially more pressure on the sector. The bills only cherry pick a few recommendations of the Productivity Commission report Caring for older Australians from August 2011. They add to regulation in what is already a highly regulated sector. The bills establish the framework for the workforce compact, which has created uncertainty, potentially will be costly for providers, relies on cuts to ACFI and appears to be a political mechanism to unionise the sector.

Only the coalition has a clear plan for the future of aged care in this nation. We understand that it is only by working closely with the sector and consulting those who are on the front line that real reform can be achieved. We want to work in partnership with the ageing and aged-care sector to achieve sustainable reform through our first-ever four-year aged-care provider agreement. Older Australians in the sector are no closer to knowing how structural reform would be introduced and how it would affect the care they receive and where they receive it.

The ageing of our population is one of the biggest social issues facing Australians and is an issue that needs to be addressed now, not somewhere down the track or into the future. Australians are living longer, but we have a rapidly ageing population. In its Global ageing 2010: an irreversible truth, Standard & Poor's rating service said that age related spending on health, pensions and aged care in Australia is estimated to rise to 14.4 per cent of gross domestic product in 2050. It is currently 9.6 per cent. Around nine per cent of our population is aged 70 years or older, and this is expected to rise to 13 per cent by 2021 and to 20 per cent—around 5.7 million people—in 2051. As we are ageing we are acquiring more complex health conditions and changing disease patterns, resulting in increasing and changing aged-care needs. With fewer people generating taxation revenue, care options for concessional and assisted aged-care residents—those with the least resources—will be jeopardised.

There is growing and alarming evidence that the aged-care sector cannot provide the care that Australians expect. There are real economic implications for our nation because of our ageing population, and these implications have not been taken seriously by this government. Until there is a proper structural reform of the sector, the care and wellbeing of senior Australians is in jeopardy. Australia has one of the most advanced aged-care systems in the world. However, it can be complex and difficult to navigate. Currently over one million older Australians are receiving aged-care services...
subsidised by the Australian government. It is expected that by 2050 over 3.5 million Australians will be using aged care each year. Formal aged-care services are delivered through around 8,000 outlets across Australia, including about 3,660 agencies registered as delivering services funded through the HACC program, 2,095 operational community care services delivering community packages, and more than 2,700 operational residential aged-care facilities. The number of over-85-year-olds, which are the main users of aged-care services, will increase from around 400,000, or 1.7 per cent of the total population, in 2007 to 1.6 million by 2047—about 5.6 per cent for the population. The Department of Health and Ageing estimates that by 2050 aged-care expenditure will account for three per cent of GDP and a bit more than 827,000, or five per cent, of the Australian workforce may be engaged in the provision of aged care.

If there was ever a call to action for reform of aged care, this is it. These statistics are alarming and call for careful planning and action. However, at a time when there is increasing demand for services, providers are walking away from the sector because of the lack of viability of providing high-care beds and the increase in compliance demands of the government. It has been reported that up to 60 per cent of aged-care facilities are operating in the red. That is a staggering amount and reflects the economic situation that many providers find themselves in. Providers are handing back licences, and senior Australians are having to wait longer or travel further to find a bed, thereby placing extra pressure on the public hospital system and, most importantly and unfortunately, on their families. This is in contrast with the situation that we would hope to achieve under the coalition.

The Productivity Commission's final report, *Caring for older Australians*, was publicly released by the Prime Minister and minister on 8 August 2011. This report focuses on a shift from the current ration system based on licences and packages to an entitlement based system whereby aged care would become part of the health system. Other key features of the report include the creation of a single Australian seniors gateway agency and the recommendation that funding be replaced by a single national care co-contribution regime, which would apply across the aged-care system, whether services are delivered in the community or in a residential aged-care facility. It took the Australian government over 250 days to respond to 58 recommendations within the Productivity Commission's report. When that response finally came it was announced with great fanfare as supposedly extensive reform of the aged-care system. Whilst the headline figure of $3.7 billion over five years sounded impressive, the actual amount of new money to be spent was $577 million. Furthermore, many of the changes will not start until 1 July 2014, so the effect will not be felt until well after the next federal election. The coalition and I acknowledge that one of the failures in the aged-care reform package is the missed opportunity to reduce red tape. This is something that the sector has been urgently demanding. In a sector already wallowing in red tape, this package will heap on them more red tape and more bureaucracies to deal with. The coalition has been advised that aged-care nurses spend on average a third of their time on paperwork. Under this package, things are only going to get worse.

This is not real reform; this is another case of Labor talking but not doing anything. Some key issues have caused major concern to stakeholders: the decision to rip $1.6 billion out of the ACFI, the $1.2 billion
workforce compact, and the establishment of the Aged Care Financing Authority. One critical need to be addressed is the almost 321,600 Australians living with dementia. When in government, the coalition committed $320 million in the 2005 budget to help fund the Dementia Initiative, making dementia a national health priority. Despite this initiative proving invaluable to help dementia sufferers, and a government evaluation of October 2009 finding the initiative successful, Labor deliberately dropped funding for this program. It was pleasing to see that at a subsequent meeting of health ministers dementia has now been made a national health priority. The coalition is committed to delivering a high quality, affordable and accessible aged-care scheme that meets the needs and preferences of older Australians.

At the last federal election, the coalition outlined its plan for the first ever four-year agreement and we set out some areas which we believe ought to be included in any agreement. We undertook to provide certainty of care through the first ever four-year aged-care provider agreement with the aged-care sector, and as part of that process we outlined various areas for inclusion in such an agreement. There was a very positive response. Since the last federal election, the coalition has continued to listen to the aged-care sector. We will be revising our policy before the next federal election. The fundamental framework—the first ever aged-care provider agreement framework—will be retained. It is important to stress that this is the first ever aged-care provider agreement. It would ensure certainty and engagement for the aged-care sector. In much the same way as the pharmacy agreement shapes that sector, this agreement would set the framework for aged care in Australia for the next four years.

The coalition plan to reduce red tape as an important component of our four-year agreement. Providing flexibility and certainty, we want to work with the sector to cut red tape in ways which will provide efficiencies without compromising the quality of care. The agreement will deliver better and more affordable aged care by: reducing red tape and enabling nurses to get back to nursing residents; providing certainty for aged care for older Australians, underpinned by a high quality framework; delivering value for money through revised subsidy arrangements; ensuring certainty for the aged-care workforce; establishing a more flexible and viable aged-care provider network to meet care needs now and in the future; and ensuring that the comfort and safety of older Australians is maximised.

The coalition want reform in partnership with the aged-care sector. We do not believe that fundamental reform should be imposed from above. Given the opportunity to govern following the next federal election, we will immediately commence consultation with stakeholders in the ageing and aged-care sector on the framework for the aged-care provider agreement, including consideration of the recommendations of the Productivity Commission. The coalition want an agreement in place within a year of taking office.

The coalition does not want to pre-empt the contents of any negotiated agreement. The agreement framework establishes a formal pathway for future dialogue between the minister, the government and stakeholders to more effectively consider ongoing issues regarding timely and appropriate access to aged care. It will guarantee flexibility and much needed certainty in the sector. Principal Endeavour aged-care facility, in the electorate of Macquarie, have the following statement in their mission statement:
Our aim is not just to provide a home, but to provide a lifestyle surrounded by a caring, active, wholesome community.

I too believe that this should be the aim of every aged-care facility, but this can only happen by real change and reform and through the government partnering with the sector to allow them to do what they do best. I support the amendment moved by the shadow minister today and commend it to the House.

Mr OAKESHOTT (Lyne) (13:33): I strongly support these bills finally passing into the House. It has been disappointing that it has taken so long for them to finally make it to the chamber, but I hope that they do pass this House and the other place relatively quickly, because I know there are many, both in the workforce and as aged-care providers, in the sector who are very keen to see this legislation pass.

In my electorate on the mid-North Coast of New South Wales and, indeed, on the east coast, aged care is the boom industry of the moment. Quite often, it is not seen as an economic driver and an economic sector, but for my region and, indeed, for the east coast, we are seeing more growth in aged care than in industries such as mining and more jobs in health and community services than in the mining sector. It does fly under the radar, but this is an incredibly important economic driver for the east coast and for regions like the mid-North Coast of New South Wales as service provision for our ageing demographic becomes more and more important in Australia over the coming years. I am certainly a strong advocate of getting the aged-care sector right and making sure that we provide the best quality of care possible for the many residents in our area who, in a number of different ways, require services.

By way of a stocktake, in the Lyne electorate on the mid-North Coast of New South Wales, we currently have 409 community aged-care packages; 40 Extended Aged Care at Home packages, known as EACH packages; and 24 Extended Aged Care at Home Dementia packages. All of those touch only the surface of what is really required. I think that is a mood shared by all members in this chamber. Whilst each of these packages is certainly welcome, the need far outweighs what is being provided to date by all levels of government and by both sides of parliament. Ensuring that a quality level of service is provided in what is a growing market in communities such as those on the mid-North Coast is an enormous challenge. In 2012-13, 144 home care package places were also advertised in the mid-North Coast aged-care planning region.

I am not one to criticise the aged-care sector at all. At times, various stories emerge in this parliament or in various communities that shock you, but they are rare. I believe that the quality of care in Australia today is at a level of excellence that we as a country should actually be very proud of. Both our monitoring and reporting standards are some of the best in the world and, again, I do not think we sing the praises enough of our culture of care for the various stages through the ageing process.

Every day on the mid-North Coast I see quality providers, a quality workforce and families of carers who really do rally around their family members, who work their way through the spectrum of care and who really want to see the best outcome possible for them. We as Australians should enhance that culture and, hopefully, this range of bills today will be another step along that journey.

I have tracked these bills pretty closely with the support of some local aged-care providers, whom I would like to mention: Dennis Marks, the CEO of Bundaleer Care Services; John Butler, the CEO of Nambucca
Valley Care Ltd; Errol Curran, the Director of Residential Aged Care Services and the Chief Financial Officer of the Bushland Health Group; and Steven Quirk, Chief Executive Officer of St Agnes’ Parish, Catholic Care of the Aged, in Port Macquarie. Others have been involved at various times in our roundtable meetings that we have been holding. The group wanted to take up with the government a range of detailed issues that have emerged, in particular with Minister Butler, to the point where, three or four months ago, I brought them down to Canberra and the minister kindly met them. It looks as though, as a consequence of some of those meetings, there have been some changes to the final bills. That has been a worthwhile process. The feedback from the group at this stage is that this package of bills is not going to cure all ills. It is not going to get the workforce pay to the level it should be, to be competitive to attract the absolute best staff possible, but it is a step forward.

Likewise, there are some issues for mid-tier residential providers in lower socioeconomic communities. There are still some question marks about this aged care reform package continuing to allow those very noble and important providers to stay viable. But I am fully aware that the government is watching and tracking that and, if there are issues that emerge, hopefully all governments will be very quick in responding to that. As one part of a suite of measures, this package of reforms I think is one to support, and hopefully the House supports it relatively swiftly.

This fits in well with some local work that we have been doing. The mid-North Coast is one of the first regions in Australia to develop a dementia care plan. We do have an epidemic in Australia coming, if not arrived, in the area of dementia. Rather than just wallow in the concerns of the epidemic hitting us, I am really pleased that our community has come together and put a bit of a strategy together that will align well with these aged care reforms. And I would encourage government to have a look at the work we have done and to provide what resources are possible to allow our region to maximise the work we have been doing locally in trying to deal with the very high number of dementia patients now, and with the significant growth expected in the near term.

The other point I did want to make is on the jobs plan we put together locally. As I said before, the health and community service area is our boom industry of the moment on the mid-North Coast, and so aged care workforce needs are really important to us. I wanted to take this chance to thank the many people who have been involved in the many meetings in making sure our workforce needs meet the demands. They include the local employment coordinator, Renee Hawkins, the aged care workforce coordinator, Jan Johnson, and the new group that has come into town, the Aged Care Workforce Innovation Network. This group is now funded by the Australian government and led by the aged care peak bodies in partnership with the Community Services and Health Industry Skills Council and is now starting to pull together some really good work in our region to address a lot of these workforce needs today and into the future.

I am pleased that, because our region has been working so hard with so little and had to collaborate a lot, we have now become one of the regions to lead in this workforce innovation network. Collaboration is one of the keys that allows that industry development work to take shape. Very quickly, of the 10 regions funded, the mid-North Coast is looking like one of the standouts because we have been
collaborating on the smell of an oily rag for a long time, and had to do that to basically survive as a region. I thank everyone involved in that process, both within and around government but also more importantly at a committee level, for really investing time and energy into the many meetings—everyone hates meetings, but they have made a difference and they certainly are setting us up as a region where our aged care workforce will be viable and strong, our providers will be viable and strong and our quality of care, therefore, will be viable and strong.

I think the mid-North Coast is one of the best places in Australia for anyone to hit retirement age. That is not only for the healthy living issues and all of our wonderful beaches and rivers, but also for that spectrum of care around aged care, when and if required. I hope these bills go through, I hope they go through with bipartisan support and I hope they make a big difference in once again taking a step forward in the quality of care for the aged care sector in Australia today.

Debate adjourned.

Aboriginal Land Rights and Other Legislation Amendment Bill 2013
Aviation Transport Security Amendment (Inbound Cargo Security Enhancement) Bill 2013
Court Security Bill 2013
Court Security (Consequential Amendments) Bill 2013
Customs Tariff Amendment (Incorporation of Proposals) Bill 2013
National Measurement Amendment Bill 2013

Veterans’ Affairs Legislation Amendment (Military Compensation Review and Other Measures) Bill 2013
Reference to Federation Chamber

Mr ALBANESE (Grayndler—Leader of the House, Minister for Infrastructure and Transport and Minister for Regional Development and Local Government) (13:44): by leave—I move:

That the bills be referred to the Federation Chamber for further consideration.

Those bills will be listed tomorrow because the Federation Chamber is being used today as part of the budget lockup.

Question agreed to.

COMMITTEES
Membership

Mr ALBANESE (Grayndler—Leader of the House, Minister for Infrastructure and Transport and Minister for Regional Development and Local Government) (13:45): I move:

That:

(1) Mr Neumann be discharged from the Standing Committee on Aboriginal and Torres Strait Islander Affairs and that, in his place, Ms Saffin be appointed a member of the committee;
(2) Mr Ciobo be appointed a supplementary member of the Standing Committee on Climate Change, Environment and the Arts for the purpose of the committee’s inquiry into the Australia Council Bill 2013 and the Australia Council (Consequential and Transitional Provisions) Bill 2013;
(3) Mr Danby be discharged from the Joint Select Committee on Cyber-Safety;
(4) Dr Leigh be discharged from the Standing Committee on Economics and that, in his place, Mr Bowen be appointed a member of the committee;
(5) Ms Rishworth be discharged from the Standing Committee on Education and Employment and that, in her place, Mr Bowen be appointed a member of the committee and Ms
Marino be appointed a supplementary member for the purpose of the committee’s inquiry into the Fair Work Amendment Bill 2013;

(6) Ms Rishworth be discharged from the Joint Standing Committee on Electoral Matters and that, in her place, Ms Roxon be appointed a member of the committee;

(7) Mr Danby be discharged from the Joint Standing Committee on Foreign Affairs, Defence and Trade and that, in his place, Mr Marles be appointed a member of the committee;

(8) Dr Leigh be discharged from the Joint Standing Committee on the National Capital and External Territories and that, in his place, Mr Crean be appointed a member of the committee;

(9) Mr Fitzgibbon be discharged from the Standing Committee on Procedure and that, in his place, Mr Hayes be appointed a member of the committee;

(10) Mr Neumann be discharged from the Joint Committee of Public Accounts and Audit and that, in his place, Mr Jenkins be appointed a member of the committee;

(11) Mr Hayes and Dr Leigh be discharged from the Publications Committee and that, in their places, Mrs Elliot and Mr Fitzgibbon be appointed members of the committee;

(12) Mr Fitzgibbon, Mr Husic and Ms Saffin be discharged from the Selection Committee and that, in their places, Mr Hayes, Mr Mitchell and Mr Perrett be appointed members of the committee;

(13) Mr Neumann be discharged from the Standing Committee on Social Policy and Legal Affairs and that, in his place, Mr L. D. T. Ferguson be appointed a member of the committee and Mrs B. K. Bishop be appointed a supplementary member for the purpose of the committee’s inquiry into the Public Interest Disclosure Bill 2013; and

(14) Mrs Elliot be discharged from the Joint Standing Committee on Treaties and that, in her place, Mr Marles be appointed a member of the committee.

Question agreed to.

**BILLS**

**Aged Care (Living Longer Living Better) Bill 2013**

**Australian Aged Care Quality Agency Bill 2013**

**Australian Aged Care Quality Agency (Transitional Provisions) Bill 2013**

**Aged Care (Bond Security) Amendment Bill 2013**

**Aged Care (Bond Security) Levy Amendment Bill 2013**

**Second Reading**

Cognate debate.

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:

"the House is of the opinion that further consideration of this bill, and the related bills, should be deferred until the Senate Standing Committee on Community Affairs has reported on its inquiry into the bills."

**Mr CIOBO (Moncrieff) (13:46):** I am pleased to rise to speak in the debate on the Aged Care (Living Longer Living Better) Bill 2013 and cognate bills and to follow those speakers who have been speaking before me. I think it is important in the context of a debate about aged care to get an appreciation of what is happening to the demographics of Australian society. We know and we hear frequently that Australia is an ageing nation, like many other Western democracies. We have seen our birth rate decline, so much so that in fact we are now below replacement level with respect to our population. The reason that Australia continues to see an overall net increase in population is migration.
The fundamental point that we have with respect to this cognate debate is what is taking place across Australian society. We know that our population is ageing. The ageing of our population is in every respect the biggest social issue that faces Australia. Australians are generally living longer and as a consequence we have a rapidly ageing population. To put some context around it, about nine per cent of our population is aged 70 years or older. That is anticipated to rise to 13 per cent by 2021 and to reach 20 per cent by 2051. That will be just shy of six million Australians aged 70 and over.

The consequences of the proportion those aged 70 and over increasing from nine per cent of our population to 20 per cent are profound. It is appropriate that today of all days—budget day—we consider what the ramifications of an ageing population actually are. The ramifications are significant and varied. In many respects it was the recognition of the ageing of Australia's population that gave rise to an important major public policy change to take place: the introduction of the GST. That reform was a coalition reform that we undertook because we knew it to be Australia's long-term interest. It was opposed by the Labor Party, despite the fact that only years earlier the Labor Party had championed the cause for a broad based consumption tax, on the basis of political opportunism while the coalition took the hard decision to introduce a new tax. It was a tax that we knew would not be popular. It was a reform that we undertook because we knew it to be necessary for Australia's long-term interest. It stands in remarkable contrast, frankly, to the way that Labor has gone about introducing the carbon tax. Unlike the coalition, who said, 'We will introduce a GST if you elect us,' the Labor Party said, 'We will not introduce a carbon tax', and they did the exact opposite. In fact, who can forget the Prime Minister saying, only six days out from the last election, 'There will be no carbon tax under a government I lead'? Lo and behold, we discovered only weeks later that, in fact, she was going to impose not only a carbon tax but the biggest carbon tax in the world. That is the difference between the approach of the coalition historically and the approach of the government.

With an ageing population the question is: how do we from a public policy perspective deal with the challenges we will face? For example, one of the consequences of an ageing population is that there will be an increasing dependency ratio. Whereas in 2007 approximately six people of working age for every person aged over 67 was the dependency ratio, by 2047 that ratio will be down to 3.2 people of working age for every person aged 67 and over. What does that mean? What does a decrease from six people for every person aged over 67 to 3.2 people for every person aged over 67 mean in terms of the fiscal consequences for all Australians? The fundamental inescapable truth is that it is basically bad news. It is good that Australians are living longer; it is good that Australians are ageing, but the fiscal challenges it presents are profound. Whereas the Australian government can now rely on approximately six working Australians for every one person aged 67 or over, by the late 2040s there will only be three working Australians for every person aged over 67.

The reason that it is a significant problem from a fiscal perspective is that those aged 67 and older, not always but generally, have a heavier reliance on the public purse. Whether it be in healthcare costs, in the pension or in other forms of support and concessions they would like to have available to them, the fact is that Australians that live beyond the age of 67 typically take
the view—and in many respects they are entitled to take this view—that: 'I've worked my entire life, I've paid my taxes, I've made my contribution to Australian society, and I expect henceforth to reap some of the dividends of a lifetime of earning income.' The fiscal problem with someone aged over 67 is that with a greater reliance on the public purse comes an increased need for it to be funded. As the proportion of people aged 67 and over goes from nine per cent of the population to 20 per cent of the population—more and more people being a bigger drain on the public purse with fewer and fewer people to pay for it—it represents a challenge that somehow must be funded.

Those that are not particularly charitable might take the view that it is a problem that only this side of the House concerns itself with. Those less charitable might say that only the coalition is genuinely concerned about how we fund future challenges. We know, based on the form of this government, that the Labor Party do not particularly care about how we fund future challenges. That is the reason why the Labor Party will stand up and make announcements such as during this Living Longer Living Better cognate debate and package of bills. That is why they will put forward reforms such as Gonski or the NDIS without the appropriate safeguards to make sure there is funding in place to provide the necessary future funding required to meet those liabilities. That is important because any government that signs up the Australian population to future liabilities—be it Gonski, be it NDIS, be it aged-care reform—needs to make sure it is not putting on future generations of Australians a tax burden so significant that they are no longer able or willing to fund it.

In the debate around aged care, this is the consequence. When you shift from six taxpayers funding every person aged 67 and over down to just over three taxpayers funding every person aged 67 and over, it means that the tax burden on those people is significant. When you view that in the context of the current debate that will be taking place in this chamber tonight, we know that there are some serious challenges ahead. That is part of the reason why the coalition introduced the GST, but more importantly it is the reason the coalition was so committed to paying down debt. It is the recognition of the fact that Australia's population is ageing that drove the coalition to pay off the $96 billion of debt the Labor left when they were last in office. It was at the core of the coalition's economic approach: to pay down debt and to put our economy and our country on a strong, stable footing, knowing full well that in future decades there will be very significant drawdowns on the public purse. Those drawdowns must be met by taxation across the population. That is why we paid down debt.

The problem that we have now is that as we shift over the coming decades to having only three people paying all the liabilities expected by a person aged 67 and over—with only three people shouldering the tax burden to support the generous pensions and generous healthcare entitlements and concessions that that person is expecting—it makes it very expensive. And not only will meeting the recurrent liabilities that exist be expensive; this government has racked up $172 billion worth of deficits in the last five years. Australia's net debt currently sits at around $140 billion. We know that it is going to get a hell of a lot worse tonight.

We saw two weeks ago Labor saying—despite on over 400 occasions promising that this year's budget would be in surplus—that this year's budget will in fact be yet another deficit. On 400 occasions, Labor said, 'We will deliver a budget surplus.' The member for Oxley, who is at the table, circulated a
newsletter to his electorate that said, 'We delivered a budget surplus.' But what do we actually know? Two weeks ago they said, 'No, cancel that. There's not going to be a budget surplus. It was going to be $1 billion of surplus but now it is going to be a $7.5 billion deficit.' That was two weeks ago. One week ago, they changed it. They said: 'Scratch that. It's not going to be a $7 billion deficit; it's actually going to be a $12 billion deficit.' That was one week ago. Then a matter of about 72 hours ago—

The SPEAKER: The member for Moncrieff might refer to the bill before the chair.

Mr CIOBO: I am talking about the challenges of an ageing population, Speaker.

The SPEAKER: It would be great if you talked about the actual bill before the chair.

Mr CIOBO: We know that 72 hours ago it shifted from a $12 billion deficit to a $17 billion deficit. If we are going to be serious and look older Australians in the eye and say, 'We can afford to pay for aged care,' and if the government wants to be serious about saying that they can meet the challenges of an ageing population when we shift from nine per cent of the population being over 65 to 20 per cent of the population being over 65, then I say that it is crucial that this government tells us how much debt and deficit they have racked up over the past five years. The reckless spending by the Labor Party must stop. For as long as Labor keeps spending and borrowing and spending and borrowing, the simple reality is that the Australian population in decades to come will have to shoulder the burden. And it is unfair not only for older Australians but for new Australians. The consequences of Labor's policies affect both ends of the spectrum. It is young Australians who will have to shoulder this debt and deficit burden for decades to come. It is young Australians who are in schools today who will have to carry the heavy tax burden as a consequence of Labor's reckless spending over the past five years. Older Australians will also pay the price.

While the Labor Party can have packages of bills entitled 'Living Longer Living Better', while they can claim to be introducing $500 million of new spending, the simple reality is that this is not new money that has come from fiscal prudence; it is money that is being borrowed from abroad. That is entirely consistent with an approach that the Labor Party has had over the last five years that has seen them borrow money from abroad to spend locally on all sorts of projects that they deem to be warranted. Unlike for much of the spending, there is some support for the Living Longer Living Better package and the need to make sure that older Australians are well cared for. But there has been so much waste from the Labor Party. Who can forget pink batts? Who could forget the blow-outs on border protection? We have seen so many blow-outs under this Labor government—

The SPEAKER: The member for Moncrieff should not forget the bill that he is referring to.

Mr CIOBO: over the last five years. I know that aged Australians are very concerned about it. Aged Australians know that they have worked hard and for decades they have paid their taxes, and they expect the government to look after them. But now when the real pressure is on, the Labor Party has abandoned older Australians just as it has abandoned young Australians who will have to carry the burden and pay the taxes. That is the reason the coalition has a problem with these bills.

Debate interrupted.
CONDOLENCES
Oldmeadow, Mr Maxwell Wilkinson, OAM

The SPEAKER (14:00): I inform the House of the death on 21 March 2013 of Maxwell Wilkinson Oldmeadow OAM, a member of this House for the division of Holt from 1972 to 1975. As a mark of respect to the memory of Maxwell Oldmeadow I invite honourable members to rise in their places.

Honourable members having stood in their places—

The SPEAKER: I thank the House.

Wilson, Hon. Ian Bonython Cameron, AM

Ms GILLARD (Lalor—Prime Minister) (14:01): I move:

That the House record its deep regret at the death on 2 April 2013 of the Honourable Ian Bonython Cameron Wilson AM, a former Minister and Member of this House for the Division of Sturt from 1966 to 1969 and 1972 to 1993, place on record its appreciation of his long and meritorious public service, and tender its profound sympathy to his family in their bereavement.

A man named Ian Bonython Cameron Wilson could only come from one Australian state. For almost a quarter of a century Ian Wilson served South Australia, Adelaide, and the people of Sturt in this House. His father, Keith Wilson, had held the seat of Sturt before him almost continuously from 1949 until 1966. His mother, Lady Betty Wilson, was the granddaughter of Sir John Bonython, a member of the very first House of Representatives after Federation, not to mention the owner of the Advertiser. Betty was also the great granddaughter of Sir John Bray, the first Premier of South Australia to be born in that state.

The choice of profession for the young Ian must have seemed ordained. Ian Wilson was born in 1932. He was educated at St Peter's College and graduated in law from the University of Adelaide. After graduating, he studied at Oxford as a 1955 Rhodes scholar, two years after Bob Hawke and a year before Neal Blewett. Returning to Australia, Ian practised as a barrister and solicitor before entering federal parliament in 1966 as the member for Sturt in his father's footsteps in his father's old electorate. Ian went on to hold that seat, except for a single term between 1969 and 1972, from the mid-1960s until 1993.

Ian was a man of moderate views, of conviction and compassion. He was active in many charitable causes and involved in a number of social welfare groups, including the Good Neighbour Council of South Australia and St Matthew's homes for the aged. This flavoured his work as a minister in the Fraser government. After briefly serving as Parliamentary Secretary to the Prime Minister, Ian went on to serve as Minister for Home Affairs and Environment from 1981 to 1982. He was then Minister for Aboriginal Affairs as well as the Minister Assisting the Minister for Social Security from 1982 to 1983.

In addition to his ministerial service, Ian Wilson had a long and distinguished career of service to the parliament. He served on and contributed his wisdom to many committees and represented the parliament overseas on a number of occasions. Ian Wilson retired at the 1993 federal election. After his death last month at the age of 80 there were many tributes for a man known for his integrity and honesty. One word re-occurred in many of these testimonials—'gentleman'. On behalf of the government, I offer condolences to Ian's wife of 52 years, Mary, his sons, Keith, Richard, James and Nigel, and their families.
Mr ABBOTT (Warringah—Leader of the Opposition) (14:04): I second the motion and rise to join the Prime Minister in lamenting the passing of Ian Wilson. As the Prime Minister has already indicated, Ian Wilson came from a long line of distinguished servants of our country and our community. His great-grandfather was Sir John Bray, the Premier of South Australia in the 1880s. His great-great-grandfather was the newspaper proprietor and philanthropist, Sir Langdon Bonython, and his father, Sir Keith, was in fact the first member for Sturt.

Ian Wilson was a member of this parliament in two stints for 24 years. He was a Rhodes scholar. He was a minister for the last two years of the Fraser government, including a stint as Minister for Aboriginal Affairs. He was very well liked in his electorate and, in fact, when he came into the parliament in 1972, he was one of the very few coalition members of parliament who won against the trend in that particular year.

His life was the very epitome of public service. Once there were many like Ian Wilson, who regarded themselves as having a vocation to public service. Sadly, there is less of that today. Nevertheless, we honour his spirit and perhaps we encourage others to emulate it by remembering him in this parliament. On behalf of the coalition, we pass our condolences to his widow, Mary, and his sons.

Question agreed to, honourable members standing in their places.

Reference to Federation Chamber

Mr ALBANESE: I move:

That the order of the day be referred to the Federation Chamber for debate.

Question agreed to.

Thatcher, Baroness Margaret

Mr ABBOTT (Warringah—Leader of the Opposition) (14:07): I rise briefly on indulgence to acknowledge the passing of Margaret Thatcher, the former Prime Minister of Great Britain. With the passing of Margaret Thatcher, the world has lost one of the towering giants of modern history. She gave Britain a future as well as a past. As the current British Prime Minister, David Cameron, said, ‘She did not just lead her country, she saved it’.

If I may, Madam Speaker, I wish to read onto the parliamentary record a tribute to Margaret Thatcher from Brian Griffiths, now with Goldman Sachs, who worked with her at No. 10 Downing Street. Brian Griffiths writes:

She was wonderful to work for, even though she was demanding. If you put a policy proposal to her she would raise dozens of questions which probed every detail of it. She was hugely enthusiastic and for a politician remarkably intellectually curious. She loved exploring ideas, Hayek, Freedman, the Bible, socialism, but managed at the same time to be intensely practical. She loved an argument; hated ‘yes’ men; expected her colleagues to work as hard as her; she read everything we sent her from the policy unit; she had a limited sense of humour, except when there was no one else around; had great respect for the ability of the average person to manage their own affairs; and also had a real Christian faith which ultimately was the basis of her public policies. She was also exceptionally kind to all who worked for her.

She may not have had a great sense of humour but she certainly had a dry wit, as John Howard reminded us early on in her term. She declared to a Conservative Party conference her absolute pride that she was the first, the very first, British Prime Minister to be—there was a pause—a research scientist’, she said.

She was one of those people who demonstrated that the individual can make a difference. In her case, not only did she change lives but also she changed a country
and contributed to changing the world for the better.

Ms GILLARD (Lalor—Prime Minister) (14:10): On learning of the death of Baroness Thatcher, I made a statement extending our condolences to her family and noting her contribution as leader of the United Kingdom—the first woman to do so. She was certainly a woman of conviction—not convictions that I share, but a woman of conviction. I was very pleased that former Prime Minister Howard accepted my invitation to represent the nation and the government at the ceremonial funeral that was held for Baroness Thatcher in London on 17 April.

Mr ALBANESE (Grayndler—Leader of the House, Minister for Infrastructure and Transport and Minister for Regional Development and Local Government) (14:10): by leave—I move:

That further statements by indulgence in relation to the death of the Right Honourable the Baroness Margaret Thatcher LG OM be permitted in the Federation Chamber.

Question agreed to.

STATEMENT BY THE SPEAKER

Budget and Budget Reply

The SPEAKER (14:11): I make a brief statement to the House. I am choosing to do it now so that I have everybody's attention. In view of the significance of proceedings tonight and on Thursday night, and the need to ensure that the dignity of the House is protected, I wish to make some general remarks for the information of members to ensure that the proceedings and arrangements for chamber galleries, for the budget tonight and for budget reply night on Thursday, run smoothly.

As with any other proceedings of the House, there is the principle that any member with the call is entitled to speak without interruption. The Chair will take the necessary action to ensure that that is the case for both addresses. Where appropriate, I will take action under standing order 94(a) and will advise any offending member by written note. Any further action that I consider warranted will be initiated at the commencement of the next sitting day.

I ask members to ensure that their guests arrive at the galleries in a timely way for the address. Guests should arrive at the galleries about 30 minutes prior to the budget speech to ensure they can undertake the security clearance and be seated in the galleries in a timely way. I trust there will be cooperation from members and their guests in the galleries, and that the budget night and the budget night reply will proceed smoothly for the benefit of the House and for those watching and indeed for our nation so that we can ensure everyone who is listening hears the budget and the budget in reply.

MINISTERIAL ARRANGEMENTS

Ms GILLARD (Lalor—Prime Minister) (14:12): For the information of the House I present the revised ministry list dated 25 March 2013.

The document read as follows—

SECOND GILLARD MINISTRY 25 March 2013

<table>
<thead>
<tr>
<th>Title</th>
<th>Minister</th>
<th>Other Chamber</th>
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<tr>
<td>Prime Minister</td>
<td>The Hon Julia Gillard MP</td>
<td>Senator the Hon Stephen Conroy</td>
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Minister Assisting the Prime Minister on Digital Productivity Senator the Hon Stephen Conroy
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<th>Title</th>
<th>Minister</th>
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<tr>
<td>Minister Assisting the Prime Minister on Asian Century Policy</td>
<td>The Hon Dr Craig Emerson MP</td>
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<td>Minister for Social Inclusion</td>
<td>The Hon Mark Butler MP</td>
<td>Senator the Hon Stephen Conroy</td>
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<td>Minister Assisting the Prime Minister on Mental Health Reform</td>
<td>The Hon Mark Butler MP</td>
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<td>Minister for the Public Service and Integrity</td>
<td>The Hon Dreyfus QC MP</td>
<td>Senator the Hon Stephen Conroy</td>
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<td>Cabinet Secretary</td>
<td>The Hon Jason Clare MP</td>
<td>Senator the Hon Stephen Conroy</td>
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<td>Minister Assisting the Prime Minister on the Centenary of ANZAC</td>
<td>The Hon Warren Snowdon MP</td>
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<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon Andrew Leigh MP</td>
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<td>Treasurer (Deputy Prime Minister)</td>
<td>The Hon Wayne Swan MP</td>
<td>Senator the Hon Penny Wong</td>
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<td>Minister for Financial Services and Superannuation</td>
<td>The Hon Bill Shorten MP</td>
<td>Senator the Hon Penny Wong</td>
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<td>Assistant Treasurer</td>
<td>The Hon David Bradbury MP</td>
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<td>Parliamentary Secretary to the Treasurer</td>
<td>The Hon Bernie Ripoll MP</td>
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<td>Minister for Broadband, Communications and the Digital Economy</td>
<td>Senator the Hon Stephen Conroy</td>
<td>The Hon Anthony Albanese MP</td>
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<td>Treasurer (Deputy Leader of the Government in the Senate)</td>
<td>The Hon Penny Wong</td>
<td>The Hon Wayne Swan MP</td>
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<td>Minister for Finance and Deregulation (Deputy Leader of the Senate)</td>
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<td>Special Minister of State</td>
<td>The Hon Dreyfus QC MP</td>
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<td>Minister Assisting for Deregulation</td>
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<td>Minister for Defence (Deputy Leader of the House)</td>
<td>The Hon Stephen Smith MP</td>
<td>Senator the Hon Bob Carr</td>
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<td>Minister for Veterans’ Affairs</td>
<td>The Hon Warren Snowdon MP</td>
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<td>Minister for Defence Science and Personnel</td>
<td>The Hon Warren Snowdon MP</td>
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<td>Minister for Defence Materiel</td>
<td>The Hon Dr Mike Kelly AM MP</td>
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<td>Parliamentary Secretary for Defence (Leader of the House)</td>
<td>The Hon David Feeney</td>
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<td>Minister for Infrastructure and Transport (Leader of the House)</td>
<td>The Hon Anthony Albanese MP</td>
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<td>Minister for Road Safety</td>
<td>The Hon Catherine King MP</td>
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<td>Minister for Regional Development and Local Government</td>
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<td>Minister for the Arts</td>
<td>The Hon Tony Burke MP</td>
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<td>Minister for Sport</td>
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<td>Minister for Regional Services, Local Communities and Territories</td>
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<td>Parliamentary Secretary for the Arts</td>
<td>The Hon Michael Danby MP</td>
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<td>Minister for Families, Community Services and Indigenous Affairs</td>
<td>The Hon Jenny Macklin MP</td>
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<td>Minister for Disability Reform</td>
<td>The Hon Jenny Macklin MP</td>
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<td>Minister for Housing and Homelessness</td>
<td>The Hon Mark Butler MP</td>
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<td>Minister for Community Services</td>
<td>The Hon Julie Collins MP</td>
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<td>Minister for the Status of Women</td>
<td>The Hon Julie Collins MP</td>
<td>Senator the Hon Penny Wong</td>
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<td>Parliamentary Secretary for Homelessness and Social Housing</td>
<td>The Hon Melissa Parke MP</td>
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<td>Parliamentary Secretary for Disabilities and Carers</td>
<td>The Hon Amanda Rishworth MP</td>
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<td>Minister for Foreign Affairs</td>
<td>Senator the Hon Bob Carr</td>
<td>The Hon Dr Craig Emerson MP</td>
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<td>Minister for Trade and Competitiveness</td>
<td>The Hon Dr Craig Emerson MP</td>
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<td>Parliamentary Secretary for Trade</td>
<td>The Hon Kelvin Thomson MP</td>
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<td>Parliamentary Secretary for Pacific Island Affairs</td>
<td>Senator the Hon Matt Thistlethwaite</td>
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<td>Minister for Sustainability, Environment, Water, Population and Communities</td>
<td>The Hon Tony Burke MP</td>
<td>Senator the Hon Stephen Conroy</td>
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<td>(Vice-President of the Executive Council)</td>
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<td>Parliamentary Secretary for Sustainability and Urban Water</td>
<td>The Hon Amanda Rishworth MP</td>
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<td>Minister for School Education, Early Childhood and Youth</td>
<td>The Hon Peter Garrett AM MP</td>
<td>Senator the Hon Kate Lundy</td>
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<td>Minister for Employment and Workplace Relations</td>
<td>The Hon Bill Shorten MP</td>
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<td>Minister for Early Childhood and Childcare</td>
<td>The Hon Kate Ellis MP</td>
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<td>Minister for Employment Participation</td>
<td>The Hon Kate Ellis MP</td>
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<td>Minister for Indigenous Employment and Economic Development</td>
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<td>(Manager of Government Business in the Senate)</td>
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<td>Minister for Tertiary Education, Skills, Science and Research</td>
<td>The Hon Dr Craig Emerson MP</td>
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<td>Minister for Climate Change, Industry and Innovation</td>
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<td>Minister for Small Business</td>
<td>The Hon Gary Gray AO MP</td>
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<td>Minister for Science and Research</td>
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<td>The Hon Tanya Plibersek MP</td>
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<td>Parliamentary Secretary for Health and Ageing</td>
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<td>Minister for Immigration and Citizenship</td>
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<td>Attorney-General</td>
<td>The Hon Mark Dreyfus QC MP</td>
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<td>Minister for Emergency Management</td>
<td>The Hon Mark Dreyfus QC MP</td>
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<td>Minister Assisting on Queensland Floods Recovery</td>
<td>Senator the Hon Joe Ludwig</td>
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<td>Minister for Home Affairs</td>
<td>The Hon Jason Clare MP</td>
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<td>Minister for Justice</td>
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<td>Parliamentary Secretary to the Attorney-General</td>
<td>The Hon Shayne Neumann MP</td>
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<td>Minister for Resources and Energy</td>
<td>The Hon Gary Gray AO MP</td>
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<td>Minister Assisting for Tourism</td>
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<td>Minister for Human Services</td>
<td>Senator the Hon Jan McLucas</td>
<td>The Hon Brendan O’Connor MP</td>
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Each box represents a portfolio. Cabinet Ministers are shown in **bold type**. As a general rule, there is one department in each portfolio. However, there is a Department of Veterans’ Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases.

Whilst I am on my feet I inform the House that the Treasurer will be absent from question time today due to budget preparations. The Assistant Treasurer will answer questions on his behalf.

The Minister for Families, Community Services, Indigenous Affairs and Disability Reform will also be absent due to budget preparations. The Minister for Health will answer questions in relation to families, community services and disability reform and the Minister for Community Services will answer questions in relation to Indigenous affairs.

The Minister for Tertiary Education, Skills, Science and Research, Trade and Competitiveness and the Minister Assisting the Prime Minister on Asian Century Policy will be absent from question time today for personal reasons. The Minister for Climate Change, Industry and Innovation will answer questions in relation to tertiary education, skills, science and research. The Minister for
Defence will answer questions in relation to foreign affairs, trade and competitiveness.

QUESTIONS WITHOUT NOTICE

Budget

Mr ABBOTT (Warringah—Leader of the Opposition) (14:14): My question is to Prime Minister. I remind the Prime Minister of the Treasurer's response when he was asked recently about 10-year budget forecasts and I quote:

Can I just say this about a decades: it is very difficult to do absolutely reliable ten-year figures. Does the Prime Minister agree with the Treasurer?

Ms GILLARD (Lalor—Prime Minister) (14:14): I thank the Leader of the Opposition. The Leader of the Opposition will, of course, see the budget when it is delivered at 7.30 this evening. As I understand the Leader of the Opposition's statements in recent days on DisabilityCare and on another major item of reform in nation, our school improvement plan and school funding plan, he has been advocating that the government show over the long term how these major new programs for our nation's future, these smart investments, should be funded. I direct the Leader of the Opposition's attention to the budget when it is delivered.

Budget

Ms O’NEILL (Robertson) (14:15): My question is to the Prime Minister. How is the government working to protect jobs, support families and invest in a smarter, stronger and fairer Australia?

Ms GILLARD (Lalor—Prime Minister) (14:15): I thank the member for Robertson for her question and note her commitment to her local community but in particular, as a former schoolteacher, her absolute passion in this parliament about education—a passion that I share. The government has been working hard to make sure that in our country no-one is left behind. That is why we are committed to making smart investments for our nation's future. We have been working to sign up every state and territory to start DisabilityCare in Australia, the National Disability Insurance Scheme. I can report to the parliament that we are now in a position to say such agreements have been struck to cover 90 per cent of the Australian population, and we will be working to get an agreement with the Premier of Western Australia.

We are absolutely committed to DisabilityCare because for far too long people with disabilities in our nation and their families and carers have been subjected to a cruel lottery. The amount of assistance you got depended on where you live, the circumstances in which you got your disability and whether or not you got in before the services available had run out because they were capped and they were queued. This is a campaign for reform that has been advocated by disability groups, the disability sector, people with disabilities and their carers and families for decades. I am very proud that this government listened to the disability sector and we are now delivering DisabilityCare.

I am also very proud that we are pursuing opportunity for every child—making sure that every child in every classroom and their teachers have their education properly resourced, not just for today's children but for the generations of children to come. I am pleased that we were able to strike an agreement with New South Wales which will see an extra $5 billion in extra funding go into the classrooms of New South Wales. We will pursue getting agreements with other states because this is right for our children and our nation's future.
I am pleased that we have also been able to announce the Defence white paper to enter a new strategic partnership with China. All of these things are about ensuring that our economy is stronger, that our nation is smarter, that we are a fairer society. That is what guides this government. It is what will guide the budget delivered by the Treasurer tonight—stronger for the future, smarter for our children's education and fairer with DisabilityCare extended right around the country. It is plan for our nation's future, a plan we are very proud of.

Budget

Mr ABBOTT (Warringah—Leader of the Opposition) (14:18): My question is again to the Prime Minister. I remind her of the emphatic commitment in the 2011 budget speech that:

We will be back in the black by 2012-13 on time, as promised.

The alternative—meandering back to surplus—would compound the pressures on our economy and push up the cost of living for pensioners and working people.

Will the Prime Minister apologise to pensioners and working people for failing to achieve the 'no ifs, no buts, it will happen' budget surplus?

Ms GILLARD (Lalor—Prime Minister) (14:19): To the Leader of the Opposition: the only person volunteering an apology to Australia's pensioners should be the Leader of the Opposition because of his active plans to reduce the pensions received by Australian pensioners. Let us be absolutely clear: this is a government which has engaged in an historic increase in the pension because we wanted older Australians to be treated with dignity and with respect to get a basic level of fairness in our society, something denied to them for far too long by those opposite when they were in power.

Come the next election, the choice for Australia's pensioners will be us continuing to invest in the aged-care pension versus the Leader of the Opposition's plan to cut back Australian pensions. The Leader of the Opposition stands for that plan just like he stands for the end of the schoolkids bonus to make families with children worse off; just like he stands for getting Australians to pay more tax by changing the tax-free threshold, putting it down, making sure Australians pay more tax; just like he stands for the eradication of the low-income superannuation contribution so more than three million low-income Australians—predominantly women—miss out. That is not the government's way.

The government's way, as will be shown in this budget, is to ensure that we protect jobs and growth, that we chart a path to surplus, that we make the smart investments for the future and that we continue to work with Australians to support them with the services they need. The debate in Australian politics today is between that plan and that vision of the future and the Leader of the Opposition's plan to cut to the bone—to cut the services that Australians need, to put our economy into a standstill as a result of that reckless austerity and those cuts. The Leader of the Opposition will have an opportunity on Thursday night to outline the details of his plans to cut Australian services to the bone, to rip away from Australians the supports that they need.

For the government's budget tonight, what you will see is a government focussed on jobs and growth, proud that we have created around 950,000 jobs since we came to office, proud that we have worked for decency for working conditions in those jobs, proud that we have increased pensions, proud that we have worked with Australian families through things like the schoolkids bonus and increasing the tax-free threshold so that they
have more supports than they used to under
the former government. There is a choice,
there is a contrast here. It is a very clear one
and I hope the Leader of the Opposition
details his on Thursday night.

Mr ABBOTT (Warringah—Leader of the
Opposition) (14:22): Madam Speaker, I ask
the Prime Minister a supplementary
question. Can the Prime Minister confirm
that she opposed pension increases when she
was Deputy Prime Minister?

Ms GILLARD (Lalor—Prime Minister)
(14:22): Hasn't that just told us everything
about the Leader of the Opposition's inability
to deal with the economic debate? Here we
are on budget day 2013 and he is throwing
back to a debate during the election in 2010.
How pathetic! I refer the Leader of the
Opposition to the statements—

Mr Pyne: Madam Speaker, I rise on a
point of order. The Prime Minister referred
at length to increasing the pension in her
answer to the Leader of the Opposition's
question. She has been asked a very
straightforward question and she should be
asked to answer it.

The SPEAKER: I was actually going to
ask the Prime Minister to return to the
question, but you would not have been able
to hear over the hubbub from the other side
of the chamber. The Prime Minister has the
call.

Ms GILLARD: Thank you very much,
Madam Speaker. I answered this question
three years ago. I refer the Leader of the
Opposition to that answer three years ago.
Isn't the Leader of the Opposition
embarrassed to be so pathetic on budget day
that he has nothing new to say about jobs,
the economy, smart investments for the
future or treating Australians fairly? This is a
man who is simply not up to it, and that
question shows it very, very clearly.

Education

Mr MELHAM (Banks) (14:23): My
question is to the Minister for School
Education, Early Childhood and Youth. Will
the minister update the House on the
government's National Plan for School
Improvement? How has this smart
investment in the nation's future been
received?

Mr GARRETT (Kingsford Smith—
Minister for School Education, Early
Childhood and Youth) (14:24): I want to
thank the member for Banks for that question
because we think that investing in education
is the most important investment that a
nation can make. We know that education is
the great enabler. For young Australians to
live a successful and happy life the quality of
their education will count. For us to have
young Australians who are well educated
and get high-paid, high-skilled jobs in the
future will contribute to our national
prosperity over time.

Education has been front and centre of
this government's agenda and remains there.
Look at what we have done already. For the
first time we have a national curriculum. For
the first time there will be over one million
students sitting NAPLAN today, national
testing in literacy and numeracy. We have
the MySchool website and have improved
facilities in every school in the country,
especially focusing effort on the things that
we know count in the school and in the
classroom. That is about teacher quality and
making sure our kids are learning to read and
do their maths well at an early age.

But we know there is more to do. The
Gonski panel, who looked at school funding,
provided us with a set of recommendations
that said that we need to fund schools on a
basis that is fair and on a basis that is
effective. We have accepted the thrust of
those recommendations and we have a
National Plan for School Improvement, with the goal to have Australia in the top five education nations in the world by 2025. We are backing that plan with effectively a 'S2 from the Commonwealth and $1 from the state' investment that would see some $14.5 billion in additional funding exercised and spent over time to make sure that every student, no matter where they live and no matter how much money their parents earn, is getting the education that they need.

I am asked about how the National Plan for School Improvement has been received. The fact is it has been received very positively. I can hardly find a person in the country who thinks and cares about education who has not been positive about this reform—teachers, parents and the business community. New South Wales, as the Prime Minister has said, have agreed in the interests of their students that the National Plan for School Improvement is something that they want to be a part of. In fact, the New South Wales Premier said:

... it provides additional resources, fairer distribution, to deliver higher standards and better outcomes ...

I do not agree with everything that Premier O'Farrell says or does, but on this count I think he got it right. The only negative voices we have heard are from the Leader of the Opposition and the shadow minister. The Leader of the Opposition thinks that increasing investment in public education is an injustice. They will not support this national plan for the nation's future.

**Mr MELHAM** (Banks) (14:27): Madam Speaker, I ask a supplementary question. The minister has talked about building better schools. What will this mean for students in my electorate?

*Mrs Griggs interjecting—*

**The SPEAKER:** The member for Solomon is warned. The minister has the call.

**Mr GARRETT** (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (14:27): I am happy to take that supplementary question from the member for Banks. I know how important it is to him as a local member that the schools in his electorate are well supported. Let me apprise those listening what this government has done on education. Let us look at the existing level of investment in the member's electorate—107 new projects at 43 schools under the Building the Education Revolution program; building and upgrading 22 classrooms, seven libraries, 18 multipurpose halls and a language centre; and computers in schools that benefit from the national partnerships. The point about the National Plan for School Improvement for electorates like those of the member for Banks—and every Labor member knows it and every member opposite ought to know it—is that additional investment into schools in this country will make a difference to the education of the kids in those schools. We are investing in great teachers, focusing on school improvement, giving more power to local principals and giving the resources to do the things that count.

I spoke in my first answer in the House about how important it is that young Australians get on a sound footing in literacy and numeracy at an early age. That might mean, for example, a literacy coach in one of the member for Banks's schools. In fact, I visited I think the Narwee Public School with the member earlier on and I could see what a difference these investments are making and will continue to make under the National Plan for School Improvement.

*(Time expired)*
Mr PYNE (Sturt—Manager of Opposition Business) (14:29): My question is to the Assistant Treasurer. I refer to reports that the Assistant Treasurer has been contacting selected businesses to brief them about changes to thin capitalisation rules in tonight's budget. Given that that is market sensitive information, will the minister detail who has been contacted about changes to thin capitalisation rules ahead of the rest of the market?

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (14:29): Thank you to the member for his question. The question goes to matters that will be the subject of the budget this evening. Of course, I make the point that this is a government that regularly engages in consultation with all relevant stakeholders. It might come as a surprise to some on the other side, but that is a very reasonable way to engage in a systematic process of policy review.

The question goes very directly to the question of profit-shifting activities. This has been an area that I have spoken about at length. The government has absolutely no time for multinational enterprises that are engaged in profit-shifting activity—and, indeed, this is a debate that has been occurring not just in this country but all around the world.

I do make the point that, when it comes to cracking down on loopholes and protecting the corporate tax base, this government has taken some very, very strenuous measures in order to protect the revenue base. In doing so, I make the point that we have put in place measures, or brought measures into the parliament, that have sought to protect the revenue to the tune of $11 billion.

Mr Pyne: Madam Speaker, on a point of order: this is a very serious question, and the minister is now padding out his answer. He was asked who he has spoken to in the market ahead of tonight's budget about the thin capitalisation rules, the consultation—

The SPEAKER: The Manager of Opposition Business will resume his seat. The Assistant Treasurer has the call and will refer to the question before the chair.

Mr BRADBURY: Thank you very much, Speaker. I can understand the concern. I am simply pointing out that each of those measures that have protected $11 billion worth of revenue has been opposed by the opposition. I think that there are many mums and dads all around Australia that would want to ask the question: why is it that, on every occasion that this government has brought forward measures to crack down on multinational profit shifting, they have come into this place and voted against those measures?

The SPEAKER: The Assistant Treasurer will return to the question.

Mr BRADBURY: In terms of the measures that will be the subject of announcement tonight, you will have to wait till 7.30.

Mr PYNE (Sturt—Manager of Opposition Business) (14:32): Madam Speaker, I ask a supplementary question. The Assistant Treasurer talked about consultation in his answer. As the budget is written and the lockup is going on as we speak, and the market should have had this announcement tonight when everyone could have it at the same time, can he assure the House that, in his communications with the business community today, he has not created an unfair competitive advantage for those businesses he contacted?

Opposition members interjecting—
The SPEAKER: The Assistant Treasurer has the call and has the right to be heard in silence.

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (14:32): The answer to that is no.

Bruce Highway

Mr SLIPPER (Fisher) (14:32): My question is to the Minister for Infrastructure and Transport, Minister for Regional Development and Local Government and Leader of the House—and allow me to congratulate him on his additional responsibilities. Given the minister's commendable announcements to date on improvements to the Bruce Highway involving an investment of over $4 billion, which has been applauded by the community, can the minister give a timeframe for upgrading the Bruce Highway between Caboolture and the Sunshine Coast from four to six lanes to meet the needs of the area's rapidly growing population? (Time expired)

Mr ALBANESE (Grayndler—Leader of the House, Minister for Infrastructure and Transport and Minister for Regional Development and Local Government) (14:33): I thank very much the member for his question and for his ongoing representations about the needs of people on the Sunshine Coast, particularly with regard to roads funding. Earlier this year, of course, I announced some $80 million in funding for a new interchange between the Bruce Highway, Roys Road and Bells Creek Road, and last month the Prime Minister and I were in Rockhampton with the member for Capricornia announcing our $4.1 billion plan for a better, safer Bruce Highway. That is real money for real projects that will make a real difference to local communities along the highway. On the Sunshine Coast, this will see the construction of a new flyover ramp to the Bruce Highway from the Sunshine Motorway. It will significantly improve safety and reduce congestion for people travelling on the Bruce Highway. It will also mean we can fast-track the next stage of Cooroy to Curra upgrade section A, where construction is on track to start next month. We have allocated $4.1 billion, making a total of $5.7 billion—four times what those opposite allocated when they were in government. We can do a range of projects that have been outlined, but we can do even more if the Queensland government comes to the party and puts up its fair share of funding, including widening the highway between Caboolture and the Sunshine Coast.

Three months ago, the opposition leader said that he would be making very substantial announcements about the Bruce Highway in coming weeks. That was three months ago. All we have heard since is radio silence, which is not surprising given the embarrassment of $1.3 billion over 12 long years of neglect that occurred under the former government. What this government has is a plan for our national road network that is about supporting jobs today through construction but also about making those productivity improvements—including, in the Sunshine Coast region just to the north, the Cooroy to Curra section B that was promised, funded, built and opened by this government after the former transport minister and local member to the north of Mr Slipper's electorate described it as the worst section of road in Australia. Those opposite have been driving up and down the highway but not making any commitments at all—no commitments. The Leader of the National Party said $8 billion one day, and then it went back to $1 billion under Joe Hockey, the shadow Treasurer. And now we know that they are saying no commitment at all.
Workplace Relations

Mr SYMON (Deakin) (14:36): My question is to the Minister for Employment and Workplace Relations and Minister for Financial Services and Superannuation. How are the government's policies building better and fairer workplaces while making sure the pay and conditions of working people are protected? Minister, are there any obstacles to this?

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (14:37): I thank the member for Deakin for his question. I know that he is very committed to a fair go all round at work.

In the election on 14 September there will be a choice between two different sets of policies about the future of Australian workplaces and good jobs. There is one choice—the Labor way—where people can expect and deserve good jobs. We see that happening every day in Australia, with fairer and better laws under the Fair Work Act. I am pleased to report to the House that labour productivity has been up—not for one quarter, not two quarters, not three quarters—for seven quarters in a row. I am pleased to report that last Thursday, the April unemployment numbers fell. An fact, in April, there were more men and women in Australia working full-time than ever in the history of Federation.

I am also pleased to report that under the 5½ years of Labor, industrial action lost time has fallen and has been substantially lower than the 11 years of the Liberal period beforehand. I am also pleased to report that wage growth is reasonable. So there you have it. That is the Labor choice: productivity up, jobs up, industrial action down and wages moving reasonably.

I am asked if there is another choice, another set of policies. Last Thursday, after pressure, the Liberal Party revealed a bit of a sticky taped together, stapled set of press releases from employer groups and proudly brandished it as a workplace relations policy. I do congratulate the opposition policy for being classic, textbook small target: say nothing—or nearly nothing. Hope that we can say and do nothing, even though some of the hard-line right-wingers behind the Leader of the Opposition want to let loose. They want to sneak into office as they did in 2004—by not telling anyone anything.

Unfortunately, Liberal Party policy does let the cat out of the proverbial bag. Unfair individual contracts are back with a bullet under the Liberals. They are now proposing—I love this, I do not know who dreamed it up, but they deserve a medal for idiocy—to make law that you can swap your hourly pay for non-monetary benefits. Why didn't we think of that? What a great idea! What you can now do is take a pay cut if you vote Liberal. Fantastic! But it goes further than that. Unfair individual contracts are in the Liberal Party DNA. Look how happy other people are. The Liberals are saying that there is nothing here to see. Why did the Australian Retailers Association today come out and say, ‘Good on the Liberal Party of Australia, because we can get our teeth into penalty rates’? Indeed, I have to respect the honesty of the oracle from Goldstein, because on the radio today, as the oracle does—(Time expired)

Budget

Mr PYNE (Sturt—Manager of Opposition Business) (14:40): My question is to the Assistant Treasurer. Given his admission that he has contacted selected businesses today to discuss changes to thin capitalisation rules ahead of the budget, will he detail which businesses and why?
Mr Albanese: I rise on a point of order. It is completely disorderly for a minister to be verballed in the way that a question is written—

The SPEAKER: Order! The Manager of Opposition Business will resume his seat. The Leader of the House has the call and will be heard in silence!

Mr Albanese: on the basis of the standing order which precludes argument from being used.

The SPEAKER: The member for Sturt can rephrase the question without the argument.

Mr PYNE: Madam Speaker, my question is to the Assistant Treasurer. Given the Assistant Treasurer's earlier answer, where he said that he was consulting with businesses in relation to changes to the thin capitalisation rules today, ahead of the budget, will he detail which businesses and why? That is exactly what he said.

Mr Albanese: I rise on a point of order. He is almost there, but he cannot use argument. It is pretty easy to frame the question he seeks to ask; he is competent to do it and he should do it.

Mr Wyatt interjecting—

The SPEAKER: The member for Hasluck is warned. The Assistant Treasurer has the call.

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (14:43): As I said in my earlier answer, the government regularly engages in consultation with all manner of stakeholders, and that is entirely appropriate. I can indicate—

Mr Dutton: Before the announcement on budget day?

The SPEAKER: The member for Dickson is warned!

Mr BRADBURY: throughout the course of any consultations, we are always very mindful of ensuring that no individual stakeholder obtains any advantage as a consequence of those consultations. That is appropriate, and that is the way in which we have conducted our discussions with stakeholders.

Infrastructure

Mr GIBBONS (Bendigo) (14:43): My question is to the Minister for Infrastructure and Transport and Minister for Regional Development and Local Government. Why has the government invested in public transport? How are these investments improving productivity, sustainability and liveability for all Australians, and what other approaches are there?

Mr ALBANESE (Grayndler—Leader of the House, Minister for Infrastructure and Transport and Minister for Regional Development and Local Government) (14:43): I thank the member for Bendigo for his question. It is indeed the case that this government has an orderly plan for investment in the nation's infrastructure. That is why we established Infrastructure Australia to give us advice based upon cost-benefit analysis about projects, regardless of the mode. That is why it is important that we have invested, not just doubling the roads budget, but we have committed more to urban public transport than all governments combined from Federation right through to 2007. That includes, of course, in the honourable member's electorate, the Regional Rail Link, which will benefit Melbourne, but will also benefit Bendigo, Ballarat and Geelong. It is the largest single investment in urban public transport in Australia's history by any federal government.

We have not just done that. Of course, we have also had the Noarlunga to Seaford
extension in Adelaide that will open later this year. We have also had the Gold Coast Rapid Transit line that is going gangbusters on the Gold Coast and will be finished by 2014. We have got the Perth Citylink project, in Perth, sinking the existing rail line through the CBD and unifying the CBD with Northbridge, transforming the city of Perth with federal investment. In Brisbane, to the north, we have the Moreton Bay regional rail link, which is also underway. We also have projects of separating freight from passenger lines that are leading to a better urban public transport system in Sydney: the Southern Sydney Freight Line, which I opened earlier this year, and the Northern Sydney Freight Line, making a big difference, where construction will start at Strathfield in coming months. Also, in Adelaide, we have the Goodwood and Torrens junctions grade separation. In addition to that, we have had money for planning: planning of the Melbourne Metro, planning of the Brisbane Cross River Rail project—important investments—as well as, in Perth, the light rail project. It is important that this occur and it has been received well by those Australians who are stuck in traffic gridlock, who know that we need to invest in urban public transport.

What those opposite have had to say is that we need to stick to their knitting, that we need to abandon any investment in urban public transport whatsoever. It has been ruled out by the Leader of the Opposition—and not just that. He went on Melbourne radio and said the only urban rail project that he can recall that the Commonwealth has substantially funded is the Moreton Link in Brisbane. It was on radio in Melbourne, where 2½ thousand people are at work today on the Regional Rail Link, 2½ thousand jobs ensuring growth into the future—and he was not even aware of it. *(Time expired)*

### Budget

**Ms JULIE BISHOP** (Curtin—Deputy Leader of the Opposition) *(14:46)*: My question is to the Prime Minister. I remind the Prime Minister of her last newsletter, sent recently to her own constituents, that has promised more than 23,000 local families will receive an increase of up to $600 in their Family Tax Benefit Part A statements and that increased payments will flow from 1 July next year. Given that the Prime Minister binned that promise before it even started, why should anyone trust her to deliver on her budget promises this year when she failed to deliver on her promises from last year?

**Ms GILLARD** (Lalor—Prime Minister) *(14:47)*: I thank the Deputy Leader of the Opposition for her question. The Deputy Leader of the Opposition—and indeed all members of the House—need to grapple with the facts and what the facts mean for the government’s budget position and would mean for anyone who was in government at this period of time. You cannot wish away the facts, and what the facts mean is that, since the budget was last delivered, we have seen the amount of revenue tax money expected to be received by the government go down by $17 billion. In those circumstances the government is making responsible savings. As I indicated to the Australian people when I spoke about this matter a few weeks ago, these decisions are grave and weighty ones, but we are determined to take the right decisions to ensure that we have a focus on jobs and growth, that we chart a pathway to surplus and that we are making the smart investments necessary for the nation’s future. That is the approach that the government has taken, and of course on election day Australians will have the opportunity to judge that approach versus the approach of the opposition to cut to the bone. I note that
the Deputy Leader of the Opposition did not come to the dispatch box and spruik about the opposition's plan to rip away the Schoolkids Bonus from Australian families, to make Australian families with school children worse off and to take the money out of their purses and wallets that they are using to support the costs of getting the kids to school. I note that she did not come to the dispatch box and say that they are planning to put up tax. They want people to pay more tax, particularly working women, because, whilst we have increased the tax-free threshold so a million Australians have come out of the tax system, so that you do not pay tax now until you earn more than $18,200—

**The SPEAKER:** The Prime Minister will resume her seat. The member for Mackellar on a point of order.

**Mrs Bronwyn Bishop:** Thank you, Madam Speaker. To be directly relevant the Prime Minister has to be answering why she broke the promise that she was going to give the family tax benefits and not what opposition policy is. Accordingly, she should be brought back to the question.

**The SPEAKER:** Leader of the House, is leave granted?

**Mr Albanese:** The preamble showed that she was not serious, so no.

**Ms Julie Bishop:** I am serious.

**The SPEAKER:** The Deputy Leader of the Opposition will resume her seat. The member for Wakefield has the call.

**Defence**

**Mr Champion** (Wakefield) (14:51): My question is for the Minister for Defence. How does the government's Defence white paper outline a plan to provide for Australia's future security?

**Mr Stephen Smith** (Perth—Minister for Defence and Deputy Leader of the House) (14:51): I thank the member for his question and acknowledge his longstanding interest in national security matters, particularly our maritime security and the capability of Adelaide to be at the heart and centre of that.

The Prime Minister and I released the Defence white paper on 3 May and that provides the strategic analysis which fits Australia for our future national security challenges. The strategic analysis in the white paper has been widely regarded as a sensible and careful analysis of those future challenges and risks. It provides a road map for us to protect and enhance Australia's national security interests.

The white paper outlines, in the government's view, the formation of a new strategic entity which we describe as the Indo-Pacific. This reflects not just the rise of China but also the rise of India. The paper draws attention to the essential need for the United States-China relationship to be a positive and productive one, and particularly...
for that relationship to grow from an economic relationship to a relationship at the same level in the political, strategic, defence-to-defence and military-to-military area.

We also acknowledged the importance of the United States rebalance and some of the current issues facing Australia: a drawdown from Afghanistan, Timor Leste and the Solomons, and our own force posture review reflected by the first force posture review in over 25 years.

And so the strategic analysis sets out those challenges. The capability decisions made in the white paper allow the Australian Defence Force, the ADF, to meet those challenges for the future and to discharge the obligations given to it by the government. The two primary decisions made in the white paper so far as capability is concerned are the purchase of 12 off-the-production-line Growler electronic warfare capability aircraft to add to our 24 Super Hornets and to our 71 classic Hornets and, importantly, a narrowing of our capability decision so far as our 12 submarines to be assembled in South Australia are concerned: to an evolved Collins model or to a brand-new design—in contrast to those opposite, through their shadow minister, who look only at an off-the-shelf foreign purchase.

I have seen a lot of comment made about finance in this area. The white paper does respond to the adverse implications of the global financial crisis. I have also seen reference that the fact that we are not currently at two per cent of GDP spending creates a crisis in defence spending. We remain the 13th largest defence spender, and if you think there is a crisis in defence spending because we are not at two per cent of GDP then I regret to advise the House that we have had that crisis since 1999. We have not had two per cent of GDP since that time. We have an aspiration to go to two per cent, but we have a bipartisanship approach here to defence spending: everyone has an aspiration to two per cent, but that has not been met in reality since 1999. (Time expired)

Economy

Mr TRUSS (Wide Bay—Leader of The Nationals) (14:54): My question is to the Prime Minister. I remind the Prime Minister of her promise, 'I am a Prime Minister that has tried to provide a little bit of help with the cost-of-living pressures'. Since that promise, Labor has cut the private health insurance rebate, cut the baby bonus, introduced a carbon tax, cut family payments and dumped the tax cuts. Why should Australians believe anything promised in this year's budget when they could not believe anything promised in last year's budget?

Ms GILLARD (Lalor—Prime Minister) (14:55): In answer to the Leader of the National Party's question: I am very concerned to be working with Australian families on their cost-of-living pressures, which is why we provided the Schoolkids Bonus, a benefit provided by Labor to help with the costs of getting the kids to school. If you have two kids going to school, across their schooling careers it will make a difference of $15,000 for a family. And who wants to take that away? None other than the Leader of the Opposition.

Then, of course, we are working with Australian families on cost-of-living pressures that they face—for example, the historic increase in the pension that this government has delivered because we understand that for Australian pensioners it is hard to make ends meet. And who wants to take a pension increase away? None other than the Leader of the Opposition.

Then, of course, there are the supports that this government has put in place for child care: moving from the system of the former...
governments, that the Leader of the National Party was involved in, and increasing the childcare rebate so that there is more support for childcare expenses for Australian families than there has ever been before. And there is the Leader of the Opposition saying that he is going to have a scheme for nannies that he is going to fund from that money that currently goes to families. All that means is that there are going to be cutbacks for families that are getting childcare benefit and childcare tax rebate now.

Then, of course, we work with families too on cost-of-living pressures by ensuring that families get the benefits of tax cuts through increasing the tax-free threshold to $18,200, taking a million Australians out of the tax system and giving millions more tax relief. Because of the structure of this tax-free threshold, this is a benefit that makes a difference particularly for working women; particularly for women, for second-income earners, who are seeking to combine part-time work with caring for children. And who wants to take that benefit away, and ensure that those low-income Australians—those working women, predominantly—pay more tax? None other than the Leader of the Opposition. Then on my statements about support for—

Mr Pyne: Madam Speaker, I rise on a point of order. The Prime Minister was asked about the cuts to the private health insurance rebate, the cuts to the baby bonus, the family payments and the dumped tax cuts, and all she can do is talk about the opposition. I would ask you to ask the Prime Minister to answer the question.

The SPEAKER: Order! There is no point of order. The Prime Minister has the call.

Ms Gillard: The question put to me a quote of mine and I am referring to that part of the question, so the member for Sturt might want to see the questions drawn more tightly if he is not liking the answer.

Then last, of course, in terms of support for families: I am very proud that we are standing alongside more than three million low-income earners to increase their superannuation—something that the Leader of the Opposition would take away. So if the Leader of the National Party is truly concerned about cost-of-living questions in Australian families, have a chat with him: he is the one who wants to cut to the bone. (Time expired)

Local Government

Ms Rowland (Greenway) (14:58): My question is to the Attorney-General. Why is the government proceeding with a referendum to recognise local government?

Mr Dreyfus (Isaacs—Attorney-General, Minister for Emergency Management, Minister for the Public Service and Integrity and Special Minister of State) (14:58): I thank the member for Greenway for her question. I know she has a very long-standing interest and strong track record in developing productive partnerships between federal government and local governments for the benefit of local communities. The member for Greenway was, of course, the Deputy Mayor of Blacktown before standing to represent her community in our federal parliament.

Since 1901 the Constitution has served Australia very well but we must ensure that it remains a living and a relevant document, one which reflects the reality of government and the provision of essential community services in Australia. The proposed change to section 96 of the Constitution is a modest and a practical change. Section 96, of course, currently allows the granting of financial assistance to any state on such terms and conditions as the parliament sees fit. The proposed amendment would simply
acknowledge the fact that the Commonwealth has partnered with local governments for decades to deliver local roads, sporting fields, libraries, child care and vital community services. The roads that we drive down every day, the football fields, the new changing sheds that our kids use on the weekends, the modern learning centres that are being built in new suburbs—many of these have been made possible by local and federal governments working together.

I also want to make clear what this amendment does not do. It does not give the Commonwealth any ability to interfere with the creation or regulation of local government bodies by the states. The proposed change of course follows extensive consultation and development by the expert panel convened in 2011 and chaired by Jim Spigelman. It was endorsed by a joint select committee chaired by the member for Greenway and supported by members of parliament from across politics.

History shows that only a referendum with bipartisan federal support has any chance of being agreed at the ballot box on 14 September, and we therefore welcome the support of the opposition for this practical change to our Constitution and look forward to working with the opposition members to explain this change to the people of Australia. National Party members in particular understand the benefits arising from partnerships between federal government and local governments which serve to develop and strengthen their electorates. So let's work together with the Australian people to say yes to recognising local government in our Constitution.

Budget

Mr BRIGGS (Mayo) (15:01): My question is to the Prime Minister. I remind the Prime Minister that in last year's budget Labor promised to keep gross debt below $250 billion, bring the budget back to surplus and increase family tax benefit part A. In 2011 Labor promised to create 500,000 new jobs, and in 2010 it promised to cut company tax. Given that Labor has broken every single one of these budget promises, why should the Australian people believe anything that is promised tonight?

Ms GILLARD (Lalor—Prime Minister) (15:02): I thank the member for his question and I thank him for his frankness on workplace relations policy, where at least he has said unashamedly and proudly, 'You can't have genuine flexibility without a form of statutory individual contracts with a no disadvantage test.' He is still a believer in WorkChoices and prepared to spruik that long and loud, unlike the Leader of the Opposition, who is still a believer in Work—

The SPEAKER: The member for Mayo on a point of order, without the prop.

Mr Briggs: Madam Speaker, it is relevant to refer to the big Labor book of waste.

The SPEAKER: The Prime Minister has the call and will be relevant to the question.

Ms GILLARD: I am asked by the member about tonight's budget. The member will see tonight's budget when the Treasurer delivers it at 7:30 tonight, and what I can assure the member is that it is a budget based on the facts, right for these economic circumstances, focused on jobs as this government has always been focused on jobs—960,000 jobs, almost a million, created since this government came to office, an economy 13 per cent larger despite having to face the biggest economic shock the globe has seen since the Great Depression. Despite having to see that, we have put in place policies to support jobs.

I say to the member: if he is interested in the budget then he should direct his attention to the budget tonight, but when he does so he
ought to take an approach based on the facts. The member opposite and, indeed, all those members opposite might be interested to know that former Prime Minister Howard was prepared to take an approach based on the facts when it comes to tonight’s budget and, indeed, the government’s budget in general. He said on 13 May, very recently:

When the current prime minister and the treasurer and others tell you that the Australian economy is doing better than most – they are right.

We are still fortunate that we have an unemployment rate with a five in front of it. I wouldn’t have thought that was going to be possible a couple of years ago, and I don’t think many people would have. Our unemployment has remained pleasingly quite low.

Former Prime Minister Howard went on to say:

And our debt to GDP ratio, the amount of money we owe to the strength of our economy, is still a lot better than most other countries.

So the member, who worked as an adviser for former Prime Minister Howard, may want to note—

Mr Briggs interjecting—

The SPEAKER: The member for Mayo will leave the chamber under 94(a).

The member for Mayo then left the chamber.

Ms GILLARD: that there is former Prime Minister Howard acknowledging our economy is strong, acknowledging that we have jobs in our economy and acknowledging that we have low debt. They are the facts of the Australian economy, and no amount of yelling and screeching from those opposite will ever change those facts.

Tasmanian Economy

Mr ADAMS (Lyons) (15:05): My question is for the Minister for Sustainability, Environment, Water, Population and Communities. What progress has there been on the Tasmanian forestry agreement since the parliament last met? Is the minister aware of other approaches to the agreement, and what would their impact be?

Mr BURKE (Watson—Minister for the Arts, Minister for Sustainability, Environment, Water and Population and Communities) (15:05): I want to thank the member for Lyons for asking a question about an issue that we have been talking about all term in here as to whether or not we could get the stakeholders from each side of the Tasmanian forestry debate to agree and then whether we could get that agreement to go through the Tasmanian parliament. I am very pleased to say that since this parliament last met the forestry deal has been endorsed by the Tasmanian parliament and is now being rolled out. This is something that ends 30 years of conflict in Tasmanian forestry and has extraordinary outcomes for both Tasmanian jobs and conservation.

We have had a significant shift in the forestry industry for some time now. Markets that we used to be able to rely on started to disappear or demand that they would only buy timber product, whether it be woodchip, peeler billet or sawlog, if it had the Forest Stewardship Council certification on it. None of the native forestry run by Forestry Tasmania was eligible at that point for FSC certification. Now, with the agreement in place, we are seeing the process for certification for the export of timber products from Tasmania moving quickly.

Tasmania will be leading the nation. It will be the one state whose official forestry body has gained Forest Stewardship Council certification and which has opened itself up to those export markets around the world. On the different exit packages that have been offered I have heard the comments of the Leader of the Opposition, who has said that his side of politics would never pay people to leave, completely forgetting the exit
packages over the years, pretending they never happened. What will occur is where people have already seen the massive drop-off in demand they now have an opportunity to take up that slack through the exit packages and then reinvest in their businesses. This is a good outcome for jobs in Tasmania. This opens Tasmanian forestry products back up to the world. At the same time it means that conservation outcomes that previously would have been thought to be completely unattainable are now possible. We now have in the order of half a million hectares of forestry reserves coming into place, taking in some areas within the Tarkine, areas such as the Blue Tier. But the most highly contested forests, areas like the Weld, the Styx and the Upper Florentine, are currently before the World Heritage Committee in Paris to enable them to get the full level of conservation protection and to be put on the World Heritage List.

This is something where the conflict options that have been there for the last 30 years have been entirely rejected by this government. We have worked with stakeholders, with the Tasmanian people, who have wanted to move to a future that is very different from the past with a combination of conservation and jobs. (Time expired)

Mr ADAMS (Lyons) (15:09): Madam Speaker, I ask a supplementary question. Minister, what is the benefit to the electorate of Lyons and all the other electorates in Tasmania?

Mr BURKE (Watson—Minister for the Arts, Minister for Sustainability, Environment, Water and Population and Communities) (15:09): The member for Lyons has a very strong record in this House as someone who has always stood up on the side of jobs in Tasmania. He has always been there. All those jobs are possible only because we have moved beyond the old conflict model. The old conflict model was killing our international markets, which are now opened up. Most of the people who will be taking up the exit packages will be using that money to reinvest back into jobs in the north-west, in the southern forests, across the eastern forests—throughout Tasmania. What we have there is the opposite of what the Liberal Party would have wanted. They have had terror at the thought that there might not be conflict. The moment they thought we could actually have a thing called peace in the forests nothing has scared them more, because their whole political approach in Tasmania has thrived on the conflict model. Seats like the seat of Lyons, the seat of Franklin and the seat of Bass have always thrived on the concept of jobs. They have always thrived on the concept of making sure that we adapt to the changes in the market and that we do not pretend that a battle from 30 years ago is going to provide a sustainable future for Tasmanians. It is about making sure that we look at where markets have gone and that we work with the Tasmanian community to make sure that the economic future that members like the member for Lyons have been demanding is well and truly within the grasp of Tasmanians.

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

DOCUMENTS

Presentation

Mr ALBANESE (Grayndler—Leader of the House, Minister for Infrastructure and Transport and Minister for Regional Development and Local Government) (15:11): Documents are presented as listed in the schedule circulated to honourable members. Full details of the documents will be recorded in the Votes and Proceedings and I move:
That the House take note of the following documents:


Australian River Co. Limited and its consolidated entities—Report for the period 1 December 2011 to 30 November 2012.


Clean Energy Regulator—Administrative report for 2012.

Department of Finance and Deregulation—Campaign advertising by Australian Government departments and agencies—Half yearly report for the period 1 July to 31 December 2012.


Surveillance Devices Act 2004—Commonwealth Ombudsman’s reports on inspections of surveillance device records for the period 1 July to 31 December 2012—Australian Crime Commission and Australian Federal Police for the period 1 July to 31 December 2011; Victoria Police for the period 1 July 2011 to 30 June 2012.

Debate adjourned.

AUDITOR-GENERAL’S REPORTS

Reports Nos 27 to 34 of 2012-13


Ordered that the reports be made parliamentary papers.

PARLIAMENTARY OFFICE HOLDERS

Speaker’s Panel

The SPEAKER (15:11): Pursuant to standing order 17(a), I lay on the table my warrant revoking the nominations for the honourable members for Kingston and Fraser to be members of the Speaker’s panel.
DOCUMENTS

Presentation

Law Making Powers of the Houses

The SPEAKER (15:12): For the information of members I present a copy of the paper The law making powers of the houses—three aspects of the financial initiative. The paper is available on the department's websites and copies may be obtained from the Clerk's office.

MATTERS OF PUBLIC IMPORTANCE

Border Protection

The SPEAKER (15:12): I have received a letter from the honourable member for Cook proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The impact of record numbers of people illegally entering Australia by boat under this government.

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 MORRISON (Cook) (15:12): The Treasurer will get to his feet tonight and engage in what can only be described as another act of fiscal fantasy. Such will be the fictional nature of what the Treasurer will say tonight that I suggest that he begins his budget speech with the phrase ‘Once upon a time …’. What will be true about tonight's revelations by the Treasurer is that while Labor's record failures on our borders mean that they have not been able to stop the boats those record failures under this Treasurer have, however, ensured that they have been able to stop a surplus.

Labor's record border failures have no peer. That is why they are records. This afternoon there is an opportunity to go through in some detail the nature of those border failures, which are entirely an act of this government's own making. What is important is to understand the impacts and consequences of this record level of failure.

Under this government, what we have seen occur in the short space of time of just five years is an average of two people illegally entering Australia by boat every month in 2007-08 expanded this financial year to an average of over 2,000 per month. From two per month to over 2,000 per month: that is an extraordinary act of growth on this government in terms of the border failures that we have seen—it is absolutely extraordinary. It is important to note that, over this period of time, what we have seen is a constancy in the level of pressures that have been brought to bear. As we all know, push factors are, sadly, a tragedy that is always present. What changes is government policy that enables the border failures to present as they have under this government. So we have gone from an average of two per month to over 2,000 per month. And just this year we have set two monthly records. In March we had a record of over 2,500. In April we had a record of over 3,300. And in May, in just less than 10 days, we have had over 1,500 people arrive in this manner. We had a record last financial year, 2011-12, of 8,300 people arrive, and more; but this financial year we have had a record of 20,861 people arrive in this manner—and we are not even at the end of the year yet.

What we also note is one of the other records this government achieved in 2011-12—the 2012-13 figures will be released at some time. I will refer here to the Parliamentary Library publication which refers to IMA refugee status determination requests received—that is, those who have
arrived by boat. In 2011-12 the figure for those who came by boat was 7,379. For those who came by air, it was 7,036. For the first time, in 2011-12, more people came by boat than came by air, according to the Parliamentary Library and the Department of Immigration and Citizenship. That was at a time when the arrivals for that year were 8,300. This year they are almost 21,000, and we are not even at the end of the year, so one can only imagine the disparity between the figures.

That is the record, but what has been the impact? This government, while in government and in opposition, always took the opportunity to lecture the coalition side of politics on the morality of their policies. One area in particular where it was particularly keen to talk about the impact of the Howard government's policies was the impact on children. But this government's record, because of these record arrivals, is that more children are turning up on boats than at any other time in our nation's history. In this financial year alone, more than 3,000 children have come on the boats. That is up on around 2,000 in the year before that and around 1,000 the year before that. It is estimated that around 40 per cent of those coming on boats now are in family groups. In addition, we have more than 2,000 children who are in the detention network as we speak and over 1,000 of those are in formal detention itself. The previous peak was back in 2000-01, which was under the Howard government, and it was 1,344.

The government have set the record for children coming on boats, flowing as a consequence from their failed policies. So their lecturing and their hectoring of the Howard government over our border policies and their impact on children is dumbfounded by their own record. They should be ashamed of themselves, with their grand acts of pretence to compassion. Their policies have put those children on boats for years, and now in record numbers. They should be aware of their own record of failures and of the impact: when you fail on the borders, children and families get on boats. That has occurred in record numbers under the government.

It was the Prime Minister herself in 2010 and the former minister, Minister Bowen, who said they were going to remove children out of formal detention. There were about 750 in detention at that time. Today there are more than a thousand. She said:

We did not believe that children should be held … in high-security detention … And so, we have worked to have more appropriate accommodation for family groups and for children.

What that turns out to be is more children now in formal detention and, if that is not enough, they have just announced they are going to build more facilities at Curtin and at Wickham Point to take more children into formal detention and, as the minister himself has said, for a period of around 120 days. That is the consequence, the implications and the impact of the government's failed border policies. The hypocrisy is breathtaking. If they are going to make those accusations and criticisms of the Howard government policy then it is time to look in the mirror of their own policy record and policy failings.

The record detention population today is a result of the record level of arrivals. We had four people in immigration detention who had arrived illegally by boat in November 2007. Today? I should say at the end of February, because the government have not released the figures since the end of February, but there were 7,528 at the end of February and another 10,000 on top of that who are on bridging visas.

Government members interjecting—

Mr MORRISON: No amount of shouting from those opposite will change
that fact. It will not change the fact that 17,528 people, at least at the end of February, had arrived illegally by boat and were in detention. Since the end of February there have been over 7,500 more who have turned up. So on top of these record figures even more have arrived. And if we go to just in May, we know that there were 2,962 people on Christmas Island. I do not need to remind the government, I suppose, that when they burnt down, and the Australian Federal Police had to retake by force, the facility on Christmas Island there were roughly 2,500 in the facility at that time.

The compounding border failures of this government continue to compound the problems and the impacts that flow from that, which are children getting on boats, children going into detention, and detention centres over-crowding and over-loading. The riots and various other things that we have seen that flow as a consequence of those things stem from one key problem: a failure to be able to deliver on the responsibility of a government to protect our borders and ensure proper border security.

Labor is putting the consequences of their failed policies off to the other side of the election, and they did this before at the last election as well. Before the last election, Senator Evans was the minister who failed to act on recommendations and reports, which were coming through his department at the time, that said that more detention capacity needed to be created, and he sat on his hands. It was only after the election that the incoming minister, who was given that hospital pass by Senator Evans, went and, I admit, expanded that network—and we commended him at the time—but it was all too late. The consequences of that stalling before the last election were already set in train, and nothing the government could even do at that stage would be able to take them off the fast train they were on to the crisis that we saw in the immigration detention network, which literally exploded in February, March and April of the following year.

We are seeing the same thing happen again today, because there are currently around 18,255 people who have turned up on boats since 14 August last year and what we do know is the government have not been processing the people that have turned up since that time. So what we have now is a detention population, and a population within the system more broadly, that is growing by the thousands and currently sits around an estimated level of 18,000 to 20,000. I am happy for the government to confirm the numbers and give me a fresh number if they have got one, but by the time we get to an election that number could well be over 30,000 of a backlog in the system, pushing the consequences and responsibilities for dealing with this issue until after an election.

All of this comes at a record cost, and the record cost of this government is spectacular. Since the last election alone, the blow-out in the government's budget—actual figures from the government's budget based on the estimates released in February this year—is $5.2 billion. They said it would cost something just over $1 billion, and it ended up costing, based on the estimates we have at the end of February, $6 billion plus—a $5.2 billion blow-out since the last election. So tonight the Treasurer has the opportunity to be honest in the budget and tell us what the real costs over the next few years will be. If you simply just put into the budget for the next three years what the estimated cost for this year is then the Treasurer has a $5 billion hole in the budget as we speak today. The Treasurer will need to detail tonight whether he is going to budget on the basis of the coalition's policies that will stop the boats or he is going to budget
on the policies of his own government that have failed to stop the boats. If that budget tonight does not come up with at least the $5 billion that is missing currently in the estimates, then he must be budgeting for a change of government, because that is the only way we are going to see a change in those figures.

The budget blow-outs are extraordinary and they are costing Australians every single day. They have led to record chaos more broadly in the immigration department and they have led to the chaos we have seen not just in immigration detention but also in the bridging visa program in the community. We have now seen the government not engage in a policy of community release; we have seen the government engage in a policy of community dumping. This is a government that is dumping people into the community with no care and no responsibility—out of sight, out of mind. It is putting more and more pressure on the charitable organisations that are out there and other service providers who have to step into the gap created by this government.

Do not kid yourself that this government has somehow embarked on this policy of bridging visas out of a sense of compassion. They have embarked on this policy because they cannot cope with the level of arrivals. Not only did the detention network get overrun—they had to let single males out on bridging visas—but now the community detention facilities have been overrun and they are now going to dump families into the same situation we have seen single adult males in over the last 18 months. So it is not surprising that the Salvation Army's Major Paul Moulds has said:

We are stepping into a gap created by the federal government. … These emergency relief services are usually for people who desperately need help here, but what else are we meant to do? What else do you do when a hungry child turns up at your door?

Anthony Thornton, the national president of the St Vincent de Paul Society said:

It is a matter of great sadness for the St Vincent de Paul Society that the federal government is abandoning asylum-seekers to fend for themselves in the community with minimal, or even no, support and no right to work. They are the comments of the St Vincent de Paul Society.

These are the policies and the consequences that have come as a result of the government's border policy failures. The coalition's alternative has always been there for this government to adopt, and they have used excuse after excuse not to embrace that and they still continue to do that today. That will not change between now and the election, and so the opportunity at the election is to change the government and change the outcome by changing the policy. That is what the Australian people will have the opportunity to do on 14 September.

Mr CLARE (Blaxland—Minister for Home Affairs, Minister for Justice and Cabinet Secretary) (15:27): We had this debate late last year just before Christmas, and at that time I told the House of my fears and concerns about more people dying over the Christmas period. Unfortunately, all of my fears have been well founded. On 25 January this year, Customs intercepted a boat 17 nautical miles off Christmas Island that was carrying 15 people. The people on board reported that four men had left on a makeshift raft of inner tubes and bamboo poles approximately 24 hours earlier in a bid to swim to Christmas Island. A search was commenced, and on 30 January one man was found at Ethel Beach on Christmas Island. He was reported saying that four men had been separated from the raft, possibly as it broke up. Those three other men have never been found.
In January, 20 more asylum seekers were rescued by Indonesian fishermen after their boat sank off the coast of Indonesia. It was reported that two more asylum seekers perished. In March, minutes after being boarded by two border protection officers, a vessel capsized after being struck by two freak waves. Ninety-four people were rescued, two people died, and one of those people was a young boy. In April, another vessel crashed off the coast of Indonesia with 66 people on board; 14 were rescued, 52 have still not been recovered—presumed perished.

Forget the politics. That is what this debate is essentially all about—stopping people from dying, stopping the constant repetition of this. That is what this debate is about, or at least it is what this debate should be about. But it is a debate that has been poisoned by politics—by politicians seeking political advantage. That is the reason that we are debating this and why this debate has gone on now for almost 12 years. It is not about the policy as much as it is about the politics. I made this point last year in the same debate. We agree on most of the policy. The differences here are really at the margins. It is the politics that are poisoning this debate and, if you want proof of that, there is no better place to look than the contribution by David Marr in his Quarterly Essay where, at page 36, he talks about the WikiLeaks cable that showed what was happening back in 2009. It said:

There you have a senior Liberal Party strategist in the US embassy saying 'the more boats … the better' and it is a pity that it has not yet worked well enough as a political device. That is why we are having this debate. That is why the Liberal Party refuses to allow the government to implement our own policies—because of Liberal Party strategists who think the more boats is in their political interest.

We do not agree on everything, but on big issues of life and death where people's lives are at risk we should agree on this principle: that the government of the day—Labor or Liberal or whatever it might be—should be given the power that it thinks it needs to stop people getting on boats and perishing at sea. That is what the Labor Party did in opposition in 2001 when John Howard asked for more powers after the Tasman. That is what John Howard would do now if John Howard were the Leader of the Opposition.

But that is what we are being denied right now by both the Liberal Party and by the Greens, who have refused to give us the powers that this government genuinely believes will help to stop people getting onto boats and risking their lives. That is why we are here. That is why we are having this debate—because of the politics, because of the fight for political advantage. I am sick of it. The people of Australia are sick of it. They are sick of this fighting and they want us to work together.

So what works? We know this: the fear of drowning has not put people off; offshore processing has not put people off; but the threat of being flown back has. The threat of being flown back home has had a significant impact. Last year there was a big increase in the number of people coming to Australia by boat from Sri Lanka—more than 5,000 people. Most of these people are not refugees. They are economic migrants,
people looking for a better life, people looking for a job. They are not entitled to asylum in Australia. Last year we made the decision to screen these people quickly and fly them back when it was determined that they were not refugees. The impact of flying people back to Sri Lanka has been dramatic. The number of boats coming to Australia from Sri Lanka has dropped significantly. In the last four months of last year there were 70 boats coming to Australia from Sri Lanka. So far this year, there have been seven. This shows that flybacks work. The fear of death does not put people off, but the fear of being sent home a few days or a few weeks after they set out to sea certainly does. It shows how critical this is in stopping people getting onto boats and risking their lives. If we want to stop the boats, we have got to do this, and we have to do it elsewhere.

The biggest group of people coming to Australia by boat at the moment are people from Iran, and like most of the people coming from Sri Lanka, most of them are economic migrants. They are not fleeing persecution; they are looking for a better life; they are looking for a job. They are not entitled to asylum.

But unlike Sri Lankans, we cannot fly them home. Unlike Sri Lanka, the country of Iran refuses to take them so we cannot fly them back. But what we can do is fly them halfway back. We can fly them back to the countries they transit through to get on a boat to come to Australia. And one of those countries is Malaysia. The fear of death, as I said, does not put people off, but the threat of being sent back home does. That is why the plan to fly people back to Malaysia is an important part of the solution. Flybacks work, and if you cannot fly people all the way back to Iran, fly them halfway back, to Malaysia.

The agreement with Malaysia is limited. But it is a start. It is one that we Australians can build on with them and it is the type of program that we can do with other transit countries. In many senses, it is the same as the opposition's pushback policy except for this important difference: it is safer, a lot safer. This is what we have to do, I sincerely believe, if we are going to reduce the incentive for people to get on a boat and risk their lives.

Here is the frustrating part of this: the opposition has refused to give us the power to implement this policy, a policy that we think will reduce the risk of people dying. Their argument is that you cannot fly people back to Malaysia because they are not signatories to the UN convention on refugees. That is a fake excuse. It has been contrived as something to hide behind. Their own pushback policy is designed to send people back to another country that also has not signed the UN convention on refugees, and that is Indonesia. Our policy is exactly the same, only safer. The opposition say that if they are elected they will push back boats where it is safe to do so. My question is: when is it safe to do so? The answer to that question is, of course, never. That is the advice of the Navy and that is what experience tells us.

I have gone back and I have had a look at the attempts by the Howard government to push boats back in the past, and what happened in those instances is revealing. SIEV I on 7 September 2001 showed that Navy personnel were threatened and forced to withdraw after they boarded the vessel. On SIEV II on 9 September 2001, there were 30 knives found concealed on the boat and the passengers threatened self-harm. On SIEV III on 11 September 2001, naval personnel were met with violence and they could not control the wheelhouse. The boarding party had to leave the vessel. On
SIEV V on 12 October 2001, equipment was thrown overboard and the boat was sabotaged. SIEV VI on 19 October 2001 was also sabotaged. When naval personnel attempted to repair the ship, fires were started, the deck boards were turned up and the boat ended up sinking. SIEV VII on 22 October had 15 people dive overboard; others doused themselves in fuel. They damaged the mast and started a fire in the hold.

SIEV IX on 31 October 2001 was also sabotaged—fuel lines were cut. On SIEV XII on 16 December 2001 there was more sabotage, more fires and more threats of self-harm. This is what happens when you attempt to push boats back; it is why the Navy say it is not safe to do this. That is why I am making the argument today that a much better option, a much safer option and proven effective option, is to fly people back.

Perhaps the best example of how dangerous this practice is, and how dangerous this practice would be, is what happened with SIEV XXXVI in 2009. This was not a boat that was turned around, but the people who were on the boat thought that they were about to be turned back. This is what Coroner Greg Cavanagh said in his subsequent report:

...the vessel's engine was sabotaged and subsequent petrol was spilt into the bilge and ignited.

There was an explosion; five asylum seekers drowned, 40 people were injured, including ADF personnel, who were subsequently treated for burns and other injuries. The important point here is that what happened in this terrible incident could have been much, much worse. The coroner, Greg Cavanagh, says that one of the ADF personnel, Corporal Jager—a medical officer—would have died if not for the efforts to rescue her. In his findings he found that all of this happened on this vessel because the people on the boat thought that the boat was going to be turned around. That is why the Navy has criticised the idea of turning boats back. That is why they say that it is never safe to do so because it puts the lives of their men and women at risk.

Compare all of that—compare all the chaos of what happened on these boats and what happened on SIEV XXXIV—to the policy of flying people back: boarding the vessel and getting the people who are on the boat, putting them on a plane and flying them safely back, whether it is Sri Lanka or whether it is Malaysia. It is a lot safer, we have proven that it is much more effective and it is something they can and should be rolled out more broadly.

This is not easy stuff; it is very hard. It is a wretchedly difficult area of policy, and the opposition know that. We have seen in recent weeks the opposition leader saying that instead of stopping the boats he will 'reduce the boats'. This is difficult but there is a way through. As I say, it involves flying people back; that means legislation. It means we have to work together. We have been fighting about this since Tampa—for more than a decade. The issue has been rancid with politics ever since. As I have said in this debate—and as I have said elsewhere—all we are saying is that the government of the day should be given the power that it thinks it needs to stop people dying at sea. We think that is fly-backs. The evidence shows that it works. We need the Liberal Party and we need the Greens to let us do that. While ever we do not, more people will come and more people will die. That is just a simple fact. And that should weigh on the minds of all of us here. These are not just numbers; they are people. They are mothers, they are fathers, they are sisters, they are brothers, they are boys and girls and we should condemn the political strategists I quoted earlier who say, 'the more boats the better'. That sort of
attitude diminishes all of us; we are better than that. I am disgusted by those comments. I think all my colleagues on both sides of the House should be disgusted by those sort of comments. This is not going to be solved with politics. It is going to be solved with policies. With every boat there is the risk of death. We have seen too much death in the past few years. We have seen too much death in the past few months. If we are going to stop this we need to work together and that involves voting for one simple piece of legislation which is before this parliament. I ask all members to support that legislation and fly people back to Malaysia.

Mr KEENAN (Stirling) (15:42): The MPI that we are discussing today is about the consequences of the terrible failure of the Labor Party to control our borders since they came to office. Members will know—and of course this will be revealed later tonight in the budget—about the cost to Australian taxpayers of what is possibly Labor's most significant policy failure since arriving on the treasury bench in 2007.

We also know, and we know very well, about the enormous toll that it has taken on people who have sought the services of a people smuggler and drowned in the attempt to come to Australia. I want to highlight some of the other consequences of this failure to control our borders—issues that have not been raised as extensively in this place, but very serious issues that go to national security in Australia.

Clearly, when you have a circumstance of criminals being in charge of who comes to Australia, and when there is enormous weakness on our borders, criminals will seek to exploit that weakness in the same way that if you leave your doors unlocked that criminals will seek to exploit this sort of weakness if they come to burgle your home. It is the same if you are not controlling your borders—criminals will eye the opportunities that are available to them through that policy failure. When you have over 40,000 people having arrived here courtesy of people smugglers, it is clearly impossible for us to rigorously assess the background of everyone who arrives in this way. I want to make clear that the vast majority of people who arrive using the services of a people smuggler are not in this category. But, clearly, when you are talking about such a large number of people, the opportunity for people of bad character to arrive by paying a people smuggler is very real and we would be naive and we would be foolish to overlook the fact that criminals will exploit the border weaknesses that have resulted from the Labor Party's policy failures.

I wanted to talk about a few cases in particular that have been highlighted in the media, but that we have not had an opportunity to highlight in the parliament. I want to call on the government to use the parliament to explain the circumstances surrounding three cases that I am going to raise. The three I am talking about were highlighted in a report in the West Australian toward the end of last month. They are people who have arrived here by paying a people smuggler. One is an accused Egyptian terrorist, one is an alleged Sri Lankan murderer and the third is an Iranian who is apparently wanted for drug trafficking in his home country. The cases were revealed in a report in the West Australian.

What is most concerning about this is, first, the fact that people of this character would have used the services of a people smuggler to get here. Second, and most important, is the manner in which they have been treated since they have arrived. That report revealed that the accused Egyptian terrorist was the subject of an Interpol red notice, the highest level of alert from Interpol. That should have said to Australian
law-enforcement authorities that this was somebody who needed to be apprehended on arrival in the country. A red notice is essentially an international arrest warrant.

Mr Dreyfus interjecting—

Mr KEENAN: He was in detention. I will get to this now. It would be very good if the minister would actually—

Mr Dreyfus: Demonising refugees. It is a disgrace.

Mr KEENAN: 'Demonising refugees'? This is a typical example of an overreaction from the Attorney-General. What he should be explaining is why he has allowed a situation in this country where national security has been breached, firstly, because people smugglers have smuggled people in of this character and, secondly, the manner in which they have been held in this country since they have arrived.

Government members interjecting—

Mr KEENAN: In the case of the accused Egyptian terrorist, he was apparently held in Inverbrackie, a detention centre in the home state of one of the members who is interjecting. That is a low-security environment protected by the equivalent of a pool fence. This is a person who is serious enough to appear on an Interpol red notice and the government thinks that an appropriate way to hold him is to release him into Inverbrackie.

Mr Dreyfus: In detention.

Mr KEENAN: The Attorney-General—and I will just get this on the record—is foolish enough to keep interjecting, saying the man is in detention. I am talking about the manner in which he was detained. There is a very big difference between being held in Inverbrackie, a low-security environment, and being held in Villawood, where apparently this person was moved once the media reported on the circumstances of his detention.

The question for ministers like the Attorney-General is: why would an accused Egyptian terrorist be held with such a low-security environment? I would really welcome the Attorney-General taking the opportunity in the parliament to respond to that. Why would you put somebody, an accused terrorist subject to an Interpol red notice, within a low-security detention environment? This is the question that the government has refused to answer. The question is: did the immigration minister even know that he had a person subject to such serious allegations or perhaps even convictions? We do not know. Did he even know that this person was held within such a low-security environment, because once the media report was published in the West Australian on the Saturday apparently the government then took action to move this person from Inverbrackie to Villawood? The question for ministers like the Attorney-General, who is supposed to actually protect Australia's national security, is: why would a person of such a character be placed within such a low-security environment? I hope that the Attorney-General takes the opportunity to answer that question to the Australian people in the parliament today.

The Sri Lankan who was accused of murdering his girlfriend was not held in low-security detention. He was released into community detention, again something that seems highly and totally inappropriate for somebody accused of such a serious crime. I wrote to the Minister for Immigration and Citizenship asking him why. The first question I posed to him—and a question that he has not answered—is: was he even aware that he had these three people within the detention network? I posed that question to him because he only took action after these cases appeared in the media. I also posed
some other questions that he has so far refused to answer, even though he has responded to my letter, but unfortunately he has not responded to the questions that I put to him.

I asked when did he become aware that he was housing within the detention network people who have been accused of such serious crimes. What action had he taken to assure that appropriate security in these cases was available to manage the risk of flight in the community? When somebody is being released into community detention, clearly there are serious questions to be asked about managing that flight risk. I asked, for each case, when did the individuals arrive and in what boat? Where were they located now and what is the current status of their refugee assessment? Finally, how have these accusations been further investigated, by whom and what are the implications for the findings of their refugee assessments?

The minister did respond to my letter but he did not address any of these questions that have been put to him. They are serious questions on which he owes the Australian people an explanation as to what has gone on here. Sure, people are going to exploit the weaknesses of the Labor Party’s failed border protection policies, but it raises very serious concerns when they are housed in such low-security detention environments. The minister by his letter to me and by his public comments has given every indication that he had absolutely no idea that this was happening until he was alerted by the West Australian newspaper. He was asked on 22 April, for example, on 6PR radio in Perth about the specific people by the radio commentator Howard Sattler. The minister said that he was going to get a brief on it, which really strikes me as somebody who had no idea what was going on within the detention network. Two days later, on Sky News, he was asked about these cases as well. His response was that he was going to examine the circumstances. This is clearly a case, as so often we see with this government, of them doing something well and truly after the horse has bolted.

The Australian people are owed an explanation as to what has gone on in all three of these cases. The most serious is that of the accused Egyptian terrorist who was the subject of an Interpol red notice. One of the reasons the government is struggling to cope with looking at the security background of the 40,000-odd people who have arrived here courtesy of a people smuggler is that they have astonishingly cut the budget that ASIO has to conduct these character assessments. In last year’s budget, $6.9 million was cut out of the ASIO budget for them to conduct character assessments of people who have arrived here on illegal boats. That I think is an astonishing fact that goes to the heart of Labor’s failure to protect national security in these instances. We now have an apparently light touch character assessment that does not even seem to establish the identity of a person before giving them what is essentially a tick and flick exercise. These are very serious allegations on which the government owes an explanation to the Australian people and I call on them to use this parliament to provide that explanation.

Mr CHAMPION (Wakefield) (15:52): This is a long debate, isn’t it? We have had debates before on boat arrivals and we will probably have them again before this parliament rises and the election happens. It is a long debate for a reason. There are 46 million displaced people around the world. Periodically it has been a national debate since about the middle of the 1970s. It is very interesting to look at the different national approaches we have taken over that time.
Not many people understand that a mere 1,700 or so Vietnamese boat people arrived here in the 1970s. There were 111 in 1976, about 868 in 1978 and about 304 in 1979. There were two approaches that could have been taken by the Labor Party at that time. We could have sought to demonise these people and take political advantage of it or we could have sought to work with the government to resolve the issue. It is a great credit to Mick Young and Ian Macphee, the then minister, that those members of the House got together and put together an agreement to resolve that issue and bring people here by an appropriate mechanism rather than having them risk their lives by coming here by boat.

Fast forward to the Howard era. You hear the opposition talking about the glories of the Howard era, but of course Howard fixed a problem that he had presided over. In 1999, 3,700 people arrived by boat. In the year 2000, 2,939 people arrived by boat. In 2001, 5,516 people arrived here by boat. I am not seeking to blame the former Prime Minister. He introduced TPVs, but they had very little effect. Some 4,000 people arrived after that. Those movements were not driven by domestic policy; they were driven by people being displaced by wars in places like Afghanistan and Iraq. Through a combination of events that number shrank to very little the next year—one, and then we got a few more along the way.

What was the Labor Party's approach during that time? It was to support the Howard government. Let us look at this opposition. We heard from the minister how they bragged to the American Embassy. We heard about the cables. A Liberal Party strategist bragged to the US Embassy about what a great issue this is for them. Despite the government's attempt to bring a rational, less heated, less partisan approach to this debate and commissioning the expert panel, what we have seen from the opposition is partisanship. This MPI reeks of a dark partisanship and the speeches given in support of it reek of a dark partisanship with the politics of division, florid language and aspersions being cast on the government's motives and their competence. We see all the Nixonian tricks you would expect from an opposition bent on serving its own interests rather than the national interest. That is I think the whole approach of the Liberal Party in this area. They have sought to gain partisan advantage at a time of national crisis.

The tragedy is that the opposition really are as sanctimonious as they are partisan. You hear sanctimonious reciting of the great triumphs of the Howard government but never talk about the amount of people who came here during those years. They never talk about the thousands that arrived during those years. They never talk about the fact that, even if the former Prime Minister solved a problem, it was a problem that had occurred on his watch. It did not occur on Labor's watch; it occurred during the Howard years—1999, 2000 and 2001. Let us not forget that the Howard government had the benefit of a parliamentary majority and an opposition that supported the government and did not, most importantly, frustrate its ability to act.

What have we seen from this opposition? Rejection of the Malaysian transfer agreement. After all of their rhetoric and sanctimonious lecturing about offshore processing, they marched into this parliament, sided with the Greens, not just in this House but in the Senate, and prevented the government from acting. It was an extraordinary thing for them to do given how sanctimonious and partisan they have been on this subject.
We need to talk about the facts of this year. You hear the opposition talking about arrivals, and there have been serious numbers of arrivals. There were more than 6,000 Sri Lankan irregular maritime arrivals in 2012-13 compared to 1,356 in the previous year. That is a significant increase. We know that is in part because there has been terrible strife in Sri Lanka. There have been a couple of hundred thousand people herded into barbed wire camps and a very serious war. Notwithstanding that very serious war, we know that some of those people are coming here for economic reasons and that is why, since that time, we have sent 1,073 people back to Sri Lanka.

As a government we are using all the tools available to us in order to deal with this issue. We have not sought from the opposition partisanship, sanctimonious lectures and entirely self-serving history lessons; we have always sought from the opposition cooperation in the national interest—the same cooperation that Mick Young gave Ian Macphee and the same cooperation that Kim Beazley gave former Prime Minister John Howard. Instead, what have we got from the opposition? No matter what the facts, no matter what the expert panel recommends and no matter what the Australian people want, the opposition are dedicated to coming into this parliament and frustrating the government's ability to do anything. They rejected the Malaysian transfer agreement, rejected the prospects of transfer agreements with other countries, demonised Malaysia for their attempts to cooperate with the government and rejected the expert panel—not just its recommendations but the prospect of it. They rejected its authority. They deliberately set out to undermine it. They said: 'It doesn't matter what the expert panel say, we'll reject it. We won't listen to them, because we know best.' They have undermined regional cooperation and the Bali process. They have attacked Malaysia. They have second-guessed Indonesia. They have refused to acknowledge what Indonesia has said—what the foreign minister and the chair of the foreign affairs committee have said over there. It does not matter what the Indonesians say. 'No, don't worry about them; we'll push the boats back.' That is what the opposition are telling people.

They have embraced a dangerous policy—this idea that you can turn boats back safely. Well, you cannot, and everybody knows you cannot. The Navy has told the parliament that you cannot, because, as the Navy's tactics change, so will the people smugglers'. We know that they are far more ruthless than we are, so they will burn boats. If you want some evidence of it, listen to Vice Admiral Ray Griggs, who said:

...there were incidents during these activities, as there have been incidents subsequently, which have been risky. There have been fires lit, there have been attempts to storm the engine compartment of these boats, there have been people jumping in the water and that sort of thing...yes, there are obviously risks involved in this process.

That is what the head of the Navy says. The opposition say, 'We're going to embrace this policy,' and they do not care what the evidence is. They do not care what the feedback is; they are going to do it.

This is an amazingly dangerous and short-sighted approach for the opposition to take, because they have set expectations very high indeed about the consequences of their policies, haven't they? Their rhetoric and their florid partisanship, their dark partisanship, have—let's face it—inflamed the passions of the Australian people, who are legitimately concerned about the arrivals on our border. But let us make no mistake: with this policy of theirs—frustrating the parliament and the government and trying to
squeeze every vote out of this situation for themselves to try and change the government of Australia, instead of cooperating, ending this issue and saving lives—ultimately they have the tiger by the tail, and ultimately all of their dark partisanship will rebound on them and it will be to their everlasting disgrace.

Mrs GRIGGS (Solomon) (16:02): I rise to speak on this matter of public importance, the impact of the record number of people illegally entering Australia by boat under this government. The boats keep coming, and that is why again I have to speak about the Gillard Labor government's absolute failure to protect our nation by efficiently protecting our borders and our immigration program. It is clear to all that the Gillard Labor government has lost control of our borders, and the people smugglers are jumping for joy because they still have a product to sell and will do that at any cost.

Australians know that it is the Gillard Labor government that undid the border protection policies introduced by the Howard government. As I have said in this place before, it does not surprise me to hear very concerning reports that the people smugglers are racing to fill their boats before 14 September, and we all know why: because the Gillard Labor government has the welcome mat out and that will be laid out until then. With the election date fast approaching and with a possible change of government, the people smugglers are doing all they can to fill their boats as fast as they can. The Gillard Labor government is complicit in this because it removed the border protection policies that have been proven to work. The people smugglers know that the coalition will stop the boats.

We are seeing evidence that Labor's border protection failures continue day after day—so much so that the people smugglers are looking for any chink in the armour after the Gillard Labor government's cuts have left our hardworking border protection service overworked and understaffed for the increasing number of boat arrivals. What we can infer from the recent influx of boat arrivals approaching the Top End of Australia is that the recent people smuggler boats have been targeting the mainland of Australia in a bid to exploit the legal loophole that would exclude people from being sent offshore for processing. Let's all remember that it is the Gillard Labor government that has been messing around with this excision bill and failed to get it to pass through the Senate whilst it was too busy pushing through its media reform bills. The Gillard Labor government foolishly pursued its media reform bills instead of passing legislation to excise the mainland of Australia. This just meant that the people smugglers can continue to sell their product: to get to the Australian mainland so their clients can avoid being processed offshore.

Many people in my electorate tell me that they are tired of the Gillard Labor government wasting money when Darwin and Palmerston, like so many other jurisdictions across the country, are in desperate need of funding for improvements in health, education, community safety, housing and child care. After almost six years at its disposal, the Gillard Labor government has not stopped and will not stop the boats. It cannot. We are seeing record numbers of arrivals. The Northern Territory News reported last week that the number of illegal arrivals by boat had hit 40,000. The Northern Territory News also reported the disgusting conditions people smugglers are inflicting on their clients.

So let's just look at how many arrivals have been intercepted off the shores of Darwin this year alone. On 1 January HMAS Armidale intercepted a boat west of Darwin

Let's just look at the track record for all of the arrivals. Two hundred and eighty-eight boats and 18,255 people have arrived in Australia since August 14 last year. This was when the Gillard Labor government agreed to open Nauru as an offshore processing centre. This was their big deterrent. Clearly that has not worked either. Since the last federal election there have been 673 boats and 40,772 people that have arrived illegally on our shores. What a great track record—they should be so proud!

Let's look at the cost. It is over $5 billion. As I have said in this place before, I can only imagine what I could do in Solomon with $5 billion. $5 billion would go a long way towards the NDIS too, wouldn't it? But clearly we have spent it on different things. Five billion dollars would be able to fund a desperately needed hospital in Palmerston. It would be able to fund new police to improve community safety, perhaps a new school for our ever-increasing population, affordable housing for the Territorians who are being forced into homelessness every day due to the housing crisis, improvements to our roads to combat the ever-increasing traffic due to our population growth. No wonder the people of my electorate are fed up with the Gillard Labor government and its failed border protection policies—policies that give the people smugglers a product to sell.

People in my electorate know very well that every dollar spent on combating people smugglers is a dollar not spent in our community. Darwin has become the Gillard Labor government's front line failure for border protection policies. Our detention centres are full. The Prime Minister was in Darwin last weekend when 18 detainees escaped from our detention centre. She knows first-hand how she and her border protection policies have failed, and have impacted significantly on my electorate, because the boats continue to arrive to the point where families and children are now being transferred to detention centres that were previously used for males. After the Gillard Labor government promised children would be removed from formal detention and removed from being behind barbed wire, they are now being relocated to a site previously only suitable for males in detention. Another Labor broken promise.
There is a different way. The coalition does have a plan, an alternative to mitigate the disastrous impact that the Gillard Labor government has had on border protection. We have stopped the boats before and we will do it again. The coalition will restore what the Labor Party abandoned: a strong border protection regime developed by the coalition as a priority to protect our nation's borders.

The coalition will reintroduce off-shore processing of illegal boat arrivals as part of a series of measures to stop the boats and protect our borders. We will prevent this problem by minimising the numbers coming from both initial countries of origin and first asylum countries. We will disrupt the business of people smuggling and intercept the boats where it is safe to do so. We will make it a priority to identify and assist those in genuine need of refugee protection as early as possible. We have done it before and we will do it again.

The Howard government successfully reduced the flood of illegal arrivals to a mere trickle. Between 2002 and 2007, 10 illegal entry boats arrived with fewer than 250 passengers. Compare this with over 400 boats and 25,000 people arriving illegally since the last federal election. It is fair to say Labor's management of this issue has been a disaster. The boats must be stopped. There is no argument that people smuggling is a good result for anyone. It is unsafe for asylum seekers and every year people die from taking this risk. Stopping the boats is a priority in my electorate, and given the opportunity, the coalition has made it a priority to fix this disaster and the legacy of the Gillard-led Labor government. (Time expired)

Mr PERRETT (Moreton) (16:12): Thank you, Mr Deputy Speaker Scott, for recognising me this far away from you. It is a bit unusual for me to be this far away from you.

The DEPUTY SPEAKER: Are you in your right seat?

Mr PERRETT: I am, Mr Deputy Speaker. I have been moved—promoted.

The DEPUTY SPEAKER: The member for Moreton has the call and I recognise his elevation to Deputy Whip.

Mr PERRETT: Thank you, Mr Deputy Speaker. We have heard a range of speakers on this topic, and some interesting ideas from both sides. I will take out the member for Solomon's contribution, because that was just a stitching-together of election slogans. But there were some interesting ideas put forward in this MPI, because it is an important issue.

The world has changed significantly since the Howard government came to power in 1996, and significantly since those years in 1999, 2000 and 2001 when a significant number of boats started heading towards Australia. Let's look at things that have happened. Australia's population has obviously increased—we have now reached 23 million people, and I think that the world's population has reached nine billion. Climate change is recognised by all—leaving aside a few people on the opposite side of the chamber—of the world's serious scientists as being a significant problem. Now, today, there are approximately 46 million displaced people within their own countries—46 million people displaced around the world—and we see it playing out in war in horrible places like Syria; with climate change impacting on many countries both in terms of agricultural production or rising sea levels; and also with some political challenges that have come. Over 15 million people have registered with the United Nations High Commission for Refugees and they are seen to have a legitimate case.
Australia has a proud history of accepting immigrants. We are a nation of immigrants, as you know by looking around at the surnames, religions and backgrounds of people in this chamber. Since the end of World War II, almost six million people have migrated to Australia from other nations. So we do understand migration. We are not a xenophobic nation, even though ever since 1788 we have had an almost pathological fear as a nation of people coming in boats. Whether we are worried about the French that were only a couple of days late, the Russians, the Japanese, the Germans, the Vietnamese or whoever, it seems to be part of Australia's DNA to have a fear of boats, but also to welcome the person from overseas who lives next door to you, even though they seem to be contradictory concepts. In my electorate about one in three people were born overseas, but throughout Australia it is about one in four. I think we are No. 2 in the world in terms of taking refugees in—I think we went past Canada the other day—and it is basically the United States, Australia, Canada and then a fair bit of daylight before you get to anyone that takes any significant numbers. I think some of those Scandinavian countries take 100 or 200 and then it is basically no-one else. You can count the number of countries that do accept refugees on two hands.

In stripping out some of the politics and passion about this topic, it is important to remember that approximately 90 per cent of the asylum seekers who arrived by boat were found to be refugees. It does vary from year to year depending on where the people are coming from, and I think the minister indicated that there had certainly been a change in terms of people coming from Sri Lanka. In terms of people arriving by plane, where there is nowhere near the hysteria, less than 50 per cent of those seeking asylum have been found to have genuine cases. We need to put that in that context. It is a horrible fact that if people are coming because they are starving to death that is not a genuine claim to be a refugee. If you are coming because your island is being covered by waves and you are drowning, you do not have a genuine claim as a refugee. It is a horrible fact that some people do not realise that you must be fleeing extreme persecution on the grounds of race, religion, nationality or the membership of a particular social group or political opinion. I have certainly got refugees in my electorate that have come both by boat and by plane who have those characteristics—and I particularly mention many of the Vietnamese in my suburb of Oxley who made that journey and many of the Sudanese in my suburbs of Moorooka and Annerley as well as Hazari throughout my electorate who came for all sorts of different reasons.

That is one of those facts that we do not realise, that we could watch someone starve to death and that will not enliven our treaty obligations given the treaty that we on both sides of the chamber support. I particularly thank the member for Wakefield for touching on that history of bipartisanship in this area—a proud history of bipartisanship in this area—where people did not play the race card. Instead, they played the national interest card: the right thing to do, the Christian thing to do, the 'what would a good neighbour do?' That has been the case in the past where we see those figures for the Vietnamese. I had not realised that the actual number of Vietnamese people arriving was so low in terms of those coming by boat—1,700 people throughout the late seventies—but the number of Vietnamese who then came under other programs is obviously much more significant and they continue, as a whole, to make a great contribution to our economy and to our nation.
What to do to set up a situation where we manage this flow, this reality of a changed world? We cannot just put the mirror up and say, 'This is what we did in 2001-02.' As we heard from the minister, that policy was of a time and was flawed at that time. We must accept the advice of the people who know, and that is the Navy, the people who actually go out there on the waves and put their lives at risk. They have said very clearly that it is too dangerous and that we put ADF lives at risk. I have stood in this chamber too many times commemorating the loss of ADF personnel lives, and to think that a political decision could result in more ADF personnel dying scares me horribly. Along with the member for Stirling, who spoke earlier, and the member for Wakefield, I was a part of the joint select committee chaired by Senator Gavin Marshall that looked into the Christmas Island tragedy. We stood on the cliffs at Christmas Island and many of you have seen the footage of that boat breaking up there, except we then had to watch the entire footage and see those young girls drowning—the footage that did not make it onto our news at night. That event was significant because we had the footage, but there are so many other untold stories of lives lost at sea.

Every day that I go for a walk in Canberra I walk through the SIEV X memorial to those 300 other lives that were lost. We need to do all we can as a nation to stop people making that journey in boats, because the reality is that about one in 20 of them will drown. Lots of things motivate people to get into boats, but the reality is that it is about a one in 20 ratio of people drowning at sea. That is why we asked Angus Houston, the former chief of our Defence Force and very well respected by both sides of the chamber, to pull an expert panel together and find out what we should do. All of their recommendations must be in place for the whole suite of measures for us to be able to stop people making those dangerous journeys.

However all of them were supported, apart from the politics that came into play in the Malaysian solution, where we had that dreadful hypocrisy of, 'We will tow boats back to Indonesia, even though they are not a signatory to the UNHCR treaty,' and at the very same time saying, 'We won't send people to Malaysia because they are not a signatory to the UNHCR treaty.' It is that rank hypocrisy from those opposite, where they are prepared to milk this situation for every available vote.

Mr CHRISTENSEN (Dawson) (16:22): I rise to speak on this matter of public importance: the impact of the record numbers of people illegally entering Australia by boat under this government. No other issue that faces the Australian people today better illustrates the outcomes of the chaotic, divided and dysfunctional government. What better manifestation of an incompetent government could there actually be than the deliberate removal of policy walls that were protecting our home and our nation, just as we have seen under these Labor Rudd and Gillard governments? Perhaps tonight's budget might actually be a better manifestation, but let us not forget the impact that losing control of our borders is going to have on tonight's budget, and all the budgets. More than $5 billion of border protection blow-outs have occurred since the last election, and all that has contributed to the substantial black hole that the Treasurer will preside over tonight.

The blow-outs result from Labor's remarkable ability to spot something that has been solved—something that is fixed—and turn it into a problem, and then quickly turn it into a crisis. Having watched the former Prime Minister, John Howard, effectively
stop the flow of illegal boat arrivals, this Labor government proceeded to dismantle the solution and create a problem. It has turned into a crisis, and the boats keep coming and coming and coming.

Since November 2007, when the successful Howard government ended, we have seen a staggering 40,772 illegal arrivals in our country. The sheer scale of Labor's border protection failure now surpasses the population of most towns in my electorate of Dawson. The Labor Party must be wishing that those illegal arrivals could all vote, because they must have imported almost half an electorate in the past 5½ years.

But I have to tell you that the other 150 real electorates around the nation are not so impressed. People have genuine concerns about their country throwing its doors open to economic refugees and throwing the immigration program over to people smugglers, human traffickers and perhaps terrorists. In this post-9/11 world we see airport security getting tighter and tighter, but in the post-Howard years we see Australia's maritime border security getting looser and looser. When this government sets new benchmarks for porous borders on a daily basis, Australians rightly question how many illegal arrivals are genuine refugees who will become tomorrow's citizens and how many are using the back door to become a threat to our nation.

Illegal immigration through people smuggling is a threat to all Australians. It is a threat because it raises serious security and criminal concerns, it raises quarantine and health issues, it costs time and money in processing and a lot of time and a lot of money under this government. Most importantly, it infringes on our nation's sovereignty and gives us less control over who comes into this country.

These are not actually my claims: what I have paraphrased there is from the Australian Federal Police website. To rebut what was said by the previous speaker, the member for Moreton: arrival in illegal people-smuggling vessels is actually different, and more of an issue, from illegal arrival by plane. We know who you are when you get here by plane; you have to have identification to get on the plane. We probably know where you are from as well. When you arrive by boat, without identification, there is a serious issue in working out whether you are a security risk to this nation.

While those on the opposite side would have us believe that all of these concerns are just unfounded, the facts actually speak for themselves. Last week on 7 May, Nine News reported that four Vietnamese asylum seekers, including a teenage boy, were on the run after escaping from the Darwin detention centre. What about the public revelation in April that recent unauthorised arrivals included a Sri Lankan man who allegedly fled his home after killing his girlfriend, an Egyptian man who was the subject of a high-level Interpol red notice for terrorism activities and an Iranian man accused of drug trafficking in Tehran?

A month ago I noticed a report that asylum seekers who had actually been branded as national security threats were protesting and asking the government to release them from detention or kill them. The article where I read about this went on to say that most of the asylum seekers had been in detention for two or three years following adverse security assessments from ASIO. They were among 56 in Australia who have been deemed threats to national security, without the ability to challenge those decisions. But they have been deemed by our agency which looks after national security as national security threats.
On 4 September last year the *Australian* reported that asylum seekers with violent histories were being released on bridging visas or into community detention. One was even allowed to marry in detention and make home visits to his wife. The 31-year-old was considered by ASIO to be a risk to security.

Again, on 16 August last year the *Australian* reported that asylum seekers travelling to Australia had been identified by Sri Lankan authorities as members of the Liberation Tigers of Tamil Eelam. The identification of the terrorist group members was based on photographs of new arrivals published in the Australian media. Back in 2010, on 14 July, the *Australian* reported that Indonesian authorities believed they had captured a senior Afghan al-Qaeda link figure posing as an asylum seeker and trying to reach Australia. There is this overwhelming body of evidence that Labor’s open-doors policy is a real and direct threat to our national security and our way of life.

We can look to the experience in Britain to see the impact of unfettered illegal immigration. In an op ed piece back in 2009, the foreign editor of the *Australian*, Greg Sheridan, wrote about a discussion he had had with the then British Foreign Secretary, David Miliband. Miliband said to him that 75 per cent of all terrorist plots that were aimed at Britain actually originated in the federally administered tribal areas of Pakistan. He noted that some 800,000 Pakistanis lived in Britain. He said:

> The vast majority, it goes without saying, are law-abiding citizens. But there is a link between uncontrolled Muslim immigration and terrorism.

The real historic significance of the illegal immigration crisis in our northern waters is that this could, if things go wrong, be the moment Australia loses control of our immigration program, and that would be a disaster.

If we are importing potential security risks because we are too scared to be labelled racist, bigots, dog whistlers or whatever then we are condemning this nation to an inevitable terrorist attack. The real danger that we face is that most Australians are too scared to mention the elephant in the room and this Labor government is too gutless to acknowledge that the elephant they rolled out the red carpet for is a very dangerous thing to actually have in your room.

Never one to wear the gutless tag, the former member for O’Connor, Wilson Tuckey, said, in 2009, he believed terrorists could be masquerading as asylum seekers. His reasoning was:

If you wanted to get into Australia and you have bad intentions, what do you do?

You insert yourself in a crowd of 100 for which there is great sympathy for the other 99.

You go on a system where nobody brings their papers, you have no identity, you have no address.

At the time, the member for Griffith, then Prime Minister, predictably condemned those comments, but the fact is that Wilson Tuckey was right. The facts speak for themselves.

The Gillard Labor government, not content with having the worst border security crisis in the history of our nation because of their dismantling of policies that worked, are now trying to pull the rug out from our national security agencies. These are the agencies charged with the responsibility of ensuring those who arrive illegally on our shores do not pose a risk to our nation. This is what the Labor Party wants them to do. On 1 May, two weeks ago, Radio National reported that Labor backbenchers were pressuring the government on ASIO assessments. It said the federal government was considering calls by its own backbench for increased scrutiny of the way ASIO makes adverse assessments of asylum seekers. They are upset because those 55
alleged asylum speakers I spoke of before have no prospect of release in sight because they are deemed by a national security agency to be a threat to this nation. So, far from recognising the dangers of security threats to this country, the Labor Party wants to ignore what ASIO says and just let them in.

We ignore the advice of ASIO at our peril. I am reminded of a story printed in the *Australian* on 4 September 2001, a week before the terrorist attacks on the World Trade Center. It reported that the US Assistant Secretary of State for East Asia and Pacific Affairs, James Kelly, said the flow of illegal immigrants from South Asia and the Middle East into Indonesia was a source of concern. He said:

If it's easy to move people under strange identities around, that's a capability that terrorists who we know exist can then use.

Labor has removed our border controls. They have put this nation at risk. A nation without borders is like a house without walls. Everyone can get in. *(Time expired)*

**Mr SIMPKINS** (Cowan) (16:32): I thought that, given that the government has no more speakers on the MPI, I would stand and have my comments as well. We have heard a lot about what has happened in the six years since the last time the coalition was in government. The story is not good. The story is a tragedy for a lot of people who have lost their lives along the way. The story is a tragedy for the finances of this country: some $6 billion in overspending and waste this government has presided over when there was a working system which discouraged people from risking their lives, because they knew the chances of making it to Australia were very slim. The trickle of boats that took place from 2001, when the Howard government saw a problem and created a solution, became a flood when the current government, under the former Prime Minister and continued in every respect by the current Prime Minister, changed the system completely, encouraging people to come to this country, risking their lives and putting money into the pockets of people smugglers and other international criminals. That is a tragedy. This is what happens to this country when a government that does not understand the priorities and wisdom of strong borders is let loose.

Look at what actually took place. We hear a lot from those on the other side about compassion. We hear a lot from those on the other side about the circumstances of those who come to this country. No-one says that the people who come by boats are coming from a great place. The point is that this immigration system—even our humanitarian refugee program—must have integrity. Currently, all those who come by boats take the emphasis away from all those stuck in refugee camps around the world.

I have plenty of refugees in my electorate—plenty of people who have come from Africa, plenty of people who have come from Burma. There are a lot of places in the world where we need to do our best to support refugees and to give people a better life, but the fact that you have money should not matter; your need should matter. I have been to a refugee camp up on the Burma-Thailand border. I have been to a refugee camp and seen the faces of little children who are going to be stuck longer in those refugee camps because this government cannot do the job the Australian people are paying them to do. That is a damn tragedy. Why should the children in refugee camps in Thailand—those Karen and Chin children, those strongly persecuted minority groups—finish second? Why should they be delayed any day longer than they have to be because this government cannot get its priorities right? What about those who know their families are stuck in refugee camps back in...
Africa and are desperate to get their families out of those circumstances? Why are those people stuck in refugee camps in Africa with no chance of coming here? The answer is that this government has dropped the ball. They created the problem out of the solution that the Howard government had.

I hear this a lot in schools and from the government as well. They talk about the terrible circumstances of those who come by boat and why they want to come here. As I said before, no-one doubts that there are bad circumstances in other countries—in Afghanistan, in the Middle East. No-one doubts that these circumstances are unpleasant and desperate, but it remains a matter of priorities.

I was at a function last year—just upstairs in Parliament House—where there were a lot of refugee advocates. I heard some people questioning the coalition's knowledge of the refugee convention. Article 31 is the main part of the convention that a lot of us think about when we talk about those who come by boat. Article 31 talks about people coming directly. In case there is any doubt that I am trying to paraphrase this, article 31 of the refugee convention prohibits states and parties from imposing penalties on refugees who come:

... directly from a territory where their life or freedom was threatened … enter or are present in their territory without authorization, provided they present themselves without delay to the authorities and show good cause for their illegal entry or presence.

This is often held up by some as the reason there should be no detention of those who come by boat, but the key part of article 31 is that it talks about people who come directly from a territory. I say to everyone here that, when you talk about directly from Afghanistan, there is a big difference between Afghanistan and Christmas Island or the Australian mainland or Ashmore Reef. You cannot hop on a boat in Kabul—or, in fact, anywhere in Afghanistan—and go to a different country. It is a landlocked country. So none of this 'directly' business comes into it. Those who come from Afghanistan do not move directly to Australia; they would have to go normally through Pakistan and, of course, as we know, hop on a plane. So they would go maybe from Karachi airport or maybe Islamabad airport—I am not sure—and probably then go to Malaysia or to Indonesia. So they wait in that departure lounge and then hop on a plane—maybe they get a meal or something like that—and then they land, maybe even in Jakarta. There is not a lot of directness in these circumstances. It really does bring into question how article 31 of the refugee convention comes into it. There is no moving directly from a territory where their life or freedom is threatened. That does not apply whatsoever. Of course, article 31 also talks about illegal entry.

I cast doubt on the legitimacy of many of those who come by boat to be considered as a refugee under article 31. Despite the fact that the circumstances in their old country are terrible circumstances—there is no doubt about it—it is not like they are coming directly from a threat and landing here. They go through other places where that threat does not apply and yet they still hop on a boat and take the places of those people that I spoke about before: those in refugee camps in Africa or in places like the Burma-Thailand border.

I say again, as I have said so many times in this place in numerous speeches: I might be accused of dog whistling or being a racist or something like that, but the reality is that what this government has done since 2008 when it changed the policies is take the emphasis away from those who are legitimately in need, those who are stuck behind barbed wire in refugee camps around the world, and, instead, give the
opportunities through numerous places and through the support systems that they have here to those who come by boat. Under article 31 of the refugee convention I cast doubt on those who come by boat and I certainly cast doubt on their legitimacy to be received here under the humanitarian program in contrast to those who are stuck behind wire. This is an indictment of this government and in September the Australian people will get their chance to pass judgement.

The DEPUTY SPEAKER (Mr S Georganas): Order! This discussion is now concluded.

BILLS

Offshore Petroleum and Greenhouse Gas Storage Amendment (Compliance Measures No. 2) Bill 2013

Reference to Federation Chamber

Mr HAYES (Fowler) (16:43): by leave—I move:

That the Offshore Petroleum and Greenhouse Gas Storage Amendment (Compliance Measures No. 2) Bill 2013 be referred to the Federation Chamber for further consideration.

Question agreed to.

MINISTERIAL STATEMENTS


Council of Australian Governments Review of Counterterrorism Legislation

Mr DREYFUS (Isaacs—Attorney-General, Minister for Emergency Management, Minister for the Public Service and Integrity and Special Minister of State) (16:43): by leave—I am pleased today to be able to table two very important reviews on Australia's counterterrorism legislation.

The first review I am tabling is the annual report of the Independent National Security Legislation Monitor for 2012. The monitor’s role is created by legislation, to review Australia’s national security laws and counterterrorism laws on an ongoing basis and determine whether they remain necessary, effective, proportionate and consistent with our international human rights obligations.

In his 2012 report the monitor, Mr Bret Walker SC, examined the definition of a terrorist act, the control order provisions, the preventative detention order regime and ASIO’s questioning and detention powers. I thank Mr Walker for the extensive work he has done in compiling this report.

The second review is the Council of Australian Governments review into counterterrorism legislation. In 2005, COAG considered the evolving security environment in the context of the terrorist assaults in London that year and agreed that there was a clear case for strengthening Australia’s counterterrorism laws. The Commonwealth government and the states and territories then enacted legislation to better deter and prevent potential acts of terrorism and prosecute them if they occurred. The legislation included control orders, preventative detention orders and certain emergency stop, question and search powers held by police. COAG agreed that they would review the necessity and effectiveness of the new laws after a period of time.

The COAG review committee consisted of six members, including the chair, the Hon. Anthony Whealy QC, a retired judge from the New South Wales Court of Appeal, as well as two accountability members, two law enforcement members and a prosecutorial member. Two of those members were from Commonwealth agencies, the remaining four
represented the states and territories. The COAG review committee made 47 recommendations. I thank the review committee, and especially the chair of the committee, the Hon. Anthony Whealy, for the hard work and time they have put into this review.

Both reviews are very thorough and thought provoking. There is some overlap of the provisions that the monitor and the COAG review committee reviewed. However, the monitor only reviewed Commonwealth legislation whereas the COAG review committee reviewed Commonwealth as well as complementary state and territory legislation. With two such detailed reports from two different review processes it is inevitable that there will be differences of perspectives and indeed that is a value of having the two separate processes. These reviews enable governments to better assess the different options available to serve the Australian people. The government values both these reports and serious consideration will be given to them. Given the overlap in recommendations of the reports, the government will be considering both reports together, after consulting with the states and territories.

These reviews were both undertaken as part of the government's commitment to protect Australia, its people and its interests, while instilling confidence that our national security and counterterrorism laws will be administered in a just and accountable way. While these matters are not easily resolved, the matter foremost in my mind is ensuring the security and the freedom of the Australian people. In light of the recent terror attack in Boston, it is clear that it is as important now as it ever was to maintain strong capabilities in the fight against terrorism. Our counterterrorism framework has held us in good stead so far, but we cannot afford to stop being vigilant.

Both reviews will be available online later this afternoon. Mr Deputy Speaker, I present the COAG Review of counter-terrorism legislation and the annual report of the Independent National Security Legislation Monitor and a copy of my ministerial statement. I ask leave of the House to move a motion to enable the member for Stirling to speak for four minutes.

Leave granted.

Mr DREYFUS: I move:
That so much of the standing and sessional orders be suspended as would prevent Mr Keenan speaking for a period not exceeding four minutes.

Question agreed to.

Mr KEENAN (Stirling) (16:48): I rise to welcome the Attorney-General's tabling of the annual report of the Independent National Security Legislation Monitor and the Council of Australian Governments Review of counter-terrorism legislation. The coalition looks forward to giving careful consideration to these two documents. The suite of federal, state and territory laws that comprise our counterterrorism regime were controversial at the time when they were introduced and, mercifully, there have only been a few instances in which they have needed to be invoked, at least to their full extent. However, it cannot be denied that the threat of terrorism persists.

I endorse the Attorney-General's observation that, in light of the recent terror attack in Boston, it is clear that the maintenance of our counterterrorism capabilities is as important as it ever was and that, as the Attorney-General also observed, in keeping with our own traditions and way of life, the maintenance of these capabilities must be done in a just and accountable way. That is why in 2005, when the national suite of legislation was enacted by agreement amongst the Commonwealth, the states and the territories, the relevant governments
agreed at COAG that the necessity and effectiveness of the laws should be subject to a coordinated review.

The annual report of the independent monitor is particularly welcomed by the coalition. The monitor was established only after a concerted effort on the part of the coalition back when the Rudd government was still young. A bill for the establishment of an independent monitor was introduced by the then member for Kooyong, Petro Georgiou, in early 2008. Mr Georgiou was immediately gagged by the Leader of the House, the member for Grayndler. In the other place an identical bill was introduced, by the then Liberal senator for Victoria Senator Judith Troeth, where it passed despite being opposed by the government. However, the government prevented it from proceeding beyond its first reading in this place. The government finally introduced its own flawed legislation, which only passed the parliament in 2010 after extensive amendment to ensure the monitor's independence. The coalition therefore derives considerable satisfaction from the tabling of the monitor's annual report.

The principle behind the establishment of the independent monitor and the COAG review is the protective principle. It is to add to the armoury of parliamentary surveillance another mechanism designed to ensure that the counterterrorism laws, which were amended so as to expand the executive and policing powers of the state in extraordinary times by introducing into our laws extraordinary measures, are not allowed to become ordinary measures by the passing of time. The government and the parliament were of the view that some traditional protections should be reviewed and the policing functions of the state should be extended through devices such as preventative detention and control orders, which were very controversial at the time, in service of the fundamental obligation of governments and parliaments—that is, to protect the public interest.

Those of us who remember those debates also remember that the government that introduced them, the Howard government, made it clear that these were extraordinary measures. It is to be hoped that the time comes when these laws are no longer necessary. However, it is clear, as the Attorney-General did observe, that that time is not yet. In the meantime it is appropriate that all Australian governments remain vigilant as to the appropriate use of these laws, and that is why the coalition welcomes the statement here today.

**BILLS**

- **Maritime Powers Bill 2013**
- **Maritime Powers (Consequential Amendments) Bill 2013**
- **Agriculture, Fisheries and Forestry Legislation Amendment Bill (No. 1) 2013**
- **International Tax Agreements Amendment Bill 2013**
- **Aboriginal and Torres Strait Islander Peoples Recognition Bill 2013**
- **Electoral and Referendum Amendment (Improving Electoral Procedure) Bill 2012**
- **National Disability Insurance Scheme Bill 2013**
- **Appropriation Bill (No. 3) 2012-2013**
- **Appropriation Bill (No. 4) 2012-2013**
- **Higher Education Support Amendment (Further Streamlining and Other Measures) Bill 2013**
- **Royal Commissions Amendment Bill 2013**
Television Licence Fees Amendment Bill 2013
Electoral and Referendum Amendment (Improving Electoral Administration) Bill 2013
Fisheries Legislation Amendment Bill (No. 1) 2013
Completion of Kakadu National Park (Koongarra Project Area Repeal) Bill 2013
Customs Amendment (Anti-Dumping Commission) Bill 2013
Customs Amendment (Miscellaneous Measures) Bill 2013
Australian Capital Territory (Self-Government) Amendment Bill 2013
Broadcasting Legislation Amendment (Convergence Review and Other Measures) Bill 2013
Export Finance and Insurance Corporation Amendment (Finance) Bill 2013
Assent

Messages from the Governor-General reported informing the House of assent to the bills.

COMMITTEES
Public Accounts and Audit Committee

Mr OAKESHOTT (Lyne) (16:52): I ask leave of the House to make a statement on behalf of the Joint Committee of Public Accounts and Audit concerning the draft budget estimates for the Australian National Audit Office and the Parliamentary Budget Office for 2013-14, and also for leave to present a copy of my statement.

Leave granted.

Mr OAKESHOTT: As the committee responsible for oversight of the Parliamentary Budget Office and the Australian National Audit Office, the Joint Committee of Public Accounts and Audit is required by legislation to consider the draft budget estimates for each office with the chair making recommendations to both houses of parliament. Therefore, on budget day each year the committee makes a statement on whether, in its opinion, these offices have been given sufficient funding to carry out their respective mandates of oversight.

In support of this process, both the PBO and the ANAO are empowered through their legislation to disclose to us, as a committee, their draft budget estimates, which the committee then considers in making any representations to government and the two houses. In layman's terms, this is the budget speech for those that are interested in the oversight bodies and their scrutiny powers.

Firstly, the new and welcomed Parliamentary Budget Office: in accordance with the Parliamentary Service Act, the committee received a copy of the PBO's draft budget estimates and met with the Parliamentary Budget Officer in March to review the office's position. The committee has subsequently received an update from the Parliamentary Budget Officer identifying revisions to his estimates.

The Parliamentary Budget Office has had a small level of additional savings allocated to it over the next two years. However, it did receive additional funding to increase its permanent staffing in response to a decision by government to extend the PBO's mandate.

The PBO's total revenue from government will be $10.752 million in 2013-14. The Parliamentary Budget Officer has given assurances to the committee that overall the budget approved for 2013-14 provides the necessary funding for the PBO to operate effectively and meet its legislated mandate.
On this basis, the bipartisan Public Accounts and Audit Committee endorses the proposed budget for the Parliamentary Budget Office in 2013-14.

Secondly, the Australian National Audit Office: in accordance with the Public Accounts and Audit Committee Act and the Auditor-General Act, the committee received a copy of the Australian National Audit Office draft budget estimates and met with the Auditor-General in February to review these estimates. The committee has subsequently received updates from the Auditor-General identifying revisions to his estimates.

The Auditor-General's funding proposals were made in the context of considerable cost pressures. To place the Audit Office on a more sustainable footing, the Auditor-General advised the committee that he had sought modest supplementation in the 2013-14 budget: firstly, to fund the auditing of financial statements for newly created government entities, which is a statutory requirement of the Auditor-General; and secondly, to fund the continuation of a pilot audit of agency key performance indicators using powers given to the Auditor-General in 2011 following a recommendation by the Public Accounts and Audit Committee.

In response, the committee has been advised that in today's budget: (1) the Audit Office will be receiving some $0.7 million to cover additional financial statement workload in 2013-14 and no additional funding has been provided for the forward years, but the Audit Office has been requested to develop a longer term funding arrangement for consideration by government; (2) the Audit Office has not received the requested supplementation for its KPI initiatives—however, it has been given the opportunity to bring back the proposal in the 2014-15 budget process; and (3) finally, targeted savings measures will result in a reduction to the Audit Office's annual appropriation over the forward years.

The Audit Office's total revenue from government is $74.965 million in 2013-14. The Auditor-General has advised that while this appropriation is not as much as was requested, with the help of prior surpluses, it is sufficient for him to discharge his statutory obligations and his work program for the year ahead. On this basis, the committee endorses the proposed budget for the Audit Office in 2013-14 and recommends its passage.

However, the committee is strongly concerned about the level of funding uncertainty for the forward years. As it stands, the Auditor-General has indicated that the Audit Office will need to reduce its work program in the forward years unless new funding is provided in next year's budget.

The Audit Office is unable to reduce its financial statement audit work because of its mandatory nature and the need to adhere to professional standards. Proportional funding increases need to be provided as new entities are created. It is highly unusual that in this budget no funding has been set aside for the audit of new entities in the out-years. This sets a concerning precedent for future budgets.

The committee notes the government's request for the Auditor-General to develop options for longer term funding arrangements for new agency financial audits, and strongly encourages the results of this work to be seriously considered by government.

The committee will also closely monitor funding provided to implement a full audit work program for key performance indicators in the 2014-15 budget, informed by the outcomes of the current pilot project.
The Audit Office has indicated that a broader KPI audit framework will not be able to be funded from its existing resource base.

The bipartisan Public Accounts and Audit Committee therefore recommends that steps be taken in next year's budget to place the Audit Office on a more financially sustainable footing to ensure that its essential work in scrutinising government processes and expenditure is properly resourced.

In conclusion, the committee is concerned about the increasing pressures being placed on both the PBO and the ANAO. Both agencies only received partial funding for their extended mandates. On top of this, additional savings measures have been applied that further reduce the available funding. As independent authorities, both the PBO and the ANAO need to be sufficiently funded to fulfil their legislative requirements and adequately support the work of this parliament. It is also incumbent on all members of this chamber, regardless of political persuasion, to support the independence of these statutory offices by ensuring that their work is not misrepresented in public forums.

The committee appreciates the efforts of both the Parliamentary Budget Officer and the Auditor-General in maintaining strong working relationships across the parliament and particularly with the Public Accounts and Audit Committee. They have made themselves available for regular briefings and have been responsive to requests for information on a variety of topics. The committee looks forward to continuing these productive relationships. I present a copy of my statement on behalf of the Joint Committee of Public Accounts and Audit.

BILLS

Tax and Superannuation Laws Amendment (2012 Measures No. 1) Bill 2012

Report from Committee

Ms OWENS (Parramatta) (17:00): On behalf of the Standing Committee on Economics, I present the committee's advisory report incorporating a dissenting report on the Tax and Superannuation Laws Amendment (2013 Measures No. 2) Bill 2013 together with the minutes of proceedings.

Ordered that the report be made a parliamentary paper.

Ms OWENS: by leave—The committee supports the passage of the Tax and Superannuation Laws Amendment (2013 Measures No. 2) Bill 2013 which makes important and beneficial taxation and superannuation changes. The committee also recommends that the Treasury undertake further consultation with industry groups on an aspect of schedule 5 of the bill.

There are eight schedules in the bill. The committee did not receive any submissions on schedules 2, 3, 4, 7 and 8. The report focuses on issues raised in the other schedules—1, 5 and 6. Schedule 1 defines a 'documentary' for the purpose of accessing film tax offsets and makes explicit that game shows are not eligible programs. Currently, there is no definition of a documentary in the Income Tax Assessment Act 1997. The definition of 'documentary' to be inserted is based on the Australian Communications and Media Authority Guidelines, as was used by Screen Australia prior to the Lush House case. In the committee's view, it is a reasonable response by the Australian government to reinstate the definition that Screen Australia had previously used in administering the producer offset. The
committee noted industry stakeholder concerns that the definition lacks flexibility. The committee believes there is a need for ongoing dialogue between Screen Australia and the industry to ensure that the application of the definition in schedule 1 remains responsive to the evolving documentary genre.

Schedule 2 exempts from income tax the ex-gratia payment made to people affected by natural disasters in Australia during June 2011-12 and 2012-13. It is warranted to extend these disaster assistance plan payments and their tax exempt status to New Zealand citizens holding non-protected special category visas who were affected by these disasters.

Schedule 3 enables eligible businesses to continue to pay GST instalments if they subsequently move into a net refund position. It will allow businesses to continue to make their business activity statements annually and retain the cost advantage of not having to submit a quarterly statement. Entities that are not paying GST by instalments and are already in a net refund position remain ineligible to use the instalment option.

Schedule 4 adds six entities to the list of deductible gift recipients, making donations to these organisations tax deductible. Schedule 5 will provide a legislative basis for identifying and merging multiple superannuation accounts within the same fund. Many super funds are already performing these mergers. Groups who participated in the inquiry supported the intent of schedule 5 to reduce the amount affected members pay in multiple sets of administration fees and insurance premiums and consequently increase retirement savings.

However, some industry groups expressed concern that the wording of the proposed subsection 108A(1)(c) could place undue liability on trustees by obligating them to examine each individual member's best interests rather than on a general trust fiduciary law basis, which is understood as acting in the collective best interests of members. The committee's view is that schedule 5 is making an important change to help super members maximise their retirement savings but recommends further Treasury consultation with industry groups to ensure that undue liability is not being inadvertently placed on trustees who are working in good faith for the benefit of their members. The committee also urges the Australian Prudential Regulation Authority to provide funds with guidance on circumstances which should trigger individual consideration of what constitutes a member's 'best interests'. Where funds are dealing with complex cases, the committee believes trustees should seek input from the affected members.

Mr CIOBO (Moncrieff) (17:06): by leave—I will be brief. In terms of additional comments to the committee report, coalition members of the committee raised some concerns we had with respect to two schedules of the bill. In broad brushstrokes—and with emphasis on the word 'broad'—coalition members would agree with a number of the assertions made by the committee chair but, specifically with respect to schedule 1, coalition members felt it necessary to highlight that it was very clear there had been for all intents and purposes no consultation with industry with respect to the proposed changes as outlined in this schedule 1. Whether it was SPAA, the Screen Producers Association of Australia, or others that appeared on the day, it was clear that the first they really knew about it, the first opportunity that industry had with respect to the proposed changes, was when the draft bill itself had been put into the
public domain. It would appear they took the view that it was, for all intents and purposes, a foregone conclusion. Coalition members highlight the fact that this is hardly the way to conduct good public policy and on that basis made some comments in our additional comments.

Schedule 6 is the super co-contributions. The reality is—and coalition members believe Australians recognise this but we want to highlight the fact—that the Gillard Labor government is again seeking to cut government super co-contribution benefits for low-income earners. As much as the Labor Party like to make out that they are a friend of low-income earners, the simple reality is that there have been so many changes on so many occasions that now it is clear that they are far from being a friend.

After promising not to make any changes to superannuation in the lead-up to the 2007 election there have been, in fact, numerous changes invariably designed to undermine incentives for people to voluntarily save more toward their retirement. As well as reducing the concessional contribution caps, the government has cut super co-contribution benefits for low-income earners and imposed additional taxes of more than $8 billion on people's retirement. They have reduced concessional contribution caps from $50,000 and $100,000 per year, depending on your age, under the previous coalition government down to $25,000 per year across the board—a substantial reduction. This means anyone wanting to save more super per year than that low threshold has to pay the top marginal tax rate.

Targeting low-income earners saving for their retirement, Labor has also already reduced super co-contribution benefits for low-income earners from a maximum of $1,500 down to $1,000, while also reducing the matching rate from 1.5 down to one to one. This legislation proposes to cut the maximum super co-contribution benefit for low-income earners again, this time in half, down to just $500, with a similarly reduced matching rate halved from one to one down to 0.5 to one. Overall, the Labor government has cut super co-contribution benefits for low-income earners by more than $3.3 billion by far.

In summary, coalition members want to highlight and make very quickly on the record that this is not a government that is committed to low-income earners, despite all the rhetoric to the contrary. The simple and inescapable conclusion to reach is that, beyond the headlines, this legislation is going to make it tougher for low-income earners, not easier.

Referendum (Machinery Provisions) Amendment Bill 2013
Second Reading

Debate resumed on the motion:
That this bill be now read a second time.

Mrs BRONWYN BISHOP (Mackellar) (17:10): This legislation purports to implement recommendations 3 and 11 of the House of Representatives Standing Committee on Legal and Constitutional Affairs in its report, A time for change: yes/no? of 2009. An expert panel was established to look at the question of change for local government recognition, and the final report came down in 2011. We are now looking at the Referendum (Machinery Provisions) Amendment Bill 2013, merely 124 sleeps away from the proposed date of the referendum and indeed the election.

If you look back through the history of referenda in this country, you will find that very few have been held concurrently with an election—for the simple reason that, when you are dealing with the Constitution, it is felt that it is important that it be an issue in
its own right and should not be confused, or confusing, for the electors as they vote on election day. Indeed, there should be a proper timeline to prepare for it, as the Electoral Commission stated in its own submission to the enquiry. They said that if it were truncated there were all sort of risks about the information not being given properly to Australian voters.

Recommendation 3 said that the yes/no pamphlet, which is an important part of any referendum, should be posted and received by every elector. The yes/no pamphlet has the yes case and the no case being put so that every elector can make their decision on proper information. It is required by the existing 1984 act, which, of course, was introduced by the Hawke government.

The coalition opposed this recommendation. The Standing Committee on Legal and Constitutional Affairs said that the pamphlet should be sent to every household, not to every elector. I think it is important to point out that in this current government, throughout this term, the government and the Special Minister of State has introduced several pieces of legislation that remove the term 'elector' and replace it with 'person'. This seems to be the next step in the government's desire to remove 'elector' from all relevant legislation. From this side of the House, we believe that the 'elector' and constant reference to the 'elector' is pivotal in maintaining a proper sense of voting, be it at elections or on referendums.

I will be moving in the consideration in detail stage two amendments, one of which will be to remove the provisions of this bill contained in the schedule which indeed remove the need for the yes/no pamphlet to be posted, and I accentuate 'posted', to each elector. The bill substitutes the phrase, 'sent to each address'.

We are also concerned that the bill—again getting rid of the term 'posting' and substituting 'sending'—will allow the Electoral Commissioner to send information to an address that he considers appropriate. It is a strong belief of the coalition that the Electoral Commissioner should not be assessing what is, or is not, an appropriate address—particularly an email address, which, in his second reading speech, the minister stated was contemplated. Rather, the AEC should be concerned to meet the provisions of the existing act and focus on maintaining the integrity of the role.

It is interesting to note that there is no official register of emails for electors. There is no data here in the census that shows how many people have email. If you look at the American experience, they have on average about 1.6 email addresses each. Moving away from the effectiveness of the pamphlet being posted to each elector, I and the coalition think it is a fundamental and important part of ensuring a referendum to change our Constitution, the fundamental document which allows Australia to be governed for the peace, welfare and good government of the people. We are concerned about the provision that is contained in the schedule that they should be permitted to send the pamphlet by email simply does not stack up in this current environment. It may in the future. I do not know that. But I do know right now that it does not.

We have vigorously opposed automatic enrolment and the use of government departments to provide the AEC with information to be used to automatically enrol people to the electoral roll. The coalition sees this as a further request by the AEC for information on electors above and beyond what has already been provided. Email addresses are a phenomenon of the last 10 years and were not highly used or relevant in the last referendum held in 1999. Currently
there are no statistics collected on the number of electors who have email addresses but the census does reveal that 19.6 per cent of dwellings do not have internet access, let alone a preferred email address. In Australia, as I said, there is no data that shows how many people have an email address. Indications from the Parliamentary Library are that the figure in Australia of people having email addresses is likely to be higher than in America. People only have one fixed electoral address but they can have many email addresses.

The second amendment that I will be moving when we come to consideration in detail deals with that section of the Referendum (Machinery Provisions) Act 1984 which is section 11(4). This amending bill seeks to suspend the operation of section 11(4) for the period up until the end of election day. It is important to point out that this provision was placed in the legislation to curtail unnecessary expenditure—to put a cap on. It specifically says:

The Commonwealth shall not expend money in respect of the presentation of the argument in favour of, or the argument against, a proposed law except in relation to the preparation, printing and posting, in accordance with this section;

(a) the preparation, by or on behalf of the Electoral Commission, of translations into other languages of material contained in those pamphlets;

(b) the preparation, by or on behalf of the Electoral Commission, of presentations of material contained in those pamphlets in forms suitable for the visually impaired;

(c) the distribution or publication, by or on behalf of the Electoral Commission, of pamphlets, translations or presentations (including publication of the internet);

(b) the provision of the Electoral Commission of other information relating to, or relating to the effect of, the proposed law; or

(c) the salaries and allowances of members of the Parliament or of persons who are appointed or engaged under the Public Service Act 1999.

Specifically, if that clause were to be suspended from operation, as this bill wishes it to do, it would leave it open to the government to spend as much money as it liked promoting one case or the other. The Standing Committee on Legal and Constitutional Affairs report of 2009 did recommend to ensure that spending is directed to referendum education and to equal promotion of the yes/no arguments. There is no provision in this enabling machinery legislation that requires any money spent by the government to be spent equally on the yes case and the no case which was clearly in the minds of the people who made the recommendation in the committee itself.

Further, the Spigelman report—which is the shorthand expression for the expert panel on constitutional recognition of local government—has pointed out that there is a need to ensure that the case for the proposed constitutional change is not left solely to politicians and the local government representative. It goes on to talk about, if it wishes to have it passed, having other people in the community who are convinced of the need for this to occur. Bear in mind we have 124 sleeps left until what Alan Jones likes to call ‘clean-up Australia Day’, the election day, and we are also to have this referendum on that day—obviously aimed to try and confuse the issue, I suspect. We are looking at the government wanting to have complete freedom to have a media campaign of one sort or another, probably in accordance with the existing regulations for advertising but it would be unfettered by this provision in the machinery legislation.

It is also interesting to note that the Spigelman report found that, having commissioned research to be done about the
support for a proposed referendum which has only just been announced, that fewer than 30 per cent of voters can be said to feel a sufficiently strong commitment at this time to the idea of recognising local government to provide high confidence they would support it at a referendum. So as we are at this late stage, where every indicator, including that of the AEC itself, is saying that a truncated period in which to prepare all of the information for a referendum would expose the referendum to risk of insufficient information being made available, I think it is eminently reasonable that we do not suspend that provision which puts a cap on the amount of money that can be spent because in this particular circumstance, where we have a budget coming in tonight that is going to show I think Labor's 20th deficit in a row and show that we are in a fiscally constrained period, it is economically irresponsible to be spending money outside of the provisions already contained in the Referendum (Machinery Provisions) Act to ensure that information is properly sent out to the electors of Australia to make up their minds one way or another.

In concluding my remarks in this second reading debate, we will be moving two amendments in the consideration in detail stage. The first relates to the need to continue to send—that is, post—the yes/no case to every elector and the second amendment is to remove the provision that would suspend the provisions of section 11(4). In speaking in this second reading debate I have foreshadowed the amendments we will move because the coalition believes when you are looking at conducting a referendum to alter our Constitution that it is a critically important issue that the Australian people need to be well appraised of, that they need to be properly informed so they can make up their minds, that they should not be subject to expenditure which is not evenly divided between the yes and no cases, and that at a time when we are fiscally restrained it is really economically improper of the government to propose to spend additional money, which presumably they will have to borrow to spend, outside the provisions that are already satisfactorily provided for in the existing legislation.

Mr DREYFUS (Isaacs—Attorney-General, Minister for Emergency Management, Minister for the Public Service and Integrity and Special Minister of State) (17:25): I thank the member for Mackellar for her contribution to the debate on the Referendum (Machinery Provisions) Amendment Bill 2013. Last week the Prime Minister announced that the Australian government will hold a referendum on 14 September to ask Australians to financially recognise local government in our nation's Constitution. If agreed by the Australian people, the amendment will make a modest but important change to our Constitution so that the existing practice of federal government support for local communities is formally recognised in our Constitution. The change would formally recognise the reality of our three-sphere system of government in Australia. The Australian government works closely with local governments every day to deliver vital services to communities, and I expect the referendum proposal will receive broad and bipartisan support in this federal parliament and across the country.

Making two small, sensible amendments the Referendum (Machinery Provisions) Amendment Bill 2013 helps to ensure that electors are able to make an informed vote in the referendum. These amendments will allow for stronger, more efficient communication with Australian electors. This bill implements the government response to two recommendations made by the then House of Representatives Standing Committee on Legal and Constitutional
Affairs in its 2009 report *A time for change: yes/no?* It is personally pleasing to be here today as the Attorney-General and Special Minister of State implementing recommendations from a House of Representatives Standing Committee on Legal and Constitutional Affairs report prepared at a time when I served as chair of the committee.

In the 2009 report the committee made several recommendations to amend the Referendum (Machinery Provisions) Act 1984. Under section 11 of this act the Australian Electoral Commissioner must arrange for arguments in favour of and against the referendum proposal to be printed in a pamphlet and posted to each elector. As the *A time for change: yes/no?* report noted:

The printed pamphlet as the primary method of communication has been in place since 1912 and retains support from many within the community.

This requirement to post material to every elector has been the subject of much criticism. Recommendation 3 of the report was that, instead of posting the pamphlet to each elector, it be sent to each household. The amendments contained in this bill implement this recommendation but do so in a slightly different way than originally proposed. The amendments allow the Australian Electoral Commission to use the addresses they hold for Australian electors. Rather than attempting to describe what a 'household' is in the referendum act, it is more sensible to be able to draw on the existing database of addresses. Listening to the member for Mackellar's speech, it would appear that she has misunderstood the provision in the bill. I want to stress that email addresses are not provided for as an alternative to the use of postal addresses; they are an additional method of communication with electors that is proposed by this amendment. The whole intent of this amendment is to make sure that there will be as full communication as possible with Australian electors.

The bill also allows the Australian Electoral Commission to send pamphlets to any other address it considers appropriate, and I have mentioned the additional provision to allow pamphlets to be sent to an email address again if that is seen as appropriate. Many electors share residential addresses—for example, two adults who share a domestic partnership with, perhaps, adult children living at the same address. This amendment is aimed at making sure that the referendum pamphlet reaches Australian electors at least once, with less unnecessary and costly duplication. It is a provision which will save money.

The bill also implements recommendation 11 of the committee report, which was to lift the current limitation on spending imposed under section 11 of the Referendum (Machinery Provisions) Act. As many submitters to the *A time for change* report pointed out:

… the restriction on Commonwealth expenditure is a barrier to the development of better and more effective referendum process.

I would adopt the comments made by the member for Mackellar a moment ago about the need to ensure that electors are as informed as possible. That is what the lifting of this current limitation on spending is directed to. As the legal and constitutional affairs committee found in its recommendations:

It is apparent that referendums require a flexible and adaptable approach … the Committee is of the view that the funding level for referendum campaigns should be determined on a case-by-case basis and that decision should be taken by the Australian Government.

This bill lifts the limitation on government spending from when this bill commences until polling day for the 2013 general election. Lifting the limitation on spending is
a sensible amendment which was also adopted in conjunction with the 1999 referendum—that is the last time that the Australian people were asked to vote on a change to our Constitution. The form of this provision in this bill to lift the limitation on spending is in exactly the same form as that used by the Howard government in 1999. I commend the bill to the House.

Question agreed to.

Bill read a second time.

**Consideration in Detail**

Bill—by leave—taken as a whole.

**Mrs BRONWYN BISHOP** (Mackellar) (17:32): I move amendment (1) circulated in my name:

(1) Clause 4, page 2 (lines 6 to 14), omit the clause.

This relates to clause 4 of the bill, which suspends the subsection of the act that places a cap on the expenditure that the government may make with regard to the holding of a referendum—which we now know, in fact, is to be held. In supporting the proposal that we should remain with simply the yes/no case being properly prepared and posted to each elector—which will be the subject of the second amendment proposing that it goes to electors and not to households—I refer to the fact that the Electoral Commission pointed out that, if there were not sufficient time for the preparation of additional material to be put together, the risks that would be invoked because of the short time frame between now and the holding of the referendum could include the following. I read from their submission dated 1 January 2013:

Should the AEC not commence preparation of the referendum campaign components until 1 March—

and I point out that we are now at 14 May. One of the risks referred to is:

… elevated potential for criticism by stakeholders, interest groups or the wider public (during the campaign or afterwards) if they perceive that the campaign advertising:

- did not effectively inform voters
- adversely impacted on formality rates
- was biased towards one side or the other
- the advertising material was culturally deficient for special audiences, or the style of presentation did not adequately address special audiences

The submission referred to:

- limited opportunity to defend against the above criticism if robust market testing was not able to be conducted in the truncated time frames available
- a risk that completion of the referendum work in the truncated timeframe will jeopardise other final election preparations …

In other words, the Electoral Commission itself has said that that this short time frame that is now available for the preparation of material for a referendum on 14 September is going to pose risks as to whether or not it is seen by the Australian people to be properly conducted. This, of course, would only be compounded by the fact that not every elector is to receive a copy of the pamphlet individually.

The Special Minister of State and the Attorney-General pointed out that in 1999, when we had a stand-alone referendum, this clause was suspended. But, of course, at that stage it was a stand-alone referendum, not one held concurrently with an election, and therefore the confusion element was not there. Secondly, it was at a time when we were having surpluses, the government was in good financial shape, the country was being well run and we were not in the parlous financial state that we presently are in. As I said earlier in my speech in the second reading debate, if the additional expenditure which the government wishes to
make were to be allowed by suspending this clause, it would mean that we were being fiscally irresponsible in spending money that does not need to be spent and could be put towards some other good cause. So, when we are looking at the importance of not suspending this clause, I would say, firstly, that it is financially sound and, secondly, that it is heeding both the report of Mr Spigelman and the predictions of the Electoral Commission itself as to why, in this truncated time, it would be unwise to embark on additional expenditure which is outside the parameters of section 11(4).

Mr DREYFUS (Isaacs—Attorney-General, Minister for Emergency Management, Minister for the Public Service and Integrity and Special Minister of State) (17:37): Mr Deputy Speaker, the government opposes this amendment. This is a proposal by the opposition to retain a cap on spending that has been in the referendum (machinery provisions) legislation since 1912. That is where the member for Mackellar wants to take Australian electoral processes back to—1912.

The context is that this whole matter of what was to be the machinery provisions to apply to the next referendum to be held in our country was considered by the Legal and Constitutional Affairs Committee in a report in 2009, and we seem to have a change of heart by this opposition because the opposition members of that Legal and Constitutional Affairs Committee in 2009 supported the removal of the limitation on spending for the purposes of referendums. But, of course, this opposition, represented here by the member for Mackellar, is nothing but negativity and obstructionism. One can only say that what has just been said by the member for Mackellar borders on the bizarre. She has quoted from an AEC submission to the joint select committee into the holding of this referendum, and the particular passage from which she read refers to the risk of inadequate advertising material, in particular such matters as the risk that the advertising material in association with the referendum would not be culturally adequate, would not be culturally specific enough, and a range of other risks—all of them directed properly by the Australian Electoral Commission to its concern that the Australian electorate be as fully informed as possible.

So what is the response put forward by the member for Mackellar? It is to propose that there should be no advertising; it is to propose that the only communication with Australian electors for the purposes of this referendum on recognising local government in our Constitution—bringing our Constitution a little bit alive and bringing it into the 21st century to recognise existing practice—is a yes/no pamphlet, a device that was invented in 1912, which is where the member for Mackellar wants to take us back to.

The removal of this cap on spending was supported by opposition members in 2009, and no explanation has been put forward by the member for Mackellar as to why it should not now be proceeded with. I would add that all parties, historically, have recognised that an effective referendum campaign—effective meaning that there is a high level of interest and a high rate of engagement by the voting public, not by the ultimate outcome of the vote, but effective in the sense of engagement—requires much more government input and financing than simply a yes/no pamphlet.

In 1999, $4.5 million was spent on a public information kit for the referendum on the republic, and $15 million was divided between the two opposing committees—there was a yes committee and a no committee—and another $16.9 million was
provided to the electoral commission for the yes/no pamphlet and related advertising
costs. That is a total of $36.4 million spent by the Howard government in 1999 on that
referendum. The Howard government, quite properly, recognised the need for a range of
funding avenues. I just quote again from what the Legal and Constitutional Affairs
Committee noted about this subject. They said:

The increased funding allocated to the 1999 referendum to provide for both educational
material and further campaign advertising illustrates the significant difference between what
is necessary for an effective referendum and what is provided for in the Machinery of Referendums
Act… the Yes/No pamphlet alone is insufficient
to educate and engage the public.
The reality is that starving this campaign of sensible, reasonable funding will mean that
the Australian community is unaware of and disengaged from the information that they
need to make an informed vote in September. It is shameful. This opposition
doing this does not want that; it does not want the Australian people to be informed. Fundamentally they are an
antidemocratic opposition. (Time expired)

Mrs BRONWYN BISHOP (Mackellar)
(17:42): I think that it is important to make a
couple of points. Firstly, the existing
legislation was passed in 1984 by the Hawke
government. There were referenda in 1984. That is a long way past 1912.
It is important that people are properly informed, and that is why we are insisting
that the pamphlet should be sent to each elector, not a household where it can simply
be taken by one member of the household and disposed of and nobody else can even see it. It is important that it goes to each elector. I cannot stress enough how important it is—when we are talking about either the electoral roll for election purposes, or we are talking about conducting a referendum—that individual electors have to be the centre and main focus, not some grandiose plan that you can put information out there and hope that people will pick it up via advertising, squandering money at a time when we simply do not have any money.

The reason that I made a differential between what happened in 1999 and what is
happening now is that then we had the money we could afford to spend. This time
we do not have the money to spend. We have a government which is going to bring in
another deficit here tonight, a deficit every year from Mr Swan in perhaps swan song. Indeed, if we are to be seen as fiscally responsible—as we wish to be—and live within our means, then you do not squander money on a campaign which is not necessary and at the same time deny the right of electors to receive directly information concerning that change.

We had a lot of fire and brimstone from
the Attorney-General, and that is fine in firepower terms, but I do not think it is very convincing in terms of the need not to spend money unnecessarily, but to properly inform electors with the emphasis on electors as
distinct from householders, and also to ensure that we do not go down the slippery slope of thinking that without properly connecting each individual elector you can have a proper referendum with people being properly informed. Point No. 1: if you want people to be informed, send the information to them directly and as an individual, not as a collective.

Mr DREYFUS (Isaacs—Attorney-General, Minister for Emergency Management, Minister for the Public Service and Integrity and Special Minister of State) (17:45): The member for Mackellar has just spoken to her second amendment, as I understand it, and this is also—

Mrs Bronwyn Bishop interjecting—

Mr DREYFUS: On that basis, I will simply say that there is a complete hollowness in the member for Mackellar attempting to suggest that it is a desire to save money that is prompting this restriction of information to the Australian public about this practical and important change to our Constitution. I say again: the removal of the cap on the spending in association with referendums was accepted by opposition members in the deliberations of the House of Representatives Standing Committee on Legal and Constitutional Affairs back in 1999, and for good reason. You simply cannot say in the 21st century that this procedure is possible by use of a Yes/No pamphlet, a printed pamphlet, a procedure first devised in 1912. The member for Mackellar might point to the fact that the particular act of parliament that we are now seeking to amend was passed by this parliament in 1984, but the provision for the Yes/No pamphlet, which was taken up almost in identical words in the 1984 act of parliament, was first introduced to referendum procedures in 1912. We have not used the Yes/No pamphlet at every single referendum since 1912 for a range of reasons, but at most referendums it has been used. That procedure dates from 1912 and that is where the member for Mackellar would take us back to.

There is something grossly inconsistent about the two amendments that are being put forward here by the member for Mackellar: on the one hand saying that the opposition do not want to spend any money in ensuring that there is appropriate information provided to Australian electors and, on the other hand, saying that they want to retain the wasteful expenditure of sending an individual package of the Yes/No pamphlet, even if there are five, 10 or 15 of these packages going to the same household. The Australian Electoral Commission has pointed to the wastefulness of that expenditure of an additional $4 million. We will save $4 million by not sending this Yes/No pamphlet to every elector, apparently on the basis that that provision has been there for a long time.

The purpose of lifting the cap is to make sure that appropriate means of communication are used. By that, I mean the use of the internet—which perhaps the member for Mackellar has now discovered—the use of television advertising, something that did not exist in 1912, or the use of radio advertising, which also did not exist in 1912. I assume that the member for Mackellar has got some awareness of these modern communication techniques. We are now in the 21st century and, because we are in the 21st century, there is a need to provide for proper communications techniques. I will
quote again from what the committee had to say in its 2009 report:

The increased funding allocated to the 1999 referendum to provide for both educational material—
because that is what we are directing this to—

and further campaign advertising illustrates the significant difference between what is necessary for an effective referendum and what is provided for in the Machinery of Referendums Act.

The committee went on to say:

The processes and campaigns introduced for the 1999 referendum—
the last time we went to a referendum in this country—
suggests that the current provisions are not working, and specifically, that the Yes/No pamphlet alone is insufficient to educate and engage the public.

The member for Mackellar wants to neither educate nor engage the public, as shown by these amendments.

Mrs BRONWYN BISHOP (Mackellar) (17:50): I think it is important to, again, point out that the date of the existing legislation is 1994, as passed by the Hawke government, and that there have been referendums since that time. It is also important to point out that the $4 million that the minister would like to save in postage is, presumably, money he would like to spend on promoting heaven only knows what. Although that committee proposed, back in 2009, that any additional expenditure be provided equally for the yes and no case, there is no provision for that in this amendment bill, just merely to suspend section 11(4). We believe that it is important—and, again, I stress this—that every individual elector receives the information, that they may individually be informed. The minister seems to be saying, 'No, that's not necessary. One pamphlet into any old household and then we will make up for it by having a full-on advertising campaign, paid for by the taxpayer, without any provision for it to be fair expenditure on a yes or no case.'

I think that, when the Hawke government introduced this legislation back in 1984 and put a cap on expenditure, it was a sensible thing to do. In this time, when we are so stretched for cash, when we are so indebted as a nation, to waste money by spending like this is fiscally irresponsible. So I put forward a number of reasons as to why we should oppose the suspension of section 11(4). I think those reasons are compelling and I would commend those reasons to the House.

The SPEAKER: The question is that the amendment moved by the member for Mackellar be agreed to.

The House divided. [17:56]

The Speaker—Ms Anna Burke

Ayes ...................... 65
Noes ...................... 70
Majority .................... 5

AYES

Alexander, JG
Andrews, KJ
Andrews, KL
Billson, BF
Bishop, JB
Bishop, JI
Broadbent, RE
Chester, D
Ciobo, SM
Coulton, M (teller)
Dutton, PC
Fletcher, PW
Frydenberg, JA
Gash, J
Haase, BW
Hawke, AG
Irons, SJ
Jones, ET
Kelly, C
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
Neville, PC
O'Dwyer, KM

Andrews, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Buchholz, S
Christensen, GR
Cobb, JK
Crook, AJ
Entsch, WG
Forrest, JA
Gambaro, T
Griggs, NL
Hartsuyker, L
Hunt, GA
Jensen, DG
Keenan, M
Laming, A
Marino, NB
Matheson, RG
Mirabella, S
Moylan, JE
O'Dowd, KD
Prentice, J
Question negatived.

Mrs BRONWYN BISHOP (Mackellar) (18:04): I move opposition amendment (2):

(2) Schedule 1, items 1 to 3, page 3 (lines 4 to 21), omit the items.
The amendment removes those sections from the bill which would enable the yes-no case to be sent to households—

Honourable members interjecting—

The SPEAKER: Order! The member for Mackellar has the call.

Mrs BRONWYW BISHOP: It would mean that the yes-no case could be sent to households, as distinct from electors. As I said in my second reading speech, we believe that it is imperative that the concept of an elector is fundamental to the proper carrying out of an election and, indeed, of a referendum. So we believe that it is vitally important that this provision be removed so that we may return to the situation of the 1984 act, whereby every elector would receive the yes-no case. It would also prevent the Electoral Commissioner from making decisions about which address he may deem the fit one to send material to. As I pointed out in my second reading speech, with regard to emails, there is no available email register. There is no proper knowledge of which people have email addresses and which do not. At this stage, for 2013—it may be different in the future—we should maintain the position of posting, not sending, the yes-no case to every elector as an individual.

The SPEAKER: The question is that the amendment be agreed to.
The House divided. [18:10]

(The Speaker—Ms Anna Burke)

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

AYES

Alexander, JG
Andrews, KL
Billson, BF
Bishop, JI
Broadbent, RE
Chester, D
Ciobo, SM
Coulton, M (teller)
Dutton, PC
Fletcher, PW
Frydenberg, JA
Gash, J
Haase, BW
Hawke, AG
Irons, SJ
Jones, ET
Kelly, C
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
Neville, PC
O'Dwyer, KM
Pyne, CM
Randall, DJ
Roy, WB
Schultz, AJ
Secker, PD (teller)
Smith, ADH
Southcott, AJ
Tehan, DT
Turnbull, MB
Vasta, RX
Wilkie, AD

NOES

Ferguson, LDT
Fitzgibbon, JA
Georgaras, S
Gray, G
Griffin, AP
Hayes, CP
Jenkins, HA
Katter, RC
King, CF
Livermore, KF
Marles, RD
Melham, D
Murphy, JP
Oakeshott, RJM
O'Neil, DM
Parke, M
Pilcher, TJ
Rishworth, AL
Roxxon, NL
Saffin, JA
Sidebottom, PS
Smyth, L
Symon, MS
Thomson, KJ
Windsor, AHC

NOES

Adams, DGH
Bandt, AP
Bowen, CE
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
Crean, SF
D'Ath, YM
Elliot, MJ

AYES

Alexand, JG
Andrews, KJ
Albanean, AN
Bandt, AP
Bird, SL
Brodmann, G
Burke, AS
Butler, MC
Byrne, AM
Champion, ND
Cheeseman, DL
Clare, JD
Collins, JM
Combet, GI
Crean, SF
Danby, M
D'Ath, YM
Dreyfus, MA
Elliot, MJ
Ellis, KM

PAIRS

Abbott, AJ
Albanese, AN
Bandt, AP
Burke, AS
Byrne, AM
Cheeseman, DL

Question negatived.

The SPEAKER: The question now is that this bill be agreed to.

The House divided. [18:13]

(The Speaker—Ms Anna Burke)

Ayes ....................71
Noes .....................67
Majority..............4

AYES

Adams, DGH
Bandt, AP
Bowen, CE
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM

NOES

Adams, DGH
Bandt, AP
Bowen, CE
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
Question agreed to.

Bill read a second time.

Third Reading

Mr DREYFUS (Isaacs—Attorney-General, Minister for Emergency Management, Minister for the Public Service and Integrity and Special Minister of State) (18:18): by leave—I move:

That this bill be now read a third time.

The SPEAKER: The question is that the bill be now read a third time.

The House divided. [18:20]

(The Speaker—Ms Anna Burke)

Ayes ....................... 71

Noes ....................... 67

Majority .................... 4

AYES

Adams, DGH
Bandt, AP
Bowen, CE
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
Crean, SF

NOES

Albanese, AN
Bird, SL
Brodmann, G
Butler, MC
Champion, ND
Clare, JD
Combet, GI
Danby, M

PAIRS

Bradbury, DJ
Truss, WE
Emerson, CA
Ley, SP
Gillard, JE
Abbott, AJ
Macklin, JL
Robb, AJ
Swan, WM
Hockey, JB
Question agreed to.
Bill read a third time.

Sitting suspended from 18:25 to 19:30

Appropriation Bill (No. 1) 2013-2014

First Reading

Message from the Governor-General transmitting particulars of proposed expenditure and recommending appropriation announced.

Bill and explanatory memorandum presented by Mr Swan.

Bill read a first time.

Second Reading

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (19:31): I move:

That this bill be now read a second time.

Stronger economy, smarter nation, fairer society

Tonight this Labor government makes the choice to keep our economy strong and invest in our future.

To support jobs and growth in an uncertain world.
To chart a pathway to surplus through responsible savings.
And to ensure no Australian is left behind because of the circumstances of their birth or misfortune in their life.

Speaker, no government gets to choose the global economic circumstances in which the budget is framed.

But you do get to choose the priorities for the nation.

Labor chooses a stronger, smarter, and fairer Australia.

An Australia where our schoolchildren get the opportunity to reach their full potential with $9.8 billion invested in new school funding.

An Australia which gives dignity to people with severe and permanent disability through the historic $14.3 billion investment in DisabilityCare Australia—this is a proud moment for our country.

An Australia with the critical infrastructure we need to drive our economy forward—with $24 billion new investment in road and rail.

An Australia where our prosperity spreads opportunity to every postcode in our nation.

Speaker, tonight, we put in place the savings to fully fund these priority investments for 10 years and beyond—an achievement unprecedented in our nation's history.

We make these historic investments in the Labor tradition from a position of strength.

The facts are, under Labor's economic leadership:

- Our economy is 13 per cent bigger than before the global financial crisis.
- More than 950,000 jobs have been created with more Australians in work than ever before—there is no fact we are prouder of.

- For the first time ever we have a triple-A credit rating from all three global agencies with a stable outlook—one of only eight countries to do so.
- And all this with contained inflation and new record low interest rates.

That is because we got the big calls right on the economy.

Now we enter a period where new choices must be made.

Challenging global conditions and the high Australian dollar have put huge pressure on the budget and led to a significant reduction in expected tax receipts totalling over $60 billion over the four years to 2015-16.

Speaker, we face a clear choice.
Radical cuts to the bone that would risk jobs and our economy.
Or a sensible, calm and responsible approach that puts jobs first.
We have always put the interests of working Australians first.

In this budget, we do so again.
Just because the global economy took an axe to our budget does not mean we should take an axe to our economy.

Just as we shielded Australia from the worst during the global financial crisis we will continue to follow the responsible middle course.

Two simple but powerful words are at the heart of our approach and they mean an awful lot to every Australian watching tonight: jobs and growth.

Speaker, because of our deep commitment to jobs and growth we have taken the responsible course to delay the return to surplus and due to a savage hit to tax receipts there will be a deficit of $18 billion in 2013-14, because we put jobs and growth first.
The alternative, cutting to the bone, puts Australian jobs and our economy at risk—something this Labor government will never, ever accept.

Speaker, this is our choice.

To those who would take us down the European road of savage austerity I say the social destruction that comes from cutting too much, too hard, too fast is not the Australian way.

Instead, we are making targeted, sustainable savings of $43 billion over the forward estimates.

To deliver a measured and balanced consolidation of around half a per cent of GDP a year on average from 2013-14.

Since mid-2009 we have fully offset all new spending with savings measures and that continues tonight.

This discipline gives Australia a responsible pathway back to balance in 2015-16 and surplus by 2016-17.

It is a fairer way forward by helping modern families with targeted assistance for the everyday pressures, by delivering the schoolkids bonus and through the low-income super contributions.

A smarter way forward: providing businesses with a skilled workforce, boosting incentives to innovate and adapt, to reap the benefits of the Asian century.

And a stronger way forward: investing in education and training, boosting productivity, protecting and creating jobs, growing the economy and keeping inflation and interest rates low.

**Economic and fiscal strength**

Speaker, tonight we build on Australia’s resilience during the global financial crisis and its fallout.

Our nation’s outlook is bright and our economy is set to grow faster than most of the developed world.

Real GDP growth of 2¼ per cent in 2013-14 and three per cent in 2014-15.

By mid-2015, our economy will be 22 per cent bigger than before the global financial crisis, outstripping every other major advanced economy.

**An economy in transition**

From this position of strength, our economy is undergoing an important transition.

Our nation’s largest resource investment boom is shifting to a boom in production and exports.

As the resources boom enters its new phase, the economy is also transitioning towards broader sources of growth.

And while our opportunities are great and our future bright, this transition will not be seamless.

Unemployment is forecast at 5¾ per cent in 2013-14, up slightly, but still among the lowest in the developed world.

This transition comes against the backdrop of a profound shift in the global economy.

The weight of economic activity is shifting towards our region.

As the Asian century unfolds, there are many new opportunities.

Not just in mining also for our farmers, manufacturers, and service providers but only if we make the choice to invest.

Because you do not want to find yourself in the fastest growing region in the world, with yesterday’s economy.

You cannot be a first-world economy in the 21st century if you have not laid the groundwork to seize the opportunities.
Training a highly skilled, educated and productive workforce.
Supporting business to be innovative and competitive.
Investing in high-quality infrastructure.
Ensuring a strong, fair and sustainable tax system.
All achievements of this budget.
And you cannot be a first-world economy in the 21st century if you are not on the path to a clean energy future.
As is widely accepted, putting a price on carbon pollution is the lowest cost and most efficient way to tackle dangerous climate change.
This budget recognises as we move to an emissions-trading scheme the carbon price is likely to be lower as is associated spending—reflecting lower costs to the economy, households and business.
We will continue to deliver existing household assistance, including increases in pensions, allowances, family payments and other benefits, and ensure future assistance remains adequate.

Weaker tax revenue
While our economy remains resilient, powerful global forces and the stubbornly high Australian dollar have savaged budget revenues.
Not since Hawke and Keating floated the dollar has it remained so high.
This has put acute pressure on prices and company profits weighing more heavily than expected on tax receipts.
Speaker, let us be clear about the magnitude of the hit to revenue.
This year we face the second largest revenue write-down since the Great Depression.

Since last year's budget, expected tax receipts for 2012-13 have been written down by $17 billion.
And since our mid-year update in October, there has been a total revenue write-down of over $60 billion over the next four years.
Company taxes, capital gains tax, resource rent taxes have all been hit.
We have seen almost $170 billion wiped off our tax receipts since the global financial crisis.
The tax-to-GDP ratio in 2013 is estimated to be 22.2 per cent, 1.8 percentage points lower than the average of the five years prior to the global financial crisis.
It is as simple as this—if we were taxing Australian families and Australian businesses like our predecessors did, we would have an extra $24 billion in taxes in 2013-14 and be comfortably in surplus every year of the forward estimates.
The hit to our tax collections will see our very low level of net debt peak at 11.4 per cent of GDP, still less than one-eighth the level of major advanced economies.
This budget sets a sensible pathway to surplus, while making room for the big investments in our nation's future.
We have put in place over $180 billion in responsible savings over six budgets since 2008-09.
And we have been putting structural savings in place since day one.
The long-term savings we have made over the last five years add up to over $300 billion by 2020-21.
Of course, these savings involve some very difficult decisions.
But Labor has always tackled the reforms our nation needs.
We take the difficult decisions knowing they allow us to fully fund better schools for our children, the historic creation of DisabilityCare Australia and of course the next wave of nation building.

**Building a smarter nation**

Speaker, we know that a smarter Australia means a stronger Australia.

An Australia able to grasp the opportunities of the Asian century.

A skilled workforce and a strong, productive and resilient economy.

We know we will only win the economic race in the Asian century if we win the education race.

Our current school funding system is broken—it is failing our children.

That is why we are transforming our nation's schools by investing $9.8 billion in new school funding.

Delivering more teacher training, extra resources for school libraries, specialist language assistance and literacy assessments in the early years.

We are also ensuring funding will grow for every school.

The budget fully funds this investment over the next decade, meaning we can return to surplus without leaving our children an education deficit.

Building on our unprecedented investments in early childhood education and care with $660 million to continue the national partnership that will achieve universal access to preschool.

And establishing a $300 million Early Years Quality Fund to support our childcare workers.

Speaker, this Labor government has delivered a 75 per cent funding increase for university places, supporting around 189,000 more university students.

And in this budget we ensure this funding continues to grow sustainably.

Tonight we announce an additional $97 million investment to boost the number of Commonwealth-supported university places, and an extra $186 million for research infrastructure.

Speaker, the investments we make tonight will ensure our children are equipped to take up the high-skill, high-wage jobs of the future.

On this side of the House, we believe every Australian child deserves the same opportunities in life, and a child's postcode should not determine their future.

**Building a fairer Australia**

Speaker, the fair go is at the heart of everything Labor stands for.

That's why we're so proud to establish DisabilityCare Australia, the National Disability Insurance Scheme.

Supporting Australians with significant and permanent disability has long been in our nation's heart.

In March we put it in our nation's laws, and tonight we put it in our nation's budget.

Following in the huge footsteps of Medicare and Labor's record of historic social policy reforms.

In 2018-19 around 460,000 Australians with significant and permanent disability will get the support they deserve.

Our current disability system is underfunded, unfair and fragmented.

For too long, people with disability have been denied the opportunity to live a life many of us simply take for granted.

For too long, Australia has failed to reform this broken system. Speaker, tonight we right this wrong.

We provide choice, control and dignity to people with disability.
This could mean the difference between getting the right wheelchair now or waiting three long painful years using a wheelchair that doesn't fit.

It could mean the difference between a shower every day, or only once a week.

This budget will fully fund our share of DisabilityCare Australia, beyond the next decade.

From 1 July 2014 the Medicare levy will increase by half a percentage point.

The money raised will be placed in a special fund for 10 years and only used for the additional costs of DisabilityCare Australia.

Tonight, we end the cruel lottery of our current system.

Speaker, the government is investing $64.6 billion in health funding, up 40 per cent since we came to office.

This includes National Health Reform funding for state and territory governments who will receive unprecedented growth of 35 per cent for public hospital services over the next four years.

This includes $14 billion in 2013-14 which grows to $19 billion in 2016-17.

This means that health funding to every state and every territory will grow over the forward estimates.

As a cancer survivor, I've experienced the high quality treatment provided by our health system but I know more needs to be done to prevent, detect and treat this disease.

Tonight's budget builds on the $3.5 billion we've already invested in cancer prevention, detection, treatment and research.

We continue the fight against cancer, investing over $226 million in world-leading cancer care.

Investing over $100 million in screening for breast, cervical and bowel cancer.

Supporting critical chemotherapy medicines, and investing $23.8 million for life-saving bone-marrow transplants.

Funding a third prostate cancer research centre and continuing support for the two existing centres.

Supporting CanTeen's work with young people living with cancer, and supporting those affected by lung cancer.

Speaker, Labor also has a strong record of supporting older Australians.

We introduced the largest single increase in the age pension in 100 years, and we introduced the superannuation guarantee which we're raising gradually to 12 per cent starting from 1 July this year.

We're improving aged care services through our $3.7 billion Living Longer Living Better package.

Tonight marks another step in the Gillard government's plan to turn grey into gold and harness the wisdom of our senior Australians.

We will invest another $127 million to help senior Australians continue their active engagement in society and introduce a pilot program to help downsize their home without affecting their pension.

We're also tackling entrenched disadvantage.

Committing $777 million to renew the National Partnership on Closing the Gap on Indigenous Health Outcomes.

And funding a new transitional national partnership to continue vital homelessness services.

**Building a stronger economy**

So we are investing in Australia's human capital, at the same time as we are investing in our economic capital.
**Nation-building infrastructure**

We have already invested a massive $36 billion in roads, rail and ports.

Tonight we continue our ambitious program with a new $24 billion investment in the next wave of nation building infrastructure.

It's critical to invest in both urban road and rail infrastructure.

Traffic congestion costs commuters time with their families and is estimated to cost our economy up to $20 billion a year by 2020 if not addressed.

That's why we have committed more to urban public transport infrastructure than all our predecessors since Federation combined.

But there is more to be done.

So tonight we're investing in transformational public transport projects like Brisbane's Cross River Rail and Melbourne Metro.

These projects will change the way these cities work and allow them to grow into the future.

We're also putting funds towards productivity-enhancing infrastructure in Sydney—the M4 extension and M5 duplication—and funds that will see the missing link between the F3-M2 constructed.

We will partner with the private sector and state governments to deliver these critical projects as efficiently as possible.

We are also investing in the Gateway North Upgrade in Brisbane, Melbourne's M80 Ring Road, and the South Road Upgrade in Adelaide.

And in our regions we are investing in the Swan Valley Bypass in WA, the Bruce Highway in Queensland, the Pacific Highway in NSW, the Midllands Highway in Tasmania and the Tiger Brennan Drive in the Northern Territory.

These investments will boost productivity, build capacity, improve safety, and relieve congestion, as well as improving the quality of life in our communities across the nation.

The National Broadband Network is putting Australia at the cutting edge of broadband technology and turbocharging productivity for decades to come.

Tonight we announce $12.9 million to connect more local councils to the NBN and provide training for small business and not-for-profits in 20 regional NBN rollout sites.

**Supporting business to innovate**

Speaker, the strength of our economy also depends on the ability of Australian businesses to win work at home and abroad.

We're boosting innovation, productivity and competitiveness through our $1 billion Plan for Australian Jobs.

Investing over $500 million to create industry innovation precincts around Australia.

And providing $378 million to stimulate private sector investment in entrepreneurial small to medium-sized enterprises.

Part of our plan to support and create jobs, building on our loss carry-back and instant asset write-off reforms for three million small businesses.

**Meeting industry's skills needs**

Speaker, as well as having the infrastructure for the future, we must also ensure our economy has the skilled workers it needs.

Labor has increased annual funding for skills and training by almost 50 per cent.

Tonight we build on that record, with a $69 million Alternative Pathways to the Trades program, providing more flexible pathways for 4,000 Australians undertaking trade and technical qualifications.
We have created a $45 million Skills Connect Fund to deliver more effective workplace training for all Australian businesses.

**Workforce opportunity**

Speaker, this Labor government will do everything in its power to boost workforce participation and support transitions to employment.

Tonight we continue our support by allowing Newstart recipients to earn around $1,000 more a year before their payments are affected, the first increase in more than a decade.

We are also supporting parents in their efforts to balance work and family with around 280,000 parents already reaping the benefits of the nation's first Paid Parental Leave scheme.

Our scheme has been in place for two years, is fully funded, affordable, sustainable, equitable, and supported by every member on this side of the House.

**Stronger regions, resilient rural communities**

Speaker, tonight we announce new reforms to build stronger regions and more resilient rural communities.

Over $330 million to support the historic Tasmanian forests agreement, and continuing our investment in Tasmanian economic growth and jobs.

Nearly $100 million for a new farm household allowance to support farmers in hardship, part of the National Drought Program Reform.

And a new Farm Finance package to help farmers struggling with debt, providing concessional loans, more rural financial counsellors, and a better approach to debt mediation.

This comes on top of the almost $1 billion of investment in the Regional Development Australia Fund supporting the infrastructure needs and sustaining economic growth in Australia's regions.

We also commit another $200 million for Reef Rescue to help farmers improve the quality of water entering the Great Barrier Reef.

**Recovering from natural disasters**

Speaker, Australians well know the devastation nature can unleash on our country, our communities, and our people—from floods, cyclones to bushfires.

Since 2010-11, Labor has paid $5.7 billion to the states to support disaster relief.

We expect to pay a further $6.2 billion over the five years from 2012-13, including $1.9 billion to help Queensland through the January floods.

Tonight we invest $40 million to rebuild local council infrastructure to a better and more resilient standard.

**Strong foundations**

And Speaker, as we build a stronger Australia for the future, we continue to honour those who laid the foundations of our country's strength.

As the Centenary of ANZAC draws near, we honour the hard work and sacrifices of Australian service personnel and their families.

We build on our previous commitment to commemorating the Centenary of ANZAC investing a further $25 million and expanding veterans mental health services.

And this budget funds the core defence capabilities required to protect Australia's national security interests.

**Royal commission**

We have also provided the Royal Commission into Institutional Responses to
Child Sexual Abuse with the resources required to go about its important work and ensure survivors have the support they need.

Enduring savings

Speaker, this budget makes historic investments in our children’s education, in care for our most vulnerable citizens, and in building our nation.

But you only get to make the big investments if you are willing to make the savings to fund them.

To fund the critical investments over the next decade and to return the Budget to surplus, this Government has made $43 billion in savings over the forward estimates.

In addition to the savings already mentioned we are:

- improving the sustainability of the family payments system by extending indexation pauses; not proceeding with increases to family tax benefit part A announced in the 2012-13 budget and abolishing the baby bonus; while providing new support for families of newborns through family tax benefit part A;
- closing loopholes and protecting the corporate tax base to ensure multinationals and big businesses are not being given an unfair advantage;
- better targeting superannuation tax concessions to improve the system’s fairness, sustainability and efficiency;
- improving the sustainability of the health budget through phasing out the poorly-targeted net medical expenses tax offset and making changes to the timing of Medicare Benefits Schedule indexation;
- changing tobacco indexation to make it more consistent with consumers’ purchasing power;
- continuing to grow overseas development assistance to 0.5 per cent of gross national income, but deferring the target date by one year from 2016-17 to 2017-18; and
- continuing to improve the responsiveness of income tax instalments for all large entities.

Choosing our future

Speaker, tonight this Labor government has made the choice—a clear choice—to keep our economy strong and invest in our future.

We’ve chosen to give every child a world class education, and to make sure no Australian is left behind.

We’ve chosen a responsible path to surplus while supporting jobs and growth. To make our economy stronger, our nation smarter and our society fairer.

Labor has a proud record of making visionary choices that strengthen this great nation.


And with the ground-breaking investments I have announced tonight, we build upon that proud Labor tradition.

This is the Australia that Labor governments choose.

Because creating prosperity and spreading opportunity are the values that drive this Labor government every single day.

I commend the bill to the House.

Debate adjourned.

DOCUMENTS

Budget Documents 2013-14

Presentation

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (20:00): For the information of honourable Members I
present the following documents in connection with the Budget of 2013-14:

Budget strategy and outlook,
Budget measures,
Australia's Federal relations, and
Agency resourcing,

Ordered that the documents be made parliamentary papers.

**BILLS**

**Appropriation Bill (No. 2) 2013-2014**  
First Reading

Message from the Governor-General transmitting particulars of proposed expenditure and recommending appropriation announced.

Bill and explanatory memorandum presented by Mr Bradbury.

Bill read a first time.

**Second Reading**

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (20:01): I move:

That this bill be read a second time.

Appropriation Bill (No. 2) 2013-2014, together with Appropriation Bill (No. 1) 2013-2014, is a principal bill underpinning the government's budget.

This bill proposes appropriations for agencies to:

- make payments to the states, territories and local government;
- make payments to certain Commonwealth authorities and companies;
- meet requirements for departmental equity injections; and
- meet requirements to create or acquire administered assets and to discharge administered liabilities.

The bill seeks approval for appropriations from the Consolidated Revenue Fund of just over $4.8 billion. I will now outline six of the more significant amounts.

First, the Department of Broadband, Communications and the Digital Economy would, will receive approximately $1.3 billion to contribute equity to NBN Co Limited to allow the continuation of the rollout of the National Broadband Network.

Second, AusAID, the Australian Agency for International Development, will receive approximately $604 million. The majority of this amount is to provide for Australia's contribution towards the 17th replenishment of the International Development Association, which is part of the World Bank. Australia's contribution will allow the International Development Association to provide loans and grants for programs that enhance economic growth, reduce inequalities, and improve living conditions in low-income countries.

Third, the Department of Defence will receive an equity injection of approximately $683 million to enable the purchase of military equipment and the construction of support facilities, as announced in the 2013 Defence White Paper.

Fourth, the bill will provide the Department of Infrastructure and Transport with approximately $383 million for the Roads to Recovery program under which funds are distributed to local councils, and state and territory governments responsible for local roads in areas where there are no councils.

Fifth, the Department of Finance and Deregulation will receive an equity injection of approximately $318 million. This relates mainly to three matters:

- the relocation of Department of Defence facilities from the Moorebank Intermodal Terminal site in Western Sydney to a purpose-built facility through the development of the Holsworthy Barracks;
the construction of a new facility for the Australian Quarantine Inspection Service to safely monitor the importation of animals and plant material before release into Australia; and

the redevelopment of the Villawood Immigration Detention Centre to meet current standards for design and fit-out of immigration detention facilities.

Sixth, the government will provide the Department of Agriculture, Fisheries and Forestry with $210 million for the provision of concessional loans under the Farm Finance initiative. The loans are for viable agricultural businesses for the purpose of productivity enhancements and debt financing.

All the appropriations in Appropriation Bill (No. 2) 2013-2014 are other than for the ordinary annual services of the government.

Debate adjourned.

Appropriation (Parliamentary Departments) Bill (No. 1) 2013-2014

First Reading

Message from the Governor-General transmitting particulars of proposed expenditure and recommending appropriation announced.

Bill and explanatory memorandum presented by Mr Bradbury.

Bill read a first time.

Second Reading

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (20:05): I move:

That this bill be now read a second time.

The purpose of Appropriation (Parliamentary Departments) Bill (No. 1) 2013-2014 is to provide funding for the operations of:

- the Department of the Senate;
- the Department of the House of Representatives;
- the Department of Parliamentary Services; and
- the Parliamentary Budget Office.

This bill seeks approval for appropriations from the Consolidated Revenue Fund of just under $185 million. Details of the proposed expenditure are set out in the schedule to the bill and the Portfolio Budget Statement for the Parliamentary Departments.

Due to the establishment of the Parliamentary Budget Office, this bill now provides for the finance minister to be able to consider determining an advance to the Presiding Officers of up to $300,000 for the Parliamentary Budget Office. This would only be provided if the finance minister was satisfied that there is an urgent and unforeseen need for expenditure during the 2013-2014 financial year, and where schedule 1 to this bill had not provided sufficient appropriation.

All the appropriations in Appropriation (Parliamentary Departments) Bill (No. 1) 2013-2014 are for the parliamentary departments.

Debate adjourned.

MINISTERIAL STATEMENTS

Regional Australia

Continued Investment to Close the Gap

International Development Assistance Program

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (20:07): I present ministerial statements as listed in the document now being circulated to honourable members in the chamber. Details of the statements will be recorded in the Votes and Proceedings.
House adjourned at 20:07

NOTICES

The following notices were given:

Ms Plibersek to present a Bill for an Act to amend the National Health Reform Act 2011, and for related purposes.

Ms Plibersek to present a Bill for an Act to amend the law relating to private health insurance, and for related purposes.

Ms Macklin to present a Bill for an Act to amend the National Disability Insurance Scheme Act 2013, and for related purposes.

Mr Swan to present a Bill for an Act to establish the DisabilityCare Australia Fund, and for related purposes.

Mr Combet to present a Bill for an Act about Australian industry participation plans for major projects, and for other purposes.

Mr Bradbury to present a Bill for an Act to repeal certain Acts, and for related purposes.

Ms Hall to move:

That this House:

(1) acknowledges the outstanding contribution made by both full time retained fire fighters and volunteer fire fighters within our community;

(2) notes with deep concern that:

(a) over the course of the past month, the Belmont and Tingira Heights fire stations have been closed or 'taken off line' for a combined total of over 70 hours as result of a cost cutting exercise by the NSW Government;

(b) the practice of taking fire stations off line is wide spread throughout NSW as a result of cost cutting measures and staffing reallocations conducted by the NSW Government;

(3) condemns in the strongest possible terms the:

(a) ongoing closures of the Belmont and Tingira Heights fire stations;

(b) NSW Government’s apparent cavalier attitude towards the safety of the people within the NSW electoral division of Shortland; and

(c) NSW Government's alleged attempts to threaten fire fighters who advertise the closure of the Belmont and Tingira Heights fire stations within the local community; and

(4) demands that adequate staff be allocated to Belmont and Tingira Heights fire stations to ensure adequate fire protection is provided to all residents in the NSW electoral division of Shortland.

Mr Wilkie to present a Bill for an Act to restrict the export of live animals for slaughter pending its prohibition, and for related purposes.

Mr Bandt to present a Bill for an Act to prioritise Commonwealth funding of rail projects identified by Infrastructure Australia, and for related purposes.

Mr Bandt to present a Bill for an Act to establish a Commonwealth statutory authority with responsibility for protecting and promoting animal welfare in Commonwealth regulated activities, and for related purposes.

Mr Bandt to move:

That this House:

(1) condemns the Government's $2.3 billion cuts to university funding and student support; and

(2) calls on the Government to reverse the decision.

Mr Bandt to move:

That this House calls for all asylum seekers and refugees who are released into the community on a bridging visa to be granted the right to work and support themselves.
QUESTIONS IN WRITING

SMS Text Based 000 Emergency Service
(Question No. 1295)

Mr Fletcher asked the Minister representing the Minister for Broadband, Communications and the Digital Economy, in writing, on 27 November 2012:

What action is the Government taking to facilitate the development of an SMS text based 000 emergency service for the benefit of the deaf, hearing and/or speech impaired community in Australia.

Mr Albanese: The Minister for Broadband, Communications and the Digital Economy has provided the following answer to the honourable member's question:

I am aware that there have been calls from some in the Deaf community for access to emergency services to be available by Short Message Service (SMS). I understand that currently, people who are deaf, hearing-impaired and/or speech-impaired who use text based communication can access emergency services via the National Relay Service (NRS) using a teletypewriter (TTY) to connect to 106, or using internet relay to connect to Triple Zero.

On 8 February 2013, I issued a media release announcing that the Government had delivered an improved NRS, including mobile text-based access to emergency services for people who are deaf, hearing-impaired and/or speech-impaired. New contracts have been signed with existing providers Australian Communication Exchange and WestWood Spice to deliver a new and improved NRS from 1 July 2013.

One of the new services to be implemented progressively in the second half of 2013 will be SMS Relay which will allow access to Triple Zero via text to the NRS for people who are deaf, or who are hearing-impaired and/or speech-impaired. Some of the new services, including SMS Relay, require regulatory change and I have directed my department to immediately begin work on these changes and engage with the disability sector in their development.

The new contracts have achieved the Government's objective of ensuring that existing NRS services are maintained, and that new services are introduced that enhance the NRS for the deaf, hearing-impaired and/or speech-impaired communities.

Satellite Phone Subsidy Scheme
(Question No. 1297)

Mr Hartsuyker asked the Minister representing the Minister for Broadband, Communications and the Digital Economy, in writing, on 27 November 2012:

In respect of the Satellite Phone Subsidy Scheme, (a) how many handsets were subsidised under the scheme in the (i) 2009-10 financial year, (ii) 2010-11 financial year, (iii) 2011-12 financial year, and (iv) period 1 July 2012 to 19 November 2012; and (b) what sum of money was spent to deliver the scheme in the financial years (i) 2009-10, (ii) 2010-11, and (iii) 2011-12.

Mr Albanese: The Minister for Broadband, Communications and the Digital Economy has provided the following answer to the honourable member's question:

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Pharmaceutical Benefits Scheme
(Question No. 1332)

Mr John Cobb asked the Minister for Health, in writing, on 5 February 2013:
In respect of the drug Pradaxa (Dabigatran), (a) why is it not listed on the Pharmaceutical Benefits Scheme (PBS), and (b) is the Government considering listing it on the PBS; if not, why not; if so, can she indicate by what date it will be listed.

Ms Plibersek: The answer to the honourable member's question is as follows:
(a) In March 2011, the Pharmaceutical Benefits Advisory Committee (PBAC) in recommending the listing of dabigatran (Pradaxa®), advised the Government that, while dabigatran is a safe, efficacious and cost-effective therapy for 'at risk' patients with atrial fibrillation for the reduction of stroke and thromboembolism:
• dabigatran derives its advantage over current available anticoagulants such as warfarin when warfarin is used sub-optimally;
• that the benefit of dabigatran observed in the clinical trial may or may not be reflected in the Australian population; and
• the opportunity cost to the Commonwealth of listing dabigatran would be significant ($1 billion over the forward estimates).
In response to these comments, the Government commissioned Emeritus Professor Lloyd Sansom AO to conduct a review of Anticoagulation Therapies in Atrial Fibrillation.

The review found that awareness of atrial fibrillation should be increased, and that national guidelines and an education campaign for the detection and management of atrial fibrillation should be developed. Further, the review found that patients would benefit greatly if the use of existing therapies such as warfarin was better managed and supported.

The review also concluded that the net benefit of the new oral anticoagulation therapies in clinical practice and the subsequent impact on cost-effectiveness is uncertain at this stage and the PBAC should review its March 2011 advice to list dabigatran on the Pharmaceutical Benefits Schedule (PBS).

On 13 December 2012 the PBAC advised that it was of a mind to rescind its March 2011 recommendation for dabigatran to be listed on the PBS citing that more work was needed before it could be listed.

(b) PBAC considered a re-submission for dabigatran (Pradaxa®) at its meeting of 13-15 March 2013. The outcomes of this meeting will be publicly available on 26 April 2013.

Any further Government consideration of the matter would depend on the outcomes of the PBAC meeting (including the full context of any advice provided by the PBAC to Government) and subsequent pricing negotiations between sponsors and the Department of Health and Ageing.

The Government will not make any decision on the PBS listing of dabigatran until after receiving final advice from the PBAC.

National Broadband Network
(Question No. 1333)

Mr John Cobb asked the Minister representing the Minister for Broadband, Communications and the Digital Economy, in writing, on 5 February 2013:
(1) What is the status of plans to erect a National Broadband Network (NBN) communications tower at Rock Forest, NSW.
(2) What community consultation was conducted prior to selecting Rock Forest as the site for an NBN communications tower.

(3) Why is the NBN Co. erecting three communications towers in the centre of Bathurst, when towns of more than 1000 people are to be connected by fibre.

(4) How many community NBN communications towers are expected to be erected in the Bathurst Local Government Area.

(5) Under the NBN Co. scheme, which areas in Bathurst will be connected by (a) fibre, and (b) satellite.

Mr Albanese: The Minister for Broadband, Communications and the Digital Economy has provided the following answer to the honourable member's question:

(1) NBN Co no longer intends to proceed with plans to erect a tower at Rock Forest as it was unable to identify a suitable location that would provide adequate coverage. 
(2) NBN Co undertook a process of site assessment which required it to consult with relevant landholders. It had also consulted with Bathurst Regional Council about its plans, and has informed the Council of its decision not to proceed. NBN Co had not commenced formal community consultations at the time it decided to discontinue its plans.
(3) These NBN Co wireless facilities will be used to provide services to customers outside the Bathurst fibre footprint.
(4) NBN Co is seeking to deploy its fixed wireless network using a combination of existing infrastructure and new radiocommunications sites in order to meet the necessary coverage and performance objectives required to service these communities. Based on NBN Co's current plans, which are subject to planning requirements and other processes, there are a total of 11 planned sites in the Bathurst Local Government Area of which eight are expected to involve new towers.
(5) NBN Co has not yet included Bathurst in its three year fibre rollout plans. The three year rollout plan will be updated in March each year. These updates will be published on NBN Co's website—www.nbnco.com.au/rollout/.

Bathurst is on a list of NSW and ACT cities and towns that are expected to obtain fibre—www.nbnco.com.au/assets/documents/nbn-nsw-and-act-list.pdf.

As part of its deployment in new developments, NBN Co is already offering services on fibre in stages 11 and 12 of the Avonlea/Llanarth Estate at Abercrombie. It has commenced construction of fibre in Stage 1 of Marsden Heights Estate and stage 900 of Windradyne Estate.

Those remaining customers not serviced by fibre will be serviced either by next generation wireless or satellite.

Telstra Exchange: Warrnambool

(Question No. 1334)

Mr Fletcher asked the Minister representing the Minister for Broadband, Communications and the Digital Economy, in writing, on 5 February 2013:

In respects of a fire in Telstra telephone exchange in Warrnambool, Victoria, in late November 2012, what investigations has the Government and/or its agencies undertaken, and what were the outcomes.

Mr Albanese: The Minister for Broadband, Communications and the Digital Economy has provided the following answer to the honourable member's question:

- On 28 November the Minister for Broadband, Communications and the Digital Economy, Senator Stephen Conroy announced that an inquiry would be held to identify what lessons can be learnt from the Warrnambool Telstra exchange fire that left more than 60,000 residents without fixed line telecommunications services.
• The inquiry is being conducted by the Department of Broadband, Communications, and the Digital Economy. Further details about the inquiry including its Terms of Reference and public consultation process can be found on its website www.dbcde.gov.au/warrnambool_inquiry.

• It would be premature to comment on the potential outcomes of the inquiry before it has completed its investigations.

National Broadband Network
(Question No. 1335)

Mr Fletcher asked the Minister representing the Minister for Broadband, Communications and the Digital Economy, in writing, on 4 February 2013:

What business continuity plans exist to enable the NBN Co. to effectively respond to unforeseen events disrupting services.

Mr Albanese: The Minister for Broadband, Communications and the Digital Economy has provided the following answer to the honourable member's question:

NBN Co Limited (NBN Co) noted in its 2012-15 Corporate Plan (pg. 28) that it has created Business Continuity, Crisis Management and Disaster Recovery Plans that will enable it to continue operations in the event of a material business disruption, whilst also ensuring that it can continue to meet financial and service obligations to stakeholders.

NBN Co provided further details on its Business Continuity Plan in response to a Question on Notice from the Public Hearing of the Joint Committee on the National Broadband Network on 30 October 2012. NBN Co indicated that its Business Continuity management encompasses the following distinct phases:

• Undertaking a Disruption Risk Assessment – i.e. to determine and evaluate the types of disruptions that could impact operations and to evaluate the risk level;

• Production of a Business Impact Analysis, which details the impact on critical business processes across NBN Co, evaluating the risk level, and the subsequent priority and resources required to resume operations;

• Creating Plans, which document response strategies, resource requirements and contact lists; and

• Plans are then tested or rehearsed to ensure their effectiveness.

Risk is factored into the plans by linking with NBN Co's Enterprise-wide Risk Management Framework, with the risk appetite level being set by the Board of Directors and Executive Committee.

Telecard Calling Card
(Question No. 1336)

Mr Fletcher asked the Minister representing the Minister for Broadband, Communications and the Digital Economy, in writing, on 5 February 2013:

Has Telstra provided to the Government of the Australian Communications and Media Authority, an explanation of its plan to cease providing its Telecard Calling Card service (under which a person can call Australia from overseas at Australian call rates) from September 2013; if so, what explanation has Telstra provided; if not, will the Government seek an explanation from Telstra.

Mr Albanese: The Minister for Broadband, Communications and the Digital Economy has provided the following answer to the honourable member's question:

I have been advised that Telstra has decided to discontinue its Telecard Service because the supplier which supports this platform will no longer be supporting and maintaining the system.
In November 2012, Telstra wrote to its existing Telecard customers announcing its decision to discontinue the service from 2 September 2013. It also advised customers that they could continue to use their Telecard, both in Australia and overseas until that date.

Telstra also advised its customers, that there are a number of alternative products and services for consumers wanting to make both domestic and international calls. These alternatives include:

- a Telstra Pre or Post-Paid mobile service which is capable of international roaming (where needed) and a handset can be used overseas.
- a Pre-Paid PhoneAway service which allows customers to dial a special access number to then make calls within, or back to, Australia.
- a Australia Direct Reverse charge where customers call a toll-free number and can then make a reverse charge call to any Telstra number in Australia.
- Local calling cards which are widely available in most overseas countries.

Telstra made the announcement of their decision early to give Telecard customers ample time to consider and move to their best alternative solution.

**AusAID: Overseas Development Assistance Program**

*(Question No. 1337)*

Ms Gambaro asked the Minister representing the Minister for Foreign Affairs, in writing, on 5 February 2013:

In respect of AusAID's Overseas Development Assistance (ODA) program, (a) what protocols exist to ensure that all ODA funding is expended to support ODA-eligible activities in accordance with the OECD ODA guidelines, (b) how long have these protocols been in place, (c) how frequently have these protocols been reviewed since 1 December 2007, and (d) how do these protocols operate, including the processes AusAID follows to ensure that the ODA figures submitted by agencies relate to activities properly categorised as being ODA-eligible.

Dr Emerson: on behalf of the Minister for Foreign Affairs, The answer to the honourable member's question is as follows:

(a) Resource flows to developing countries reported as either ODA or Other Official Flows are in accordance with the Statistical Reporting Directives issued by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD). As needed, AusAID provides assistance to agencies to help their understanding of ODA eligibility and reporting requirements.

(b) AusAID (and predecessors) have been collecting information on resource flows from Australian Government agencies since the beginning of the 1960s, according to protocols issued by the OECD DAC.

(c) The protocols are applied to each survey return, that is twice each year for all government departments and agencies.

(d) Australian Government departments and agencies report assistance expenditure for developing countries to AusAID via a six-monthly survey. Responses to the survey are signed off by the agency's Chief Financial Officer and are checked and verified by AusAID against the reporting directives. AusAID determines whether the spending constitutes ODA or Other Official Flows.

**AusAID**

*(Question No. 1338)*

Ms Gambaro asked the Minister representing the Minister for Foreign Affairs, in writing, on 05 February 2013:
Since 1 December 2007, by (a) year, (b) agency, and project (c) name, (d) scope, and (e) dollar value, (i) how many corrections has AusAID received from agencies that have wrongly categorised expenditure as being ODA-eligible, (ii) how was the OECD notified of each correction, and (iii) what remedial action was taken by AusAID with the relevant agencies to address each incorrect categorisation of expenditure.

**Dr Emerson:** On behalf of the Minister for Foreign Affairs, The answer to the honourable member's question is as follows:

(i), (b), (c), (d) and (e) (i) In October 2012, the Department of Defence (Defence) notified AusAID that they had incorrectly reported operational expenditure as ODA, dating back to 2006-07. The incorrect reporting applied to their Afghanistan operations only. Defence were requested to provide formal notification of the revisions, certified by their Chief Financial Officer (CFO). The certified notification was received 2 November 2012. There have been no other formal notifications of other Government Departments incorrectly reporting ODA.

(ii). The OECD was notified that historical expenditure by the Australian Department of Defence had been revised and had implications for Australian ODA to Afghanistan.

(iii) Defence reported aid expenditure at the broader level and did not submit detailed accounts of their expenditure to AusAID. Survey returns were receipted with a signed letter by the Defence CFO stating that transactions are reported accordingly to the ODA guidelines. These arrangements are no longer in place. Defence now provide lower level disaggregation as part of their six-monthly survey returns.

**Disability Employment Services**  
(Question No. 1339)

**Mr Fletcher** asked the Minister for Employment and Workplace Relations, in writing, on 5 February 2013:

In respect of the closure of Progressive Employment Personnel Inc. in Hornsby, a member of the Government's Disability Employment Services, (a) why did its funding cease, and (b) what employment services will now operate in that area to fulfil the employment service needs of people with disability.

**Mr Shorten:** The answer to the honourable member's question is as follows:

The business of all Disability Employment Services – Employment Support Service providers with a Star rating or 3 or below was subject to open tender. Progressive Employment Personnel received a 3 Star rating and was therefore invited to demonstrate its capacity through the tender.

The outcomes of the DES tender process are the result of an independent purchasing process undertaken by the Department of Education, Employment Relations and Workplace Relations (the Department) under strict probity arrangements. In awarding tenders, the Department took into account each organisation's demonstrated understanding of disability employment services and the most effective ways to meet the needs of job seekers with disability; past performance; management, governance and value for money; local community links and partnerships; and strategies to meet the needs of local employers and job seekers. All decisions were subject to a 12-step checking process. Unfortunately, Progressive Employment Personnel Inc. Hornsby, was not successful in the tender process.

As a result of the DES tender, job seekers with disability will benefit from a 50 per cent increase in the number of service sites across the country; bringing the total number of sites to more than 1650. In addition, new specialist providers and an increased number of mental health specialists will more closely meet the needs of the community. From March, job seekers have access to better services than ever before, through greater access to high performing employment service providers. On average, a job
seeker moving from a 1 star to a 5 star provider will be more than twice as likely to get a job and around seven times as likely to have kept that job after 26 weeks.

Australia ranks just 21 out of 29 OECD countries for employment participation for people with a disability. This is not good enough. Through record investment in supporting job seekers with disability, and by pursuing important reforms — such as uncapping services and conducting an open tender for DES—the Government is working to improve employment outcomes for Australians with disability. The decision to put DES to a competitive tender has been welcomed by disability advocates, including the Australian Federation of Disability Organisations and the National Council on Intellectual Disability.

The Government is absolutely committed to improving services and opportunities for people with disability. In addition to the life-changing National Disability Insurance Scheme, we have made revolutionary changes to employment services for people with disability. We have removed the cruel caps on services that existed under the previous system, resulting in a 46 per cent increase in the number of people receiving services and a 100 per cent increase in the number of people securing jobs. In addition, we are investing a record $3.2 billion over 4 years on helping people with disability to secure work. The decision to conduct the first full competitive tender for DES was a continuation of the Government’s commitment to improving services for people with disability.

The Hornsby area is covered by the Central Western Sydney and Northern Sydney Employment Service Areas (ESAs). All participants who were connected with Progressive Employment Personnel have been connected to other providers in the local area.

No job seeker with disability in the Hornsby area will be without employment services as a result of the tender.

In the Central Western Sydney ESA the following organisations now deliver the Disability Employment Services – Employment Support Service:

- Ability Options
- Break Thru People Solutions
- Cerebral Palsy Alliance
- Jobsupport (Moderate Intellectual Disability Specialist)
- TELDRAW
- The Deaf Society of New South Wales (Deaf and Hearing Impaired Specialist)
- The Northcott Society
- The ORS Group
- Wise Employment (Mental Health Specialist).

In the Northern Sydney ESA the following organisations now deliver the Disability Employment Services – Employment Support Service:

- Achieve Australia (Intellectual Disability/Mental Health Specialist)
- Castle Personnel Services
- Cerebral Palsy Alliance (Acquired Brain Injury, Physical, Sensory and Cerebral Palsy Specialist)
- Job Centre Australia
- Jobsupport (Moderate Intellectual Disability Specialist)
- Sydney Counselling Centre
- Sydney Rehabilitation Services

QUESTIONS IN WRITING
Older People and the Law: Government Response
(Question No. 1344)

Mr Oakeshott asked the Attorney-General, in writing, on 5 February 2013:

Mr Dreyfus: The answer to the honourable member's question is as follows:
Recommendation 16 and 17 of the Older people and the law report

The issue of improvements to the mutual recognition of powers of attorney and uniform powers of attorney legislation has been considered by the Standing Council on Law and Justice (SCLJ) (formerly the Standing Committee of Attorneys-General) a number of times in recent years.

The legislation governing powers of attorney is state and territory legislation. The states and territories have not reached agreement on the implementation of uniform legislation on powers of attorney or on the implementation of full mutual recognition. However, with the exception of South Australia all jurisdictions have legislation that provides for some level of mutual recognition of powers of attorney instruments that were created under another jurisdiction's legislation.

Recommendation 19 of the Older people and the law report

The Government response accepted recommendation 19 of the Older people and the law report in principle.

The Government response to recommendation 19 noted that related work on the development of nationally consistent guidelines for advance health care planning and other related matters was being progressed.

In 2011 the Australian Health Ministers' Conference (AHMC) endorsed the National Framework for Advance Care Directives for use by Australian states and territories to align Advance Care Directives law and policy across Australia over time. The development of the National Framework for Advance Care Directives included work that will contribute to policy, legislation and practice for advance care directives and related assessment of capacity becoming more consistent across Australia over time.

Financial Investments of Pensioners
(Question No. 1346)

Mr Oakeshott asked the Minister for Families, Community Services and Indigenous Affairs and the Minister for Disability Reform, in writing, on 6 February 2013:
(1) What indicators or factors are considered in setting deeming rates for the financial investments of pensioners.
(2) Are any weightings applied to the indicators or factors in part (1); if so, what are they.
(3) Is a formula, standard process, or procedure used to set deeming rates; if so, what is it.

Ms Macklin: The answer to the honourable member's question is as follows:
The deeming rules are used to calculate income from financial investments for Social Security and Veterans' Affairs pension and allowance purposes. To calculate income, deeming rates are applied to the total market value of a customer's financial investments. That is, a rate of return is deemed to have been received and is assessed under the income test, rather than the actual income from the financial investment.
As the Minister for Families, Community Services and Indigenous Affairs, I have lead responsibility for deeming policy and monitoring of the deeming rates. The Minister for Employment and Workplace Relations and the Minister for Tertiary Education, Skills, Science and Research have the authority, under Section 1082 of the Social Security Act 1991, to make a determination about the deeming rates that apply to payments that come within their portfolio responsibilities.

A wide range of investment indicators are analysed when reviewing the deeming rates. These include term deposit rates; cash management account returns; changes in share prices; share dividend yields; and managed investment returns. Where relevant, the term of investment and access to funds are also considered.

Reserve Bank of Australia data, for example five-year government bond rates, and regular statements and reports on current and expected economic conditions, and the Treasury's analysis of money markets are also examined. Analysis tends to focus on the medium to long-term trends rather than short-term market fluctuations to minimise disruptions for pensioners by making multiple small changes.

In reviewing the deeming rates and analysing this information, the type of financial investments generally held by pensioners is also taken into account. While there are no weightings applied to any of the indicators or factors, there is a set of principles that are considered when reviewing the deeming rates. These principles provide that deeming should be a simple and fair way to assess income from financial investments, so that pensioners with the same amount held in different financial assets receive a similar assessment; it should reduce the extent to which income support payments fluctuate; and it should simplify investment choice to encourage pensioners to choose investments on their merits.

Deeming rates are kept under ongoing review and are set to reflect the returns available in the market to pensioners for their financial investments.

Financial Investments of Pensioners
(Question No. 1347)

Mr Oakeshott asked the Minister for Families, Community Services and Indigenous Affairs and the Minister for Disability Reform, in writing, on 6 February 2013:

How often does she consider the need to review, out of sequence, deeming rates for financial investments of pensioners, what is the schedule for such reviews, and what indicators or factors are considered in determining whether to undertake such reviews.

Ms Macklin: The answer to the honourable member's question is as follows:

Deeming rates are subject to ongoing review. If deeming rates are changed, it generally occurs at the March and September indexation points. This helps to reduce any potential disruption to pension payments.

An exception to this was during the global financial crisis. Deeming rates were reduced on 17 November 2008 and 26 January 2009 because of rapid changes in market returns available to pensioners.

Financial Investment of Pensioners
(Question No. 1348)

Mr Oakeshott asked the Minister for Families, Community Services and Indigenous Affairs and the Minister for Disability Reform, in writing, on 6 February 2013:
When selecting financial products for comparison to assist in setting deeming rates for the financial investments of pensioners,

(a) what factors other than rate of return are considered, including but not limited to length of investment, risk and access to funds,

(b) if any factors other than rate of return are considered, do any weightings apply to those factors, if so, what are they,

(c) how is the range of financial products to be considered selected, and

(d) how many financial products are used as a comparison in the setting of deeming rates.

Ms Macklin: The answer to the honourable member's question is as follows:
Please refer to my response to Question No. 1346.

Deeming Rates
(Question No. 1349)

Mr Oakeshott asked the Minister for Families, Community Services and Indigenous Affairs and the Minister for Disability Reform, in writing, on 6 February 2013:
Does the Government have a policy to amend the schedule, methodology or application of deeming rates; if so, will she provide the policy.

Ms Macklin: The answer to the honourable member's question is as follows:
No.

Female Labour Participation
(Question No. 1350)

Mr Fletcher asked the Prime Minister, in writing, on 6 February 2013:
What measures is her Government implementing to increase female labour participation?

Ms Gillard: The answer to the honourable member's question is as follows:
The Australian Government continues its commitment to improving economic participation and outcomes for all Australian women. The Government strongly believes that all Australians should have the opportunity to engage in full and meaningful employment. Supporting women's social and economic participation is central to the Government's commitment to building a strong economy on the basis of a fair and just society.

The Government has achieved significant outcomes with respect to increasing female participation in the workforce and has a number of relevant policies in place, including supporting the provision of affordable and quality child care, the Paid Parental Leave Scheme, reforms to the Equal Opportunity for Women in the Workplace Act 1999 and the Fair Work Act 2009, and reforms for the aged care workforce to attract and retain skilled and trained aged care workers, most of whom are women.

More broadly, the Government is also working to ensure low paid and vulnerable workers generally, many of whom are women, are supported and treated fairly.

Affordable Child Care
Access to affordable child care is critical to women's participation in paid work.

The Government has increased its investment in child care, committing $23.1 billion over the four years to 201-16, including $20.6 billion in Child Care Benefit and the Child Care Rebate to help around 900,000 families each year with the cost of child care and helping primary carers back into the workforce. Programs to support affordable access to child care include the following.
• **Child Care Benefit (CCB)** assists parents with the cost of approved and registered child care. The payment of CCB varies depending on family income, the number of children in care, the hours of care, and the type of child care used.

• **Child Care Rebate (CCR)** covers families for 50 per cent of their out-of-pocket approved child care expenses after CCB has been received. This assistance helps eligible working parents and carers with the cost of child care, if they are using approved child care for work-related reasons.

• **Jobs, Education and Training Child Care Fee Assistance** provides assistance with child care fees for parents receiving income support, mostly sole parents, while they work, study or train to enter or re-enter the workforce. An additional $225.1 million over four years from 2012-13 is being provided to meet growing demand for this program.

• **In Home Care** is a flexible form of child care provided in the family home for families whose circumstances may mean that other child care services are not suitable, such as families working shift or non-standard hours, families with a child or children with a disability or those located in rural or remote regions of Australia. In 2011 the Government announced a 17 per cent increase in the allocation of funded In Home Care places.

• **Child Care Flexibility Fund** provides $1.3 million in one-off competitive grants to fund up to 50% of the total costs of projects proposed by community organisations and interested stakeholders to help deliver more flexible child care to better meet the needs of Australian families.

• **Child Care Flexibility Trials** represent an additional $4.2 million investment to help existing child care providers trial longer opening hours. More than 500 families in total will take part in trials to test alternative child care arrangements to see what works best for Australian families, including shiftworkers and emergency service workers.

• **Early Years Quality Fund** will help support the implementation of the **National Quality Framework**. Grants totalling $300 million over two years will boost the quality of early childhood education and support workplace reform. Eligible services will receive grants to promote productivity and increase wages for employees with a Certificate III by $3 per hour from 1 July 2013. There will also be proportional wage increases higher up the classification scale.

**Paid Parental Leave Scheme**

The Government's Paid Parental Leave Scheme began on 1 January 2011. The scheme provides eligible working parents with government-funded pay to support them to take time off work to care for a newborn or recently adopted child. It enables women to maintain an attachment to the workforce and increases women's workforce participation. For many low-paid, casual and part-time working women, this is the first time they have had access to this sort of support.

There are two payments under the scheme.

• **Parental Leave Pay** provides up to 18 weeks' pay at the rate of the national minimum wage (currently $606.50 a week before tax) to eligible primary carers (usually birth mothers).

• From January 2013, the scheme has been extended to provide eligible dads or partners caring for a child with up to two weeks' Dad and Partner Pay at the rate of the national minimum wage.

**Workplace Gender Equality Act 2012**

On 22 November 2012, the Parliament passed the **Equal Opportunity for Women in the Workplace Amendment Act 2012** to strengthen the **Equal Opportunity for Women in the Workplace Act 1999** and its administering agency's focus on gender equality. These reforms recognise that both men and women experience barriers in the workplace. As part of the reforms, the Act is now called the **Workplace Gender Equality Act 2012** and the Agency is now the Workplace Gender Equality Agency.

The Workplace Gender Equality Act now requires employers to report on outcomes associated with women's and men's employment, and aims to educate and support businesses to change organisational
culture and advance gender equality in their workplaces. Under these reforms, an extra $11.2 million over four years from 2011-12 is being provided, which represents a doubling of funds to the Workplace Gender Equality Agency, with most of this extra funding to provide practical help and advice to employers.

The Government understands that Australian women are often stretched between work and family responsibilities and changes to the Workplace Gender Equality Act aim to improve the capacity of women and men to combine paid work and caring responsibilities.

_Fair Work Act 2009_

The Fair Work Act establishes a strong framework to support women's workforce participation, provides fairness and flexibility for employees, and promotes opportunities and equality in the workplace. The 10 National Employment Standards and modern awards provide employees in the federal system with clear, comprehensive and enforceable minimum protections. This is particularly significant for women, who are statistically more reliant on awards and minimum wages than men.

Specifically, the Fair Work Act:

- facilitates additional periods of unpaid parental leave by providing a right to request an extension of unpaid parental leave, which the employer can only refuse on reasonable business grounds;
- provides a right to request flexible working arrangements to employees with twelve months service who have responsibility for a child under school age or a child with disability who is under 18 years of age; and
- provides employees with enhanced protections from discrimination by adding carer's responsibilities as a ground of discrimination and by providing remedies for discrimination generally.

On 21 March 2013, the Government introduced legislation into the Parliament to expand the right to request flexible work arrangements and improve parental leave entitlements. The Fair Work Amendment Bill 2013 includes amendments to the Fair Work Act to:

- allow employees to take unpaid special maternity leave without reducing their entitlement to unpaid parental leave;
- enable pregnant employees to transfer to a safe job regardless of their period of service;
- increase the maximum period of concurrent unpaid parental leave from three to eight weeks and allow that leave to be taken in separate periods within the first 12 months of the birth or adoption of a child; and
- extend the the right to request flexible work arrangements to more categories of employees.

_Closing the gender pay gap for Social and Community Sector workers_

The Fair Work Act provides genuine opportunities to address pay equity concerns including extending the equal remuneration provisions to work of equal or comparable value. In a test case of the new provisions, Fair Work Australia has awarded significant wage increases to certain social and community sector workers in recognition that their work had been undervalued on gender grounds.

Around 150,000 of Australia's lowest paid workers are benefiting from substantial pay rises of between 23 and 45 per cent above the minimum rates in the modern award as a result of Fair Work Australia's historic pay equity decision. This represents a significant achievement for women who make up around 120,000 of the 150,000 workers covered by the pay equity order. Over $2 billion has been provided in the Commonwealth share of funding and is being phased over eight years from 1 December 2012.

_Aged care workforce reforms_

In terms of the workforce, 90 per cent of workers in the residential and aged care industry are women. Through the Aged Care Reform package which is progressively being implemented from 1
July 2012, the Government will provide $1.2 billion over five years to tackle critical shortages in the aged care workforce, benefiting the many women working in this sector. The Government is developing and implementing an Aged Care Workforce productivity strategy in collaboration with the sector to ensure that a skilled workforce is attracted and retained to meet a growing demand.

**Attracting and retaining women in the resources and construction sectors**

As part of the National Resource Sector Workforce Strategy, $534,000 is being provided over three years to the Australian Mines and Metals Association (AMMA) to help enterprises improve their attraction and retention of women. AMMA will work with stakeholders to develop resources, including tools and services, for enterprises to implement strategies to attract and retain more women in the resources and related construction sectors.

**National Security**

(Question No. 1351)

**Mr Robert** asked the Prime Minister, in writing, on 7 February 2013:

In respect of a speech she made on national security on 23 January 2013 where she indicated that $1.46 billion out to 2020 has been committed to strengthen cyber capabilities, (a) what portfolios will this funding be spread across, (b) what proportion (in dollar terms) of this sum will be allocated to each portfolio, (c) which specific areas or programs within each portfolio will receive funding, (d) for (i) 2012-13, (ii) 2013-14, (iii) 2014-15, (iv) 2015-16, (v) 2016-17, (vi) 2017-18, (vii) 2018-19, (viii) 2019-20, and (ix) 2020-21, what proportion (in dollar terms) will be allocated to each area or program, and (e) when did the Government first commit to each component of the $1.46 billion.

**Ms Gillard:** The answer to the honourable member's question is as follows:

(a) This funding was committed as part of the 2009 Defence White Paper, primarily to establish the Cyber Security Operations Centre (CSOC) within the Defence Signals Directorate. The CSOC will be fully integrated into the new Australian Cyber Security Centre. I noted in my National Security Strategy speech that this funding was committed to 2020 based on advice from my department. This advice from my department should have read 2030.

(b) This sum refers to funding allocated to the Department of Defence.

(c) The way in which this funding is allocated is overseen by the Minister for Defence.

(d) The way in which this funding is allocated is overseen by the Minister for Defence.

(e) The $1.46 billion figure was committed to as part of the 2009 Defence White Paper. Responsibility for the specific breakdown of components within this funding is overseen by the Minister for Defence.

**Israeli Settlements on the West Bank**

(Question No. 1353)

**Ms Julie Bishop** asked the Minister representing the Minister for Foreign Affairs, in writing, on 12 February 2013:

(1) Prior to 18 January 2013, did the Minister seek advice from the International Law Office within the Attorney-General's Department on the legal status of Israeli settlements on the West Bank.

(2) What legal advice is the basis for the statement made in the AUKMIN2013 Communique, that ‘All settlements are illegal under international law…’?

(3) Did the Minister give the United States prior notification of the intention to include in the Communique, a call on its government to take a more active role in the Israeli/Palestinian peace process; if so, how much notice was provided.

**Dr Emerson:** The following answer has been provided by the Minister for Foreign Affairs to the honourable member's question:

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**QUESTIONS IN WRITING**
(1) No. Consistent with the Legal Services Directions 2005 (Cth), the Minister for Foreign Affairs sought legal advice from the Department of Foreign Affairs and Trade.

(2) It is the widely held view of the international community that Israeli settlements in the Palestinian Territories contravene international law. This is reflected in, for example, the 2004 Advisory Opinion of the International Court of Justice on the Legal Consequences of the Construction of a Wall on Occupied Palestinian Territories and resolutions adopted by the United Nations General Assembly and the United Nations Security Council.

The basis for the statement is outlined in a document tabled by the Minister in the Senate Estimates (Foreign Affairs, Defence and Trade Legislation) Committee on 14 February 2013. A copy of this statement is attached for reference.

(3) Yes. The Minister's Office advised the US Embassy on 18 January 2013.

Israeli Settlement Activity

- Israeli settlement activity is a violation of the Fourth Geneva Convention (to which Israel is a party)
- The applicability of the Fourth Geneva Convention to the Occupied Palestinian Territory is widely accepted
  - For example, the annual GA resolution on the applicability of the Fourth Geneva Convention to the Occupied Palestinian Territory, including East Jerusalem, and the other occupied territories, was adopted at UNGA67 on 15 November 2012 by 164 in favour; six against; four abstentions.
- Article 49(6) of the Fourth Geneva Convention (on the protection of civilians in time of war) provides that "the Occupying Power shall not deport or transfer parts of its own civilian population into the territory it occupies".
- In its 2004 Advisory Opinion on the Legal Consequences of the Construction of a Wall on Occupied Palestinian Territories, the ICJ unanimously concluded that the Israeli settlements in the Occupied Palestinian Territories (including East Jerusalem) had been established in breach of international law.
  - The Court said that Article 49(6) prohibited not only deportations or forced transfers of populations such as those carried out during the Second World War, but also any measures taken by an occupying Power in order to organize or encourage transfers of parts of its own population into the occupied territory. The Court found that since 1977, Israel had conducted a policy and developed practices involving the establishment of settlements in the Occupied Palestinian Territory contrary to the terms of Article 49(6).
  - By majority (Judge Buergenthal dissenting) the Court also found that the construction of the security barrier and its associated settlement regime was in violation of key provisions of occupation law, human rights law and (Judge Kooijmans dissenting on this point) the right of Palestinians to self-determination.
  - The Security Council has, over time, described Israeli settlement activity as having "no legal validity"
    - Res 452 (1979) (adopted 14-01-1 (US abstention)) included the following language: "Considering that the policy of Israel in establishing settlements in the occupied Arab territories has no legal validity and constitutes a violation of the Fourth Geneva Convention relative to the Protection of Civilian Persons in Time of War of 12 August 1949".
    - Res 465 (1980) (adopted unanimously) included the following language: "Determines that all measures taken by Israel to change the physical character, demographic composition, institutional structure or status of the Palestinian and other Arab territories occupied since 1967, including Jerusalem, or any part thereof, have no legal validity and that Israel's policy and practices of settling parts of its population and new immigrants in those territories constitute a flagrant violation of the
Fourth Geneva Convention relative to the Protection of the Civilian Persons in Time of War and also constitute a serious obstruction to achieving comprehensive, just and lasting peace in the Middle East.”

- The most recent attempt at a Council resolution on settlements (Draft resolution S/2011/24, on which the Council voted 14-1 (US) on 18 February 2011, contained the following language "Reaffirming that all Israeli settlements activities in the Occupied Palestinian Territories, including East Jerusalem, are illegal.")

- This position is further supported by the annual General Assembly resolution on Israeli settlements in the Occupied Palestinian Territory, including East Jerusalem, and the occupied Syrian Golan, which was adopted at UNGA67 on 15 November 2012 by 163 in favour; six against; six abstentions

- The resolution "reaffirms that the Israeli settlements…are illegal" (OP1) and "calls upon Israel to accept the de jure applicability of the [Fourth Geneva Convention]…and to abide scrupulously by the provisions of the Convention, in particular article 49" (OP2).

Prior to the Foreign Minister's recent statements Australia had stated that Israeli settlement activity is illegal on two occasions before the Security Council, in January 2011 and October 2012.

**Aviation: Instrument Landing System**

(Question No. 1354)

**Mr Ciobo** asked the Minister for Infrastructure and Transport, in writing, on 12 February 2013:

Further to his answer to question in writing No. 834 (House Hansard, 20 March 2012, page 3684), (a) how many flights into the Gold Coast in 2012 were diverted to other airports because of weather conditions affecting visibility, (b) has the installation of an Instrument Landing System (ILS) at the Gold Coast Airport progressed since March 2012; if so, which stakeholders has Airservices Australia consulted in respect of this installation, and (c) can he indicate when an ILS will be installed at the Gold Coast Airport.

**Mr Albanese:** The answer to the honourable member's question is as follows:

(a) 28.

(b) Yes, Gold Coast Airport Limited (GCAL) and airline operators.

(c) Airservices will provide a timeframe once GCAL decides which end of the runway the ILS will be installed and the site is made available.

**Quintano, Mr Luke**

(Question No. 1355)

**Mr Oakeshott** asked the Special Minister of State, in writing, on 13 February 2013:

In respect of shooting victim Mr Luke Quintano, who is appealing for Government assistance because the overseas based insurance company owing him money collapsed,

(a) what progress is the Government making to remedy failures in the regulatory environment for overseas insurers in the Australian market,

(b) what is the status of the Government's progress in assisting Mr Quintano find justice, and is the Minister pursuing all available options, including an 'act of grace', and

(c) is a report publicly available on Mr Quintano's case; is so, from where is it available.

**Mr Dreyfus:** The answer to the honourable member's question is as follows:

(a) Regulation of the insurance industry is the responsibility of the Minister for Financial Services and Superannuation, the Hon Bill Shorten MP.
(b) It is open to Mr Quintano to pursue all available avenues for assistance. For privacy reasons, details of applications for act of grace payments are not publicly released.

(c) I am not aware of any report by the Australian Government on Mr Quintano’s case.

**Native Title Respondent Funding program**

(Question No. 1356)

Mr Ramsey asked the Attorney-General, in writing, on 13 February 2013:

(1) What is the cost saving to the Government over the forward estimates resulting from the 1 January 2013 closure of the Native Title Respondent Funding program?

(2) By State and Territory, what sum was expended by the Government to support program applicants in (a) 2007-08, (b) 2008-09, (c) 2009-10, (d) 2010-11, (e) 2011-2012, and (f) 2012-13 (to 1 January)?

(3) For the same period, what was the breakdown of funding given to individual landholders and community bodies (such as local government) under the program?

(4) Did the Government consult with the affected parties before closing the program?

Mr Dreyfus: The answers to the honourable member’s question is as follows:

(1) The native title respondent funding scheme has not closed. From 1 January 2013, funding will be available to a broader range of native title respondents for the cost of disbursements related to native title claims. Subject to means testing, financial assistance for legal representation costs may also be available where there are new or novel questions of law, or where the court requires a respondent to participate in a claim beyond standard procedural processes. The changes bring the scheme into line with access to justice principles and ensure a consistent approach to the administration of financial assistance.

The native title respondent funding scheme shares a small appropriation with 23 other statutory and non-statutory schemes of legal financial assistance. Other legal financial assistance schemes include serious overseas criminal matters (such as death penalty cases), overseas child abduction and Commonwealth public interest and test cases.

In the 2011-12 Budget, financial assistance funding for all 24 schemes was reduced by $0.7 million ongoing. From 2012-13, funding was further reduced by $2.5 million ongoing. Across all schemes, the appropriation for 2012-13 is $4.825 million.

(2) The expenditure by the Government on the native title respondent funding scheme over the last six financial years was as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13 *</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$3,385,466</td>
<td>$3,313,911</td>
<td>$3,144,437</td>
<td>$2,550,263</td>
<td>$2,516,425</td>
<td>$1,028,722</td>
</tr>
</tbody>
</table>

* expenditure to 1 January 2013.

All figures are exclusive of GST.

There is a longstanding practice, endorsed by successive Attorney-Generals, to treat information on individual applications for Commonwealth financial assistance as confidential. As such the department does not report on the particulars of grants of financial assistance, including location.

(3) The *Native Title Act 1993* does not distinguish between categories of respondents and it would be inappropriate to do so under the native title respondent funding scheme. The department does not collect data on type of respondent.

(4) The department consulted extensively with stakeholders about the changes to the native title respondent funding scheme.

QUESTIONS IN WRITING
In August 2011, existing recipients of native title respondent funding were advised of the Budget changes affecting their scheme.

Between August 2011 and December 2011, Mr AC Neal SC undertook an independent review into the native title respondent funding scheme. As part of the review process, recipients, and other stakeholders, were encouraged to make written submissions to the review and many were invited to meetings with Mr Neal SC.

On 2 July 2012, stakeholders were advised of the changes to the scheme, providing them with ample opportunity to plan and transition to the new approach. A fact sheet was developed and provided to stakeholders to inform them of the changes. This is available on the department’s website: <www.ag.gov.au>.

On 20 December 2012, the revised guideline implementing the changes to the scheme was released and provided to existing respondents.

Home Insulation Program
(Question No. 1361)

Mr Fletcher asked the Minister for Resources and Energy, in writing, on 12 March 2013:

To ask the Minister for Climate Change and Energy Efficiency In respect of claims lodged by installers against his department under the Scheme for Compensation for Detriment caused by Defective Administration concerning the former Home Insulation Program, (a) how many claims have been lodged, (b) when was each claim (i) made, and (ii) responded to, and (c) what was the outcome of each claim.

Mr Gray: The answer to the honourable Member's question is as follows:

To date, 44 claims have been received in relation to the former Home Insulation Program under the Scheme for Compensation for Detriment Caused by Defective Administration. These claims have been received from a range of applicants including installers, manufacturers and importers as follows:

<table>
<thead>
<tr>
<th>No.</th>
<th>Claim received</th>
<th>Preliminary view on the claim provided to the applicant</th>
<th>Outcome and notification of decision to the applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>23 August 2010</td>
<td>24 February 2012</td>
<td>No compensation 16 November 2012</td>
</tr>
<tr>
<td>2-24</td>
<td>18 November 2010</td>
<td>11 May 2012</td>
<td>No compensation 30 November 2012</td>
</tr>
<tr>
<td>26</td>
<td>21 June 2011</td>
<td>29 March 2012</td>
<td>No compensation 22 November 2012</td>
</tr>
<tr>
<td>27</td>
<td>30 June 2011</td>
<td>11 April 2012</td>
<td>Compensation paid 28 August 2012</td>
</tr>
<tr>
<td>28</td>
<td>6 July 2011</td>
<td>28 March 2012</td>
<td>Under consideration</td>
</tr>
<tr>
<td>29</td>
<td>26 July 2011</td>
<td>28 March 2012</td>
<td>No compensation 25 January 2013</td>
</tr>
<tr>
<td>30</td>
<td>23 August 2011</td>
<td>24 February 2012</td>
<td>No compensation 30 January 2013</td>
</tr>
</tbody>
</table>
Mr Danby asked the Minister representing the Minister for Foreign Affairs, in writing, on 12 March 2013:

1. Is the Minister aware that the United Nations Human Rights Council (UNHRC) has appointed Mauritania as its Vice President for 12 months; if so, what is the Government's position on this appointment.

2. Is the Minister aware of reports that 20 per cent of Mauritania's population lives in slavery.

3. Is the Minister aware that during the fifth annual Geneva Summit for Human Rights and Democracy in February 2013, Mr Abidine Merzough, European Coordinator of the Initiative for the Resurgence of the Abolitionist Movement in Mauritania, (a) compared the situation in Mauritania with apartheid in South Africa, and (b) claimed that despite being abolished five times by the Mauritanian Government, slavery still exists as before, backed by imams and other clergy who write laws and issue fatwas justifying it.

4. Is the Minister aware that American writer Professor Alfred de Zayas has (a) said that a UNHRC resolution regarding Israel could have been improved by starting proceedings to suspend Israel from the United Nations General Assembly, and (b) been appointed by the UNHRC as an Independent Expert on the promotion of a democratic and equitable international order.

Dr Emerson: The Minister for Foreign Affairs, has provided the following answer to the honourable member's question:

1. Yes. The Government welcomes the appointment of Mauritania as Vice President of the United Nations Human Rights Council (UNHRC).
(2) The Government is aware of reports by the Human Rights Council that between ten and twenty per cent of the population in Mauritania is living in slavery. We are also aware that Mauritania commenced the legislative process to abolish slavery in 1981, fully criminalising slavery in 2007. The Australian Government continues to call on the Government of Mauritania to prosecute perpetrators under these laws.

(3) (a) Yes.
   (b) Yes.

(4) (a) No.
   (b) Yes.

Macquarie River to Orange Pipeline Project
(Question No. 1367)

Mr John Cobb asked the Minister for Sustainability, Environment, Water, Population and Communities, in writing, on 13 March 2013:

(1) Will he provide a copy of the assessment undertaken by his department in 2010 on the proposed Macquarie River to Orange Pipeline Project, including alternative options.

(2) Why was commitment to funding works and operational procedures made within the Memorandum of Understanding (MOU) between the NSW Government and the Commonwealth of Australia to change the operating rules at Menindee Lakes, signed in July 2010 by the Prime Minister and the (then) NSW Premier.

(3) Does this project meet the core objective outlined in item 14 of the MOU.

Mr Burke: The answer to the honourable member's question is as follows:


This CENTROC study investigated a wide range of options for securing the water supply for the Central New South Wales (NSW) region. One of those options identified was a pipeline from Macquarie River to Orange to help secure the water supply for Orange.

The NSW Government identified the project as their highest priority to secure the water supply for existing rural and regional communities in NSW and, as such, proposed the project as part of the package of activities to be funded under the Menindee Lakes Memorandum of Understanding (MOU). It was included in the MOU subject to the requirement that the project would obtain all required environmental and planning approvals before full funding would be made available.

(2) The primary focus of the MOU was on developing a project to reduce evaporative losses at Menindee Lakes, but the MOU also envisaged potential Commonwealth investment in rural water security projects in New South Wales. New South Wales nominated the Orange Pipeline project as being of highest priority in this regard.

(3) The project meets the core objective outlined in item 14 in that the funding conditions set out in items 22 to 28 support the achievement of the whole MOU.

Budget
(Question No. 1369)

Ms O'Dwyer asked the Minister for Health, in writing, on 13 March 2013:

In respect of the Government's decision to remove from the 2012-13 Budget, funding for Hyperbaric Oxygen Treatment of non-diabetic, chronic wounds, (a) did the Medical Services Advisory Committee
(MSAC) base its advice to remove this funding on the randomized double-blind study by Hammarlund, C and Sundberg, T (1994), (b) did the MSAC consider the large multicentre Australasian wound study of over 400 patients, in line with its request that such a study be performed as part of the assessment process, and (c) was the MSAC's advice arrived at unanimously with the support of experts in the field.

Ms Plibersek: The answer to the honourable member's question is as follows:
(a) The Medical Services Advisory Committee (MSAC) based its advice on a number of studies including this one.
(b) Yes. The MSAC considered this study in its assessment.
(c) Yes.

Australian Citizens Overseas
(Question No. 1373)

Ms Julie Bishop asked the Minister representing the Minister for Foreign Affairs, in writing, on 14 March 2013:

(1) Has the Australian Government in the past provided any guarantee to any overseas government regarding the behaviour of Australian citizens whilst overseas.
(2) Is it a fact that the Minister's department said that: 'The Australian government can't give guarantees about the behaviour of Australians overseas, nor take legal responsibility.' (Sydney Morning Herald, August 2012); if so, does that remain the department's position.
(3) What liability has the Australian Government assumed when extending a guarantee of Ms Schapelle Corby's behaviour if she is released on parole.
(4) Is it now Australian Government policy to provide guarantees for other Australians on parole overseas.

(a) if so, is this policy
   (i) in writing, and
   (ii) publically available, and
(b) if not,
   (i) under what circumstances will Australian Government guarantees be provided, and
   (ii) what criteria will have to be met for such guarantees.

Dr Emerson: On behalf of the Minister for Foreign Affairs, the answer to the honourable member's question is as follows:
(1) No recent cases of the Government providing such guarantees have been identified. An exhaustive search of records has not been undertaken.
(2) Yes. The Department's position is that it generally cannot provide legally binding guarantees about the behavior of Australians overseas. However, having regard to advice it received from Indonesia about its law and practice in relation to such guarantees, and the specific circumstances of this case, the Department recommended that the pro forma guarantee form be signed.
(3) The Government has advised Indonesian authorities that it will make every effort to assist them in advising Ms Corby of her parole conditions. It has also advised that Ms Corby's passport may be retained by Indonesian authorities for the duration of her parole.
(4) The Australian Government will consider requests for support on a case by case basis.

(a) & (b)
The Department of Foreign Affairs and Trade will make recommendations to the Minister for Foreign Affairs on a case by case basis taking into account the circumstances of each case, including the specific requirements of the foreign government concerned.

**Type 1 Diabetes: Funding**

(Question No. 1374)

Mr Alexander asked the Minister for Health, in writing, on 14 March 2013:

(1) On (a) 1 July 2012, (b) 1 September 2012, (c) 1 January 2013, and (d) 1 April 2013, what sum of current financial year residual funding was available to children with Type 1 Diabetes under the Insulin Pump Subsidy Scheme.

(2) What alternative arrangements are available to children with Type 1 Diabetes who do not have private health insurance when financial year funding for the Insulin Pump Subsidy Scheme is exhausted.

(3) Is the Government considering the development of any other methods to provide subsidised access to insulin pumps for children with Type 1 Diabetes.

(4) Will she consider providing extra funding for the Insulin Pump Subsidy Scheme in future Budgets to ensure children with Type 1 Diabetes are not denied access to this treatment due to the exhaustion of funding.

Ms Plibersek: The answer to the honourable member's question is as follows:

(1) The sum of current financial year residual funding available to children with Type 1 Diabetes under the Insulin Pump Subsidy Scheme on the dates in question was:
   (a) 1 July 2012 – $473,273
   (b) 1 September 2012 – No residual funding - recipients for all funding had been identified.
   (c) 1 January 2013 – see (b) above.
   (d) 1 April 2013 - see (b) above.

(2) Children with Type 1 Diabetes can obtain insulin pumps through a) the Insulin Pump Scheme; b) Private Health Insurance; or c) private expenditure.

(3) A review of products used in the management of diabetes commenced in August 2012. The review is being undertaken in 3 stages: a) blood glucose test strips; b) insulin pumps; and c) drug utilisation and listing. The Review has not yet been completed and the outcomes cannot be pre-empted. Any recommendations from the Review will be evidence based and aim to ensure the continued quality use of diabetes medicines and products for all Australians with diabetes. Information and progress on this post market review is available on the pbs.gov.au/reviews web page.

(4) I cannot pre-empt a funding decision that would be made by Government.

**Medical Devices**

(Question No. 1377)

Mr Alexander asked the Minister for Health, in writing, on 14 March 2013:

(1) For the calendar years (a) 2005, (b) 2006, (c) 2007, (d) 2008, (e) 2009, (f) 2010, (g) 2011, (h) 2012, and (i) 2013 (to date), what was the average length of time between the first application for funding and commencement of funding (for approved applications), for a medical device requiring a full Therapeutic Goods Administration conformity assessment and a Medicare Benefits Schedule code, in order to be listed on the prostheses list.
(2) Will she consider implementing a modified evaluation pathway and provisional funding for promising medical device technologies, with further confirmatory evidence to be collected after introduction.

Ms Plibersek: The answer to the honourable member's question is as follows:

(1) (a) – (i) The Prostheses List is published twice a year (February and August). Prior to 2010 applications were submitted six monthly and the average time taken from application to listing was six months. From 2010, following the formation of the Prostheses List Advisory Committee, applications have been accepted on a continuous basis and the department endeavours to ensure that applications are processed in time to be included on the next published List, which is on average within a 22 week timeframe.

However, timeframes for processing of applications may be influenced where additional information is sought from sponsors to support an application.

There are currently over 10,100 prostheses listed on the February 2013 Prostheses List.

(2) Evidence requirements for prostheses have been promulgated by the Prostheses List Advisory Committee and the relevant Clinical Advisory Groups. These reflect expert advice on appropriate levels of evidence and are supported by the government on that basis.

Medical Devices
(Question No. 1379)

Mr Alexander asked the Minister for Health, in writing, on 14 March 2013:

(1) Is she aware of any countries that utilise another nation's, or union of nation's, medical device assessment process to assist their own such deliberations; if so, can she list these countries and the products.

(2) Will the Government consider adopting agreed international standards for medical device assessment in order to minimise duplication with other countries that have similar assessment standards and processes.

(3) Is she aware of any countries that have approved newer medical devices than Australia; if so, can she list these countries and the products, and which of these products have been fast-tracked due to the maintenance of a government approvals process that has less duplication with comparable nations.

Ms Plibersek: The answer to the honourable member's question is as follows:

(1) The Department of Health and Ageing is aware that other countries and unions of nations (e.g the European Union) have treaties and agreements in place such as Mutual Recognition Agreements and Memorandums of Understanding in order to utilise another nation's medical device assessments. The extent to which the assessments assists specific countries deliberations may vary between countries and between the types of medical devices assessed.

(2) The Australian Government has adopted agreed international standards for medical devices.

(3) The Therapeutic Goods Administration (TGA) becomes aware of the market approval status of new and emerging medical device technologies in other countries mainly at the time an application for marketing approval is lodged in Australia.

Pharmaceutical Benefits Advisory Council
(Question No. 1382)

Mr Alexander asked the Minister for Health, in writing, on 14 March 2013:

In respect of the Pharmaceutical Benefits Advisory Council, (a) how many times has she met with the current Chair, and (b) what steps has she taken to ensure the independence of the Chair.
Ms Plibersek: The answer to the honourable member's question is as follows:

(a) The Chair of the Pharmaceutical Benefits Advisory Committee (PBAC) usually meets with the Minister for Health after each meeting of the PBAC. This has been common practice for over a decade.

(b) The Australian Government does not intervene in the PBAC decision making process.

The Australian Government relies on the advice and recommendations of the PBAC. The PBAC is a statutory committee, which is independent, with its functions defined in the National Health Act 1953, that makes recommendations to the Government on a case-by-case basis for each submission considered by the Committee.

The PBAC considers each Pharmaceutical Benefits Scheme (PBS) listing submission having regard to the safety, clinical effectiveness and cost-effectiveness (value-for-money) of the medicine for the intended use, in comparison with other available treatments (including non-pharmaceutical treatments). The same evaluation requirements are applied in all cases, as required by legislation, to ensure consistency and fairness in the listing process.

This evaluation process includes an assessment of applications by external third party experts (universities), consideration by a drug utilisation sub-committee, consideration by an economic evaluation sub-committee and consumer input. At each step, the sponsor is provided with information and recommendations from the sub-committees to allow consideration and response. This ensures that the PBAC considers all the relevant available evidence (not just that provided by the sponsor) before making a recommendation.

Pharmaceutical Benefits Scheme
(Question No. 1383)

Mr Alexander asked the Minister for Health, in writing, on 14 March 2013:

How many generic or off-patent Pharmaceutical Benefits Scheme products are sponsored by an innovative medicines company.

Ms Plibersek: The answer to the honourable member's question is as follows:

There were 262 off-patent (F2 formulary) Pharmaceutical Benefits Scheme medicines supplied in 2011-2012. There were over 2500 brands of these medicines of which 256 were the original listed product.

Pharmaceutical Benefits Scheme
(Question No. 1384)

Mr Alexander asked the Minister for Health, in writing, on 14 March 2013:

Can she provide a comprehensive list of generic medicines currently listed on the Pharmaceutical Benefits Scheme, without inclusion of the originator patented medicines.

Ms Plibersek: The answer to the honourable member's question is as follows:

There were 262 off-patent (F2 formulary) Pharmaceutical Benefits Scheme (PBS) medicines supplied in 2011-2012. Of these, the following medicines do not have the original product listed on the PBS:

- Bleomycin Sulfate;
- Cefotaxime;
- Cimetidine;
- Dexamethasone Sodium Phosphate;
Hydroxocobalamin; and
Ticlopidine Hydrochloride.

Pharmaceutical Benefits Advisory Council Reviews
(Question No. 1385)

Mr Alexander asked the Minister for Health, in writing, on 14 March 2013:

Can she detail the development process of the Pharmaceutical Benefits Advisory Council Post Market Diabetes Review, and how the success of this Review will be tested.

Ms Plibersek: The answer to the honourable member's question is as follows:

In June 2012, the Drug Utilisation Sub-Committee (DUSC) of the Pharmaceutical Benefits Advisory Committee (PBAC) requested a utilisation review of diabetes medicines. The utilisation review was requested due to recent changes in diabetes management, including the Pharmaceutical Benefits Scheme listing of a number of new anti-diabetic medicines. From this, a broader post market review, encompassing other aspects of diabetes management including self-monitoring of blood glucose and continuous insulin infusion via insulin pumps was developed. This will ensure all aspects of diabetes management can be assessed in context.

The Review of diabetes is focused on the overall management of the condition and how Commonwealth funded medicines and products are being used to benefit patients. In August 2012, the PBAC agreed to the Terms of Reference for this Review.


Potential PBAC recommendations resulting from this review cannot be pre-empted. However, the outcomes of PBAC consideration will be made publicly available, consistent with current practice.

AusAID
(Question No. 1386)

Ms Gambaro asked the Minister representing the Minister for Foreign Affairs, in writing, on 19 March 2013:

In respect of the contract awarded by AusAID to International Relief Development, for Development Assistance Facility Phase III (West Asia), published pursuant to the Senate Order on Departmental and Agency Contracts (to 31 December 2012), was a tender for the subject contract published on the AusTender website; if so, (a) on what date, and (b) will the Minister provide copies of all associated tender documentation.

Dr Emerson: On behalf of the Minister for Foreign Affairs, the answer to the honourable member's question is as follows:

(a) Yes, on 17 February 2012.

(b) Yes. Copies of the attachments can be obtained from the House of Representatives Table Office.

AusAID
(Question No. 1387)

Ms Gambaro asked the Minister representing the Minister for Foreign Affairs, in writing, on 19 March 2013:

In respect of the subject contract awarded by AusAID to International Relief Development, for Development Assistance Facility Phase III (West Asia), (a) was there an expression of interest for the subject contract, (b) was the subject contract awarded under a 'direct to market', or 'restricted tender',
arrangement; if so, were all required ministerial approvals obtained before the contract was awarded; if so, on what date(s), and (c) as part of the selection process, was an assessment undertaken by a Technical Assessment Panel; if so, can the Minister provide the associated findings and recommendations.

Dr Emerson: On behalf of the Minister for Foreign Affairs, the answer to the honourable member's question is as follows:

(a) Yes, a Request for Tender was issued.

(b) An internationally open and competitive Request for Tender was undertaken. Ministerial approvals were not necessary. The contract was approved within AusAID in accordance with appropriate authorisations.

(c) Yes, an assessment was undertaken by a Technical Assessment Panel. After detailed assessment of bids by the Panel, in accordance with the selection criteria in the Request for Tender, International Relief & Development (IRD) were assessed as the highest ranking tenderer based on technical merit.

AusAID
(Question No. 1388)

Ms Gambaro asked the Minister representing the Minister for Foreign Affairs, in writing, on 19 March 2013:

In respect of the process for AusAID awarding the subject contract to International Relief Development (IRD) for Development Assistance Facility Phase III (West Asia), (a) what reference checks were undertaken to verify IRD's suitability to undertake the subject contract prior to its appointment on 1 September 2012, and can the Minister (i) indicate from which organisation(s) they were obtained, and (ii) provide the written referee reports, (b) what other analysis or examination of IRD's suitability was undertaken by AusAID prior to IRD's appointment, (c) which independent financial firm undertook a financial viability assessment of IRD in respect of the subject contract, and when (i) was it undertaken, and (ii) were the results provided to AusAID, and (d) which independent probity adviser oversaw this tender process, what were its recommendations to AusAID in respect of IRD's suitability to undertake the subject contract, and what date(s) was this advice provided to AusAID.

Dr Emerson: On behalf of the Minister for Foreign Affairs, the answer to the honourable member's question is as follows:

(a) An independent referee checker was engaged to check IRD's past performance and references of nominated key personnel.

(i) AusAID obtained referee reports from the World Bank, the Department for International Development (UK), the Australian Centre for Education Cambodia, Arghajata Consulting, United Nations Office for the Coordination of Humanitarian Affairs, Bisley & Associates Development Consulting, University of South Australia, Oxfam Australia and Evolving Ways.

(ii) Referee checks were undertaken solely for the purpose of tender evaluation and were provided in-confidence.

(b) Proposals received were comprehensively evaluated against the selection criteria set out in the Request for Tender. In addition to referee checks the evaluation included a technical assessment, interviews, previous performance information, independent financial viability, value for money assessments and a World Bank check of debarred firms.

(c) Veda Advantage undertook the independent financial viability assessment on 4 May 2012. The results were provided to AusAID and were considered as part of the evaluation.

(d) Nigel Fredericks of Synergy Group was engaged as the independent probity adviser. He provided his report on 11 May 2012. The report confirmed no probity issues impacted on the tender process.
(e) The probity adviser was not required to assess IRD or make recommendations in respect of IRD's suitability to undertake the contract.

**AusAID**
(Question No. 1389)

Ms Gambaro asked the Minister representing the Minister for Foreign Affairs, in writing, on 19 March 2013:

In respect of the subject contract awarded by AusAID to International Relief Development for Development (IRD) Assistance Facility Phase III (West Asia), (a) was any information on the fraud investigation of IRD's work for USAID in Afghanistan referred to in the assessment provided to AusAID by an independent financial firm, or the independent probity adviser, (b) did any AusAID officer make a personal declaration of any connection or potential conflict of interest in the appointment of IRD to undertake the subject contract, and (c) when did IRD first advise AusAID of the fraud investigation into the work it has undertaken in Afghanistan for USAID, which IRD officer provided this advice and to whom in AusAID, and in what form was this advice.

Dr Emerson: On behalf of the Minister for Foreign Affairs, the answer to the honourable member's question is as follows:

(a) No.
(b) AusAID's standard practice is for all Technical Assessment Panel (TAP) members to sign a conflict of interest declaration prior to receiving tenders for evaluation. All TAP members confirmed in writing they did not have any connection or personal conflicts of interest in relation to any of the DAFA III bidders, including IRD.
(c) In a letter dated 6 March 2013, from Arthur B. Keys Junior, CEO of IRD to Laurie Dunn, First Assistant Director General, Program Effectiveness and Performance Division, AusAID.

**AusAID**
(Question No. 1390)

Ms Gambaro asked the Minister representing the Minister for Foreign Affairs, in writing, on 19 March 2013:

In respect of recommendations made by Technical Assessment Panels (TAPs) on tenderers for AusAID contracts that have been overridden by AusAID's Director-General, on how many occasions has this happened since 25 November 2007, and can the Minister indicate (a) what these tenders related to, (b) where and when they were advertised, (c) what the respective TAP recommendations were, (d) who the Director-General's preferred tenderers were, and (e) what the dollar value each tender was.

Dr Emerson: On behalf of the Minister for Foreign Affairs, the answer to the honourable member's question is as follows:

(a) No recommendation made by a TAP has been overridden by AusAID's Director General. The role of AusAID's Director General in determining the outcome of tender processes is limited to endorsing the recommendations made by TAPs.
(b) N/A
(c) N/A
(d) N/A
(e) N/A
Mr Briggs asked the Minister representing the Minister for Human Services, in writing, on 19 March 2013:

In respect of the Child Support Agency, how many people (a) are currently employed, and (b) were employed as at 30 June (i) 2012, (ii) 2011, (iii) 2010, and (iv) 2009.

Mr Brendan O’Connor: The answer to the honourable member’s question is as follows:

The total number of ongoing and non-ongoing staff employed in the Child Support Program as at the dates specified is outlined in Table A below.

On 1 July 2011, the Child Support Program, Medicare Australia, Centrelink and CRS Australia integrated into the operations of the Department of Human Services (under the Human Services Legislation Amendment Act 2011). The Department is unable to report on the number of people employed in the Child Support Program after 1 July 2011 as work becomes increasingly integrated across programs and the ability to identify staff working specifically in particular programs is no longer available.

Table A Staff Employed in the Child Support Agency

<table>
<thead>
<tr>
<th>As at</th>
<th>Total Number of Ongoing and Non-Ongoing Staff Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 January 2013</td>
<td>-</td>
</tr>
<tr>
<td>30 June 2012</td>
<td>-</td>
</tr>
<tr>
<td>30 June 2011</td>
<td>4,565</td>
</tr>
<tr>
<td>30 June 2010</td>
<td>4,584</td>
</tr>
<tr>
<td>30 June 2009</td>
<td>4,511</td>
</tr>
</tbody>
</table>

Mr Briggs asked the Minister representing the Minister for Human Services, in writing, on 19 March 2013:

In respect of staff at the Child Support Agency in (a) 2009-10, (b) 2010-11, (c) 2011-12, and (d) 2012-13 (to date), (i) how many resigned, (ii) how many had their employment terminated, (iii) how many applied for stress leave, (iv) how many took stress leave, and (v) what was the total cost of stress leave payments.

Mr Brendan O’Connor: The answer to the honourable member’s question is as follows:

On 1 July 2011, the Child Support Program, Medicare Australia, Centrelink and CRS Australia integrated into the operations of the Department of Human Services (under the Human Services Legislation Amendment Act 2011). The Department is unable to report on the number of people employed in the Child Support Program after 1 July 2011 as work becomes increasingly integrated across programs and the ability to identify staff working specifically in particular programs is no longer available.

(i) The total number of ongoing and non-ongoing employees whom resigned from the Child Support Program as at the dates specified is outlined in Table A below.

Table A

<table>
<thead>
<tr>
<th>Total Number of Ongoing and Non-Ongoing Employee Resignations*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>
Within the Child Support Agency

<table>
<thead>
<tr>
<th>Period</th>
<th>Total Number of Ongoing and Non-Ongoing Employee Resignations*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13 Year to Date</td>
<td>-</td>
</tr>
<tr>
<td>2011-12 (1 July 2011 to 30 June 2012)</td>
<td>-</td>
</tr>
<tr>
<td>2010-11 (1 July 2010 to 30 June 2011)</td>
<td>343</td>
</tr>
<tr>
<td>2009-10 (1 July 2009 to 30 June 2010)</td>
<td>339</td>
</tr>
</tbody>
</table>

*Note: Employee resignation reasons include: resignations and age retirements for ongoing and non-ongoing employees

(ii) The total number of ongoing and non-ongoing employees whom had their employment terminated from the Child Support Program as at the dates specified is outlined in Table B below.

Table B

<table>
<thead>
<tr>
<th>Period</th>
<th>Total Number of Ongoing and Non-Ongoing Employment Terminations**</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13 Year to Date</td>
<td>-</td>
</tr>
<tr>
<td>2011-12 (1 July 2011 to 30 June 2012)</td>
<td>-</td>
</tr>
<tr>
<td>2010-11 (1 July 2010 to 30 June 2011)</td>
<td>9</td>
</tr>
<tr>
<td>2009-10 (1 July 2009 to 30 June 2010)</td>
<td>10</td>
</tr>
</tbody>
</table>

**Note: Employee termination reasons include: failure to meet employment conditions (including probation), breach of code of conduct, early termination of contract and non-performance of duties for ongoing and non-ongoing employees

(iii) The number of employees that have applied for stress leave over various periods is unable to be answered. Employees record leave in the respective Human Resource Information System as either Personal Leave With a Certificate or Personal Leave Without a Certificate; there is no further breakdown of specific leave reasons.

(iv) The number of employees that may have taken stress leave over various periods is unable to be answered as per previous response to question (iii).

(v) The total cost of stress leave payments over various periods is unable to be provided as per previous response to question (iii).

Child Support Agency

(Question No. 1393)

Mr Briggs asked the Minister representing the Minister for Human Services, in writing, on 19 March 2013:

In respect of staff travel at the Child Support Agency in (a) 2009-10, (b) 2010-11, (c) 2011-12, and (d) 2012-13 (to date), (i) what sum was spent on domestic and international travel expenses, including airfares and accommodation, and (ii) what sum was spent on taxi fares.
Mr Brendan O’Connor: The answer to the honourable member’s question is as follows:
The Department of Human Services is unable to provide travel expenditure specifically attributable to
the Child Support Program.
In 2009-10 and 2010-11 the Child Support Program was integrated with the then Department of Human
Services. Travel expenditure was not attributable to an individual program and related to the overall
Department.
On 1 July 2011, the Child Support Program, Medicare Australia, Centrelink and CRS Australia
integrated into the operations of the Department of Human Services (under the Human Services
Legislation Amendment Act 2011). Department travel expenditure is not recorded on an individual
program basis.

Child Support Agency
(Question No. 1394)

Mr Briggs asked the Minister representing the Minister for Human Services, in writing, on 19 March 2013:
In respect of the Child Support Agency in (a) 2009-10, (b) 2010-11, (c) 2011-12, and (d) 2012-13 (to
date), (i) how many complaints did the Agency receive, (ii) how many change of assessment
applications did the Agency receive, (iii) how many change of assessment applications resulted in a
change to Child Support payments, (iv) how many objections to assessments did the Agency receive,
and (v) how many objections to assessments resulted in a change to Child Support payments.

Mr Brendan O’Connor The answer to the honourable member’s question is as follows:
Please note that on 1 July 2011, the Child Support Program, Medicare Australia, Centrelink and CRS
Australia integrated into the operations of the Department of Human Services (under the Human
Services Legislation Amendment Act 2011). On that basis, the following is able to be provided from
the perspective of the Child Support Program.

<table>
<thead>
<tr>
<th></th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13 (YTD Feb)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Complaints received</td>
<td>19,738</td>
<td>17,519</td>
<td>19,192</td>
<td>14,695</td>
</tr>
<tr>
<td>(ii) Change of Assessment applications received</td>
<td>21,118</td>
<td>19,314</td>
<td>21,021</td>
<td>13,493</td>
</tr>
<tr>
<td>(iii) Change of Assessment applications finalised resulting in a change to Child Support payments</td>
<td>12,352</td>
<td>11,411</td>
<td>10,181</td>
<td>7,041</td>
</tr>
<tr>
<td>(iv) Objections to assessments received</td>
<td>15,633</td>
<td>14,946</td>
<td>13,053</td>
<td>8,631</td>
</tr>
</tbody>
</table>

An answer to question (v) is unable to be provided as data is not available that links a finalised
objection to a change in Child Support payments.

Child Support Agency
(Question No. 1395)

Mr Briggs asked the Minister representing the Minister for Human Services, in writing, on 19 March 2013:
In respect of the Child Support Agency in (a) 2009-10, (b) 2010-11, (c) 2011-12, and (d) 2012-13 (to
date), (i) how many applications for a review of a Child Support decision did the Social Security
Appeals Tribunal receive, and (ii) how many Child Support decisions were overturned by the Social
Security Appeals Tribunal.
Mr Brendan O'Connor: The answer to the honourable member's question is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2009-10</th>
<th>2010-11</th>
<th>2011-12</th>
<th>2012-13 (YTD Feb)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSAT applications for review of Child Support decisions</td>
<td>2,265</td>
<td>2,242</td>
<td>1,754</td>
<td>1,110</td>
</tr>
<tr>
<td>Decisions overturned</td>
<td>992</td>
<td>989</td>
<td>903</td>
<td>474</td>
</tr>
</tbody>
</table>

457 Visa
(Question No. 1421)

Mr Briggs asked the Minister for Employment and Workplace Relations, in writing, on 19 March 2013:
How many staff in the Minister's office are currently employed on a subclass 457 visa.

Mr Shorten: The answer to the honourable member's question is as follows:
My Office currently employs no staff on a subclass 457 visa, nor has it ever.

Subclass 457 Visas
(Question No. 1427)

Mr Briggs asked the Minister for Early Childhood and Child Care, in writing, on 19 March 2013:
How many staff in the Minister's office are currently employed on a subclass 457 visa.

Ms Kate Ellis: The answer to the honourable member's question is as follows:
My Office currently employs no staff on a subclass 457 visa.

Subclass 457 Visas
(Question No. 1428)

Mr Briggs asked the Minister for Employment Participation, in writing, on 19 March 2013:
How many staff in the Minister's office are currently employed on a subclass 457 visa.

Ms Kate Ellis: The answer to the honourable member's question is as follows:
Refer to the answer for Question Number 1427.

Australian Tourism Industry
(Question No. 1455)

Mr Baldwin asked the Minister for Tourism, in writing, on 20 March 2013:
During 2012-13 (to date), has his department participated in multilateral and bilateral forums to influence beneficial outcomes for the Australian tourism industry; if so which ones.

Mr Gray: The answer to the honourable Member's question is as follows:
In the period 1 July 2012 to 20 March 2013, the department has participated in the following multilateral and bilateral forums to influence beneficial outcomes for the Australian tourism industry:
5-8 July 2012 – Australia-China Tourism Dialogue in Hefei, China, attended by officials from the Department of Resources, Energy and Tourism (RET), the Department of Immigration and Citizenship
(DIAC), Tourism Australia (TA) and Tourism Research Australia (TRA), who met with officials from the China National Tourism Administration (CNTA).

21-22 July 2012 - 41st APEC Tourism Working Group Meeting in Khabarovsk, Russia, attended by a RET official from Tourism Division.

24 July 2012 - 7th APEC Tourism Ministers Meeting, attended by Head of Tourism Division.

24-25 September 2012 - 90th Session of the OECD Tourism Committee in Muju, Republic of Korea attended by a RET official from Tourism Division.

25 September 2012 - OECD-APEC Joint Forum on Tourism in Muju, Republic of Korea attended by a RET official from Tourism Division.

24-25 September 2012 - Air Services Negotiations with Papua New Guinea in Canberra, attended by a RET official from Tourism Division.

4-5 October 2012 - Air Services Negotiations with Thailand in Canberra, attended by a RET official from Tourism Division.

12 December 2012 - China Tourism Industry Forum: Tourism in the Asian Century in Canberra, attended by RET officials from Tourism Division.

21 January 2013 - Air Services Negotiations with the Republic of Korea, attended by a RET official from Tourism Division.

Life Saving Drugs Program
(Question No. 1470)

Mr Hartsuyker asked the Minister for Health, in writing, on 21 March 2013:

In respect of a request of her in October 2012 by Mr Rob and Mrs Michelle Dierkx for an explanation as to why treatment under the Life Saving Drugs Program for their five year old son Christian has been withdrawn by her department, (a) why has she not responded, (b) when will she respond, and (c) would she be willing to meet with Mr and Mrs Dierkx.

Ms Plibersek: The answer to the honourable member's question is as follows:

(a) to (c) I have received Mr and Mrs Dierkx's correspondence, and am currently considering this clinically complex case. It is not proper for me to publically canvas individual patients' cases.

Pharmaceutical Benefits Scheme Reviews
(Question No. 1472)

Mr Alexander asked the Minister for Health, in writing, on 21 March 2013:

How has her department improved the process for notification of post-market review processes between the initiation of the Diabetes Review and the Children's Asthma Review.

Ms Plibersek: The answer to the honourable member's question is as follows:

The Department of Health and Ageing has commenced contacting key stakeholders affected by a review in advance of a public announcement on the website www.pbs.gov.au via:

- Notification of key stakeholders: this involves sending both email and written correspondence to the specific review's key stakeholders including sponsor companies, prior to the public announcement of the review.

- Public announcement: the review terms of reference and background information is posted on the website, with an alert sent out to subscribers of the Pharmaceutical Benefits Scheme Website email list. In addition to this both email and written correspondence is sent to all other stakeholders who have been identified by the Department at the time submissions are called for.
Pharmaceutical Benefits Scheme Reviews
(Question No. 1473)

Mr Alexander asked the Minister for Health, in writing, on 21 March 2013:

When an Expert Advisory Group is formed, who is the membership comprised of, and (a) is there an industry representative by default; if not, why not; and (b) is the membership made public; if not, why not.

Ms Plibersek: The answer to the honourable member's question is as follows:

Expert Advisory Groups for Post Market Reviews of medicines listed on the Pharmaceutical Benefits Scheme (PBS), are formed to provide advice on specific clinical and consumer issues with regard to, but not limited by the Terms of Reference of the Review.

Membership of an Expert Advisory Group may include:

- members of the Pharmaceutical Benefits Advisory Committee or its sub-committees;
- independent specialist clinicians and/or nurse practitioners;
- researchers and representative of peak healthcare provider or prescriber bodies related to the medicines under review;
- health educators;
- health economists;
- consumer representatives or advocates; and,
- representatives from the National Prescribing Service, Therapeutic Goods Administration and National Health and Medical Research Council

(a) No, industry are not represented on Expert Advisory Groups for Post Market Reviews of PBS listed medicines. It would be inappropriate for industry representatives, or any other representative with a financial interest, to be members of the Advisory Groups due to commercial conflict of interest issues. However, industry is provided with several opportunities to provide input to each review through the public consultation process and the opportunity to comment on draft reports. Additionally, industry (both Medicines Australia and the Generics Medicines Industry Association) are represented on the Drug Utilisation Sub-Committee.

(b) The membership of Expert Advisory Groups for Post Market Reviews will be published in the final report of each Review.

Pharmaceutical Benefits Scheme
(Question No. 1475)

Mr Alexander asked the Minister for Health, in writing, on 21 March 2013:

In respect of her department's webpage 'Post-Market Reviews of Pharmaceutical Benefits Scheme Subsidised Medicines', (a) on what date was it published, and (b) before it was published, was the information it contains already publicly available.

Ms Plibersek: The answer to the honourable member's question is as follows:

(a) 8 February 2013.

(b) Yes. Information relating to Post Market Reviews (Anticoagulant Review, Anti-Dementia Review and the Diabetes Review) was available within the background of each Review's webpage on the Pharmaceutical Benefits Scheme (PBS) Website.
Information relating to the National Medicines Policy Framework, and the Pharmaceutical Benefits Advisory Committee and its sub-committees is publicly available through the Department of Health and Ageing website and the PBS website, respectively.

Information relating to the 2011-12 Budget measure Improving sustainability of the PBS through enhanced post market surveillance is publicly available within the Australian Government 2011-12 Health and Ageing Portfolio Budget Statements.

For the benefit of all stakeholders this information was pulled together in one easy to reference place on 8 February 2013.

**Pharmaceutical Benefits Scheme**

(Question No. 1476)

Mr Alexander asked the Minister for Health, in writing, on 21 March 2013:

How does the department (a) consult with stakeholders to identify mutually agreed timeframes for the stages of a review, and (b) ensure that each stage of a review affords stakeholders sufficient time to provide relevant clinical and economic data.

Ms Plibersek: The answer to the honourable member's question is as follows:

(a) and (b) The Post Market Review framework includes multiple opportunities for stakeholder input, including a minimum six week open public consultation process for all Reviews. An overview of the process for all Post Market Reviews is published on the Pharmaceutical Benefits Scheme website, available at http://www.pbs.gov.au/info/reviews/subsidised-medicines-reviews. This provides all stakeholders, not just industry, with an understanding of the process.

It is not practical to individually agree timeframes when it comes to specific reviews, due to the large number of stakeholders, for example, with the Diabetes Review the Department of Health and Ageing notified over 100 stakeholders directly.

**Health**

(Question No. 1478)

Mr Alexander asked the Minister for Health, in writing, on 21 March 2013:

(1) Of the reviews conducted in the last 18 months, what outcomes have been implemented in terms of (a) improvements in the quality of use of medicines, and (b) health outcomes for patients.

(2) Does her department have policies or standard processes for the implementation of responses arising from a review; if so, from where are these publicly available.

Ms Plibersek: The answer to the honourable member's question is as follows:

(1) a) and b)

Quality use of medicines and health outcomes are inherently linked as better use of medicines leads to improved health outcomes.

The Review of Anticoagulation Therapies in Atrial Fibrillation (AF Review) concluded that the net benefit of the new oral anticoagulation therapies in clinical practice, and the subsequent impact on cost-effectiveness, is uncertain at this stage and the Pharmaceutical Benefits Advisory Committee (PBAC) should review its March 2011 advice to list dabigatran (Pradaxa®) on the Pharmaceutical Benefits Scheme (PBS). The PBAC reconsidered submissions from all sponsors of new oral anticoagulants at its March 2013 meeting. The outcomes of the March meeting were published on the PBS website on 26 April 2013.

Aspen Australia has sent out information booklets to all Australian GPs entitled "Eating well with warfarin". The need for this was identified in recommendation 14 of the AF Review. The other recommendations in the AF Review are being investigated by the Department of Health and Ageing.
The Statins Review and Post Market Review of Anti-Dementia Medicines used to treat Alzheimer's Disease (Alzheimer's Review) resulted in price reductions on PBS listed medicines, which will contribute to the sustainability of the PBS. This improves the health outcomes of Australians by enabling new medicines to be listed on the PBS for a wider variety of conditions, and by providing affordable access to medicines already listed on the PBS.

The Alzheimer's Review also resulted in changes to patient assessment required for continuation of PBS subsidised therapy. These changes enable clinicians and carers input to patient assessment which facilitates better identification of eligible patients and ensures access to these medicines is retained for those patients benefiting from treatment. The continuation rule has also been changed to a streamlined authority to reduce the administrative burden on clinicians. This will allow more time for clinicians, carers and patients to focus on optimising health outcomes.

(2) PBAC recommendations arising from Reviews that are agreed by Government will be implemented within existing programs. For example, changes to PBS listings will be implemented through standard PBS processes, as has always been the case and the results of any changes to access to PBS medicines will be monitored through the Drug Utilisation Sub-Committee of the PBAC.

**Pharmaceutical Benefits Scheme**

(Question No. 1479)

Mr Alexander asked the Minister for Health, in writing, on 21 March 2013:

1. What timeframes are advised to medicine providers who are (a) requested to offer price cuts, (b) eligible to apply for a brand premium, and (c) consulted on proposed changes to a restriction applicable to a particular medicine.

2. Has her department received any feedback from stakeholders concerning the adequacy of the timeframes in part (1); if so, can she outline her department's position on this feedback.

3. Are price cuts requested before, after, or in conjunction with any proposal to change a restriction.

Ms Plibersek: The answer to the honourable member's question is as follows:

1. (a) Price changes for Pharmaceutical Benefits Scheme (PBS) subsidised medicines can occur on 1 April, 1 August or 1 December and requests to medicine sponsors to offer price cuts are aligned with these price change dates.

   The timeframes for price reductions to take effect are generally about 3 months. The Department of Health and Ageing consistently applies a response deadline of 2 weeks for sponsors to respond to requests on pricing matters including price reduction offers. Requests from medicine sponsors for extensions to this deadline are granted where possible taking into account individual circumstances.

   (b) The deadlines to apply a brand price premium or change a current premium are published on the PBS website in October to November of the preceding year, and are around 3 months before the premium change takes effect.

   (c) All changes to the PBS restriction of a medicine require the involvement of the Pharmaceutical Benefits Advisory Committee (PBAC). The timelines for the PBAC processes are on the Department's website.

2. Sponsors of PBS-subsidised medicines have on occasion challenged the adequacy of the timeframes to respond to requests for price reduction offers on their medicines. However such challenges are not universal. For example, sponsors of three of the four medicines included in the recent Alzheimer drugs review offered price reductions within the initial 2 week timeframe requested by the Government.

3. The majority of price reductions arise from PBAC recommendations. To date, price reductions have been requested before or in conjunction with restriction changes.

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**QUESTIONS IN WRITING**

Tuesday, 14 May 2013  HOUSE OF REPRESENTATIVES  3177
Pharmaceutical Benefits Scheme
(Question No. 1480)

Mr Alexander asked the Minister for Health, in writing, on 21 March 2013:

In respect of the Expanded and Accelerated Price Disclosure reforms that took effect on 1 December 2010, (a) what savings have been generated, (b) what are the projected savings for (i) 2012-13, and (ii) the forward estimates, (c) what are the total associated administrative costs to government, (d) does her department have evidence on the extent of the impact of the reforms on investment and employment in the generic medicines sector; if so, can she provide it.

Ms Plibersek: The answer to the honourable member's question is as follows:

(a) and (b) As published in the 2010-11 Budget the savings from Further Pharmaceutical Benefits Scheme Reform were forecasted to be the following:

<table>
<thead>
<tr>
<th>Expense ($m)</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>191.2</td>
<td>528.4</td>
<td>546.4</td>
<td></td>
</tr>
</tbody>
</table>


(c) The total administrative cost to Government associated with development and management of Expanded and Accelerated Price Disclosure reforms that took effect on 1 December 2010, for the period until March 2013, are $5.8 million. This sum includes the legal costs of the Commonwealth associated with the court challenge mentioned in Question Number 1481.

(d) No. Price disclosure results in price changes that follow the average prices at which the affected medicines are actually being sold in the market. The price changes are therefore consistent with the commercial decisions already being made by pharmaceutical companies about the sustainable price for sale of the medicines.

Pharmaceutical Benefits Scheme
(Question No. 1482)

Mr Alexander asked the Minister for Health, in writing, on 21 March 2013:

Does the Government have a strategic vision for the pharmaceutical sector; if so, from where is it publicly available?

Ms Plibersek: The answer to the honourable member's question is as follows:

Yes. The Australian Government developed the National Medicines Policy, in conjunction with the states and territories and industry stakeholders, with the overall aim of improving health outcomes by pursuing the four central objectives of:

- timely access to the medicines that Australians need, at a cost individuals and the community can afford;
- medicines meeting appropriate standards of quality, safety and efficacy;
- quality use of medicines; and
- maintaining a responsible and viable medicines industry.

Recognising the linkages between each of these pillars, the Government continues to coordinate both industry and health policy to ensure that a consistent and supportive environment is maintained for the pharmaceutical industry.

The Department also works through various fora such as the Pharmaceutical Industry Working Group, the Access to Medicines Working Group and the Generic Medicines Working Group to provide all industry stakeholders opportunities to contribute to pharmaceutical policy in the health sector.

Additionally, the Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education take the lead in managing industry specific policy that relates to the pharmaceutical sector in areas such as clinical trials, and has taken steps only recently to improve Research and Development in the pharmaceutical sector in Australia.