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SITTING DAYS—2012

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FORTY-THIRD PARLIAMENT
FIRST SESSION—SIXTH PERIOD

Her Excellency Ms Quentin Bryce, Companion of the Order of Australia

House of Representatives Office holders

Speaker—Hon. Peter Neil Slipper MP
Deputy Speaker—Ms Anna Elizabeth Burke MP
Second Deputy Speaker—Hon. Bruce Craig Scott MP

Members of the Speaker’s Panel—Hon. Dick Godfrey Harry Adams MP,
Mrs Yvette Maree D’Ath MP, Mr Steven Georganas 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,
Mr Kelvin John Thomson MP, Ms Maria Vamvakou 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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<td>Vasta, Ross Xavier</td>
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<td>Wilkie, Andrew Damien</td>
<td>Denison, TAS</td>
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<td>Windsor, Anthony Harold Curties</td>
<td>New England, NSW</td>
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<tr>
<td>Zappia, Tony</td>
<td>Makin, SA</td>
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</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

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- Clerk of the Senate—R Laing
- Clerk of the House of Representatives—B Wright
- Secretary, Department of Parliamentary Services—C Mills
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<tr>
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<td>The Hon Julia Gillard MP</td>
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<tr>
<td>Minister Assisting the Prime Minister on Digital Productivity</td>
<td>Senator the Hon Stephen Conroy</td>
</tr>
<tr>
<td>Minister for Social Inclusion</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>Minister for the Public Service and Integrity</td>
<td>The Hon Gary Gray AO 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>Cabinet Secretary</td>
<td>The Hon Mark Dreyfus QC MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>Senator the Hon Jan McLucas</td>
</tr>
<tr>
<td>Treasurer (Deputy Prime Minister)</td>
<td>The Hon Wayne Swan MP</td>
</tr>
<tr>
<td>Minister for Financial Services and Superannuation</td>
<td>The Hon Bill Shorten MP</td>
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<tr>
<td>Assistant Treasurer</td>
<td>The Hon David Bradbury MP</td>
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<tr>
<td>Parliamentary Secretary to the Treasurer</td>
<td>The Hon Bernie Ripoll MP</td>
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<tr>
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<td>Senator the Hon Chris Evans</td>
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<tr>
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<td>The Hon Greg Combet AM MP</td>
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<tr>
<td>Minister for Small Business</td>
<td>The Hon Brendan O'Connor MP</td>
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<tr>
<td>Minister Assisting for Industry and Innovation</td>
<td>Senator the Hon Kate Lundy</td>
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<tr>
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<td>The Hon Mark Dreyfus QC MP</td>
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<td>Senator Cory Bernardi</td>
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<tr>
<td><strong>Shadow Minister for Foreign Affairs</strong></td>
<td>The Hon Julie Bishop MP</td>
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<td><strong>Shadow Minister for Trade</strong></td>
<td>The Hon Julie Bishop MP</td>
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<td><em>(Deputy Leader of the Opposition)</em></td>
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<tr>
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<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><em>(Leader of the Nationals)</em></td>
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<tr>
<td><strong>Shadow Parliamentary Secretary for Roads and Regional Transport</strong></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><em>(Leader of the Opposition in the Senate)</em></td>
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<tr>
<td><strong>Shadow Minister for Employment Participation</strong></td>
<td>The Hon Sussan Ley MP</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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<td><em>(Deputy Leader of the Opposition in the Senate)</em></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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<tr>
<td><strong>Shadow Parliamentary Secretary to the Shadow Attorney-General</strong></td>
<td>Senator Gary Humphries</td>
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<tr>
<td><strong>Shadow Treasurer</strong></td>
<td>The Hon Joe Hockey MP</td>
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<tr>
<td><strong>Shadow Assistant Treasurer and Shadow Minister for Financial Services and Superannuation</strong></td>
<td>Senator Mathias Cormann</td>
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<td><strong>Shadow Parliamentary Secretary for Tax Reform</strong></td>
<td>The Hon Tony Smith MP</td>
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<tr>
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<td><strong>Shadow Minister for Education, Apprenticeships and Training</strong></td>
<td>The Hon Christopher Pyne MP</td>
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<td><em>(Manager of Opposition Business in the House)</em></td>
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<tr>
<td>Shadow Parliamentary Secretary for Local Government</td>
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<tr>
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<td>The Hon Andrew Robb AO MP</td>
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<td>Shadow Minister for Defence</td>
<td>Senator the Hon David Johnston</td>
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<tr>
<td>Shadow Minister for Defence Science, Technology and Personnel</td>
<td>Mr Stuart Robert MP</td>
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<td>Shadow Minister for Veterans' Affairs and Shadow Minister Assisting the Leader of the Opposition on the Centenary of ANZAC</td>
<td>Senator the Hon Michael Ronaldson</td>
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<td>Shadow Parliamentary Secretary for Defence Materiel</td>
<td>Senator Gary Humphries</td>
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<td>The Hon Kevin Andrews MP</td>
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<tr>
<td>Shadow Minister for Seniors</td>
<td>The Hon Bronwyn Bishop MP</td>
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<tr>
<td>Shadow Minister for Disabilities, Carers and the Voluntary Sector (Manager of Opposition Business in the Senate)</td>
<td>Senator Mitch Fifield</td>
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<tr>
<td>Shadow Minister for Housing</td>
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<tr>
<td>Shadow Parliamentary Secretary for Supporting Families</td>
<td>Senator Cory Bernardi</td>
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<tr>
<td>Shadow Parliamentary Secretary for the Status of Women</td>
<td>Senator Michaelia Cash</td>
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<td>Shadow Minister for Climate Action, Environment and Heritage</td>
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<td>Shadow Parliamentary Secretary for Environment</td>
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<td>Shadow Minister for Productivity and Population</td>
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<tr>
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<td>The Hon John Cobb MP</td>
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The DEPUTY SPEAKER (Ms AE Burke) took the chair at 9:00, made an acknowledgement of country and read prayers.

BILLs

Skills Australia Amendment (Australian Workforce and Productivity Agency) Bill 2012

Returned from Senate

Message received from the Senate returning the bill without amendment or request.

Customs Tariff Amendment (2012 Measures No. 1) Bill 2012

First Reading

Bill and explanatory memorandum presented by Mr Clare.

Bill read a first time.

Second Reading

Mr CLARE (Blaxland—Minister for Home Affairs, Minister for Justice and Minister for Defence Materiel) (09:02): I move:

That this bill be now read a second time.

This bill does three things. The first thing it does is provide for the listing of Serbia as a developing country for the purposes of the Australian System of Tariff Preferences, with effect from 1 March 2012. This is covered in items 1 and 2 of the schedule to the bill.

This listing accords Serbia a reduction in customs duty on a defined range of goods imported into Australia.

This action is consistent with Australia’s approach to other states which were formerly part of Yugoslavia.

Secondly, item 7 of the schedule to the bill reinserts subheading 5308.10.00, applicable to coir yarn, in the customs tariff. This subheading was incorrectly omitted from the customs tariff in the Customs Tariff Amendment (2012 Harmonized System Changes) Act 2011.

Coir yarn is typically used in the manufacture of mats and ropes. These first two parts of the bill were previously given effect through the tabling of Customs Tariff Proposal (No. 1) 2012 in the House of Representatives on 16 February 2012.

The remaining amendments in the bill correct a number of technical errors that have occurred in the customs tariff.

These corrections maintain the quality of the text of the customs tariff and ensure that Australia’s customs tariff is correctly aligned with the International Convention on the Harmonised Commodity Description and Coding System that forms the basis of the customs tariff.

These corrections do not affect the classification of goods or customs duty payable.

I commend the bill to the House.

Debate adjourned.

Statute Stocktake (Appropriations) Bill (No. 1) 2012

First Reading

Bill and explanatory memorandum presented by Mr Gray.

Bill read a first time.

Second Reading

Mr GRAY (Brand—Special Minister of State and Minister for the Public Service and Integrity) (09:05): I move:

That this bill be now read a second time.
The Statute Stocktake (Appropriations) Bill (No. 1) 2012 is the fifth statute stocktake bill since 1998, and forms part of an ongoing process to clean up the statute book by repealing legislation that is redundant.

The bill also furthers the government's deregulation agenda. The government has stepped up its deregulation reform program, including the progress made at the Business Advisory Forum in May 2012 and the Prime Minister's economic forum in June 2012. The government considers that it is important that continued progress is made in this important area.

The bill would, if enacted, repeal:
- 93 redundant appropriation acts from 1984 to 1999;
- 35 redundant supply acts from 1984 to 1997; and
- three acts containing redundant special appropriations from the Treasury portfolio.

The bill would also continue the government's commitment to a regular review of the special appropriations and maintain effective legislative housekeeping, including by repealing three superannuation related provisions containing two redundant special appropriations from the finance portfolio.

Regarding the 128 appropriation and supply acts from 1984 to 1999, this bill would repeal as many as 13 appropriation and supply acts for one financial year (for example, in 1992-93) and as few as six appropriation and supply acts for other financial years (for example, four in the financial years between 1994 to 1996 and 1997 to 1999).

The bill does not appropriate any money. Rather, it seeks to repeal whole acts and to repeal special appropriations within acts that are redundant.

In addition to the appropriation acts that will be repealed by this bill, the government is reviewing appropriation acts since 1999-2000 to determine whether more recent appropriation acts are also redundant and could be repealed.

I commend the bill to the House.

Debate adjourned.

COMMITTEES
Public Works Committee
Reference
Mr GRAY (Brand—Special Minister of State and Minister for the Public Service and Integrity) (09:07): I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Defence Logistics Transformation Program.

The Defence Logistics Transformation Program is a key strategic reform initiative that will deliver a modern robust and efficient logistic system to support the Australian Defence Force. The program will modernise defence logistics infrastructure and mounting bases, introducing new technologies and refine the business practices across the whole defence logistics network.

New warehouses and maintenance facilities are to be constructed in Moorebank in Western Sydney; Ipswich and Townsville in Queensland; Darwin in the Northern Territory; Perth in Western Australia; Adelaide in South Australia; and Wodonga in regional Victoria.

The capital investment in the program will have economic benefits in these locations for local industry, with significant opportunities for subcontractors and the construction industry over the next three years.
The total capped budget for the program is $899.6 million, which includes $752.7 million plus GST, which provides for the construction costs; management and design fees; furniture, fittings and equipment; contingencies; and an escalation allowance.

Subject to parliamentary approval, construction is expected to commence in late 2012 and is planned to be completed on all sites by mid-2015. I commend the motion to the House.

Question agreed to.

Reference

Mr GRAY (Brand—Special Minister of State and Minister for the Public Service and Integrity) (09:08): I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Development and construction of housing for Defence members and their families at Kellyville, Sydney, New South Wales.

Defence Housing Australia, DHA, proposes to develop a four-hectare greenfield property at Withers Road, Kellyville, New South Wales. The site is approximately 21 kilometres from the Parramatta CBD, 47 kilometres from the Sydney CBD and 24 kilometres from RAAF Base Richmond.

DHA purchased this well-located land from the private market via a private treaty in late 2011. The site was selected due to its close proximity to established shopping and service facilities at Rouse Hill and its central location between RAAF Base Richmond and the Parramatta CBD.

The proposal will involve development of the site over two stages with stage 1 consisting of general, civil and roadworks for the development of 65 serviced allotments; and stage 2 consisting of the construction of 34 dwellings for defence personnel use in the form of 26 integrated townhouses and eight detached dwellings.

The estimated overall project cost is $22.834 million, including GST and excluding the cost of the land. The cost will be met by DHA and recovered through the sale of surplus lots and the DHA sale and lease-back program.

Subject to parliamentary approval, civil construction is expected to commence in April 2013 with dwelling construction to be completed by December 2014. I commend the motion to the House.

Question agreed to.

Reference

Mr GRAY (Brand—Special Minister of State and Minister for the Public Service and Integrity) (09:10): I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report:

High Voltage Electrical Distribution Upgrade, Liverpool Military Area, New South Wales.

The $19.5 million Liverpool military high-voltage electrical distribution upgrade project proposes to provide increased electrical supply and an upgraded electrical distribution network in order to support existing and planned growth in infrastructure and facilities within the Liverpool Military Area.

The project will upgrade and replace inadequate, outdated and non-compliant electrical infrastructure that will subsequently improve the overall capability and functionality of the Liverpool Military Area.

Subject to parliamentary approval, construction is scheduled to commence in early 2013 and is planned to be completed by
mid-2014. I commend the motion to the House.

Question agreed to.

Reference

Mr GRAY (Brand—Special Minister of State and Minister for the Public Service and Integrity) (09:12): I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report:

Moorebank Units Relocation, Holsworthy, New South Wales.

On 23 April 2012, the Australian government announced its commitment to facilitate delivery of an intermodal terminal by mid-2017 at Moorebank, New South Wales. The future Moorebank Intermodal Terminal is to be developed on land currently occupied by a number of Defence units and facilities, the largest of which is the Australian Army’s School of Military Engineering.

Through the Moorebank Units Relocation project, the affected Defence units will be relocated from the Moorebank site into the new facilities to be constructed at the nearby Holsworthy Barracks by the end of 2014. The project proposes to establish five new precincts within the existing Holsworthy Barracks cantonment, which will include the provision of new working, training, living and support facilities for all relocated Defence units.

As part of establishing the new precincts, the project also proposes to improve the overall capability of the base by upgrading or replacing inadequate and non-compliant essential engineering services. Within the new entry precinct, the project also proposes to provide upgraded security arrangements and a new entry to Holsworthy Barracks to address local traffic congestion issues, which will involve the development of a new intersection on Heathcote Road.

In addition to the facilities required at Holsworthy Barracks to support the relocated Moorebank units, several new multi-use facilities are also proposed to be provided by the project to better support the increased base population and to achieve improved cost efficiencies and operational synergies. Redundant facilities beyond their economic life in the vicinity of the proposed new works will be demolished. With about 2,000 construction jobs to be generated by this project over the next three years, it is expected that this project will provide major economic benefits for the wider Sydney region and local industry.

The decision to deliver an intermodal terminal at Moorebank has provided Defence the opportunity to consolidate its activities at Holsworthy Barracks and to achieve cost-effective capability upgrades. This is consistent with extant Defence policy of co-locating units to achieve enhanced operational outcomes and improved operating efficiencies.

The estimated out-turned cost of the proposed work is $869.999 million plus GST. Subject to parliamentary approval of the project, the main construction program is scheduled to commence no later than January 2013 and all works are planned to be completed by late 2015. I commend the motion to the House.

Question agreed to.

Parliamentary Joint Committee on Human Rights

Report

Mr JENKINS (Scullin) (09:14): On behalf of the Parliamentary Joint Committee on Human Rights I supply the House with a report on the committee’s action. Members will recall that the committee is established
under the Human Rights (Parliamentary Scrutiny) Act 2011 and was appointed in March this year. The committee has been established as part of a concerted effort to enhance the understanding of, and respect for, human rights issues and to ensure the appropriate recognition of human rights in the legislative process.

The role of the committee, set out in section 7 of the act, is to examine and report to parliament on the compatibility of bills and legislative instruments with Australia’s human rights obligations under seven core human rights treaties, specified in section 3 of the act. The committee is able to examine existing legislation and conduct broad inquiries into matters relating to human rights as referred to it by the Attorney-General.

Members will appreciate the potentially huge task before the committee. Since its establishment, the committee has been actively considering the scope and purpose of this task and how it will contribute meaningfully to the consideration of human rights by this parliament. This will be an evolutionary process, and my statement today is intended to outline the committee’s first tentative steps.

The committee is not completely stepping into the unknown and is mindful of the experience of similar committees in this and other parliaments. The committee is grateful for the input of a number of key individuals and organisations who have generously made time available to brief the committee on various practical aspects of its work. The committee has arranged further briefings and will continue to arrange briefings as required.

It is clear from the outset that the committee must prioritise its work. If the committee is to assist the consideration of legislation before this parliament in a meaningful way, it cannot possibly consider every bill and every instrument in detail. Therefore, the committee is developing a triage process to assist it in this regard and will publish this process on its website in due course. Our understanding is that this is consistent with the practices of other similar committees. It has been the experience of these committees that an appropriately qualified specialist legal adviser is a necessary resource. The committee has now agreed to a selection process to engage a legal adviser.

In the interim, the committee has begun to consider bills currently before the parliament. There are a number of avenues open to the committee in considering the compatibility of a bill with human rights. Most of these turn on establishing an effective dialogue with the relevant ministers and departments. In some cases, the committee will decide in the first instance to write to the minister seeking further detail in relation to a bill before deciding upon any further action. The committee may ask the minister’s department to provide the committee with a briefing. In some circumstances the committee will take evidence in public and may call for written public submissions. The committee will then report its conclusions to the parliament and publish these reports on its website.

For the time being, the committee is approaching bills on a case-by-case basis and endeavouring to tailor its approach to suit the circumstances and, where possible, the legislative program of the parliament. The committee hopes that in due course, the parliament will take account of the work of the committee by factoring time for the committee’s deliberations into the legislative program.

In deciding whether to consider a bill further, the committee will have regard to the
work of other parliamentary committees where this is relevant to the committee's work. The committee will also consider any correspondence received from members or senators or from key stakeholders. The committee will consider what, if any, specialist advice it will require.

I encourage anyone who wishes to draw matters to the attention of the committee to write to the committee. However, I would like to emphasise that any matters raised will of course be considered by the committee as a whole and that the committee will decide what action, if any, it will take in response to such correspondence. In this context, the committee has received two pieces of correspondence asking it to examine particular bills currently before the parliament.

The Australian Council of Social Service, ACOSS, together with a number of cosignatories, has asked the committee to examine the Social Security Legislation Amendment (Fair Incentives to Work) Bill 2012. The committee has decided, as a first step, to invite ACOSS and the Department of Education, Employment and Workplace Relations to attend a hearing on Thursday, 21 June to provide evidence in relation to the concerns raised in the ACOSS letter. Following that hearing, the committee will meet to consider the evidence raised and determine its next steps.

The second piece of correspondence is from the National Congress of Australia's First Peoples and asks the committee to examine the Stronger Futures in the Northern Territory bills. Before determining how it will proceed with this request, the committee has written to the Minister for Families, Housing, Community Services and Indigenous Affairs seeking her advice on the compatibility of the bills with human rights. These bills were introduced prior to the requirement for a statement of compatibility. The committee would like to afford the minister the opportunity to provide her assessment of the policy objectives of the bills against Australia's human rights obligations and clarify for the committee the justification for any limitations on rights that the bills will impose.

The committee views statements of compatibility as a key element in consideration of human rights in the legislative process. The requirement for each new bill and each legislative instrument to be accompanied by a statement of compatibility has the potential to significantly increase transparency and accountability in the development of policy and legislation. It is obviously also a significant starting point for the committee's consideration of a bill.

I would like to emphasise the importance of statements of compatibility including an actual assessment of whether the bill is compatible with human rights. The committee is guided by the explanatory memorandum to the Human Rights (Parliamentary Scrutiny) Act 2011 in this. The EM states that a 'statement of compatibility must include an assessment of whether the bill is compatible with human rights as defined' in the act. The EM goes on to confirm statements are intended to be succinct and should contain 'a level of analysis that is proportionate to the impact of the proposed legislation on human rights'.

It is early days in this process, but it is clear that, while most bills have been introduced with a statement of compatibility, not all statements of compatibility conform to these expectations. However, the committee is pleased to observe that the overall quality of statements appears to be improving as ministers and their departments become more familiar with the requirements. The committee is grateful to the Attorney-
General's Department for the training and support that it is providing to departments to assist them to identify rights and to draft statements of compatibility. In time, the committee intends to be able to support these efforts through the publication of guidance materials of its own.

I would like to acknowledge the work of the two Senate scrutiny committees in supporting the work of this committee to date. Since the introduction of the requirement for statements of compatibility commenced, the Senate Standing Committee for the Scrutiny of Bills and the Senate Standing Committee on Regulations and Ordinances have been considering statements within the context of their own terms of reference. These committees have written to ministers to draw attention to concerns regarding the level of detail provided in the assessment of compatibility.

The committee is grateful to the two scrutiny committees for taking the initiative in this regard and acknowledges the intersection of their work with that of the committee. The committee looks forward to working productively alongside them as it develops its own approach to the scrutiny of legislation.

As I said at the beginning of this statement, my purpose here today is to take this early opportunity to outline the approach the committee is taking to its role. I intend to make a similar statement at the end of this sitting year when I hope to provide greater clarity around the committee's approach and working practices.

On behalf of the committee I express my gratitude to Jeanette Radcliffe, the secretary, and the other members of the committee for their diligence and collegiate approach to the work of the committee. I am sure that that will make our journey much easier. I thank the House.

The DEPUTY SPEAKER: The member for Hasluck, in his role as deputy chair of the committee is seeking leave to make a short statement. I am sure there is no objection.

Mr WYATT (Hasluck) (09:25): by leave—As Deputy Chair of the Parliamentary Joint Committee on Human Rights I would like to associate myself with the statement by the member for Scullin. The details within that statement reflect the discussions, the deliberations and the thinking of the committee in the way that it intends to address its responsibility with respect to the work that we have to do.

Equally, I am pleased to be working under the stewardship of the member for Scullin and all members of the committee to enhance a broader understanding of and a respect for human rights issues, which must also be balanced with individual and collective responsibility.

One of the things that we can pride ourselves on, to some extent, in this parliament is that there are many committees which undertake work around key issues. Many of those key issues are considerations of the fundamental human rights, access to government services and the protections of people's rights within the context of Australian society. I certainly look forward to the work that we will undertake and the deliberations that we will have in respect of the bills. Certainly I believe that this process will enable the parliament to better address the rights of people.
This package of bills before the House deals with a range of measures. Schedule 1 of the Tax Laws Amendment (2012 Measures No. 2) Bill 2012 and Pay As You Go Withholding Non-compliance Tax Bill 2012 seek to make directors personally liable for unpaid superannuation. Directors' penalties cannot be discharged by placing the company into administration and directors and associates are liable for PAYG withholding non-compliance tax where a company has failed to pay. This is the second time that the government has moved to legislate this issue. The first was in November last year, when the government moved an amendment to excise the provisions from TLAB 8 and the associated Pay As You Go Withholding Non-compliance Tax Bill. This was after a House Standing Committee on Economics inquiry noted concerns from the business community that these bills could apply to all directors, whether engaged in phoenix activity or not. The committee made a bipartisan recommendation that the government should seek to tighten the provisions in those bills to better target actual phoenix activity.

The House economics committee has now inquired into the provisions of the government's second legislative attempt. The coalition have noted in our dissenting report to the House economics committee that this legislation still fails to appropriately target...
phoenix activity. When is the government going to get it right? We have expressed concerns that 'liability would apply indiscriminately to all directors, including those of charities and not-for-profits that are limited by guarantee'. This is a classic example of further red-tape burdens on business and now further red-tape burdens on charities, and the coalition still views this as a considerable impediment to getting on with the job of life.

The coalition condemns the practice of phoenixing—we always have—which involves a company intentionally accumulating debts to improve cash flows or wealth and then liquidating to avoid repaying the debt. As I have noted to the House previously, phoenix activities are actions by directors to strip out assets to a new company with the intention of liquidating the old company, which is left with net debts. The directors use the corporate veil to protect themselves against any personal liability for the old company's debts. The directors then run the old business through the new company. The old operation rises up from the ashes. The coalition is concerned about the effects of this activity and we recognise the need for legislative safeguards in order to prevent it from occurring.

However, just as the government failed to address our concerns last time, this bill fails to implement protective action that is directed and focused on phoenix activity. The coalition still views these reforms as sweeping changes to deal with a relatively small number of criminally minded individuals. The possibility is very real that innocent directors will be caught in the net. As I said before, I say again: when will the government and ASIC properly use and explain the existing powers and where the existing powers have failed rather than introducing more red tape, more regulation, more legislation? It is smashing a nut with a sledgehammer.

Schedules 2 and 3 of the Tax Laws Amendment (2012 Measures No. 2) Bill 2012 retrospectively deal with changes to the taxation of financial arrangements, TOFA, and consolidation tax cost setting arrangements. Schedule 2 of the bill deals with the taxation of financial arrangements in the context of tax consolidation. The TOFA legislation which commenced on 26 August 2009 contains tax-timing rules applying to accruals and realisations relating to financial arrangements. The TOFA provisions generally apply to financial arrangements that a TOFA taxpayer entered into during income years commencing on or after 1 July 2010 unless the taxpayer elected to have the TOFA provisions apply early. The amendments in schedule 2 are to be applied retrospectively to 26 March 2009.

The background appears to be the May 2011 Board of Taxation report to the Assistant Treasurer, Review of the consolidation rights to future income and residual tax cost setting rules, which examined the issue of liabilities in the tax consolidation regime. The Board of Taxation noted that there may be some circumstances in which it would be appropriate for a future tax deduction to be denied for the amount of a liability of a joining entity. Schedule 2 will affect the taxation treatment applying to TOFA liabilities that are assumed by a head company, or a lead company, when it acquires another entity joining the consolidated group. The effect of the amendment will be to deny a deduction to the head company when the liability is eventually discharged.

What makes this retrospective change worse is the fact that it will have an even greater impact on one set of consolidated
groups in respect of their pre-TOFA acquisitions. Those most disadvantaged are those consolidated groups that made an election to apply TOFA rules to corporate acquisitions of joining entities they had effected before the TOFA legislation started. This is referred to as ungrandfathering. Taxpayers, advisors and professional bodies are aggrieved at the retrospective nature of these amendments. There will be some corporate groups who have made important investment decisions based on the law as it stood when TOFA commenced. There will be some that made the important election whether to apply TOFA to their existing financial arrangements based on the law as it then stood.

Again, in the wake, in the last 24 hours, of the government's retrospective amendments to transfer pricing, here is legislation that is dealing with retrospectivity, further creating sovereign risk. The submission by Deloitte to the exposure draft on the proposed changes to the consolidation regime noted that it was unfair to deny deduction in the circumstances. It said:

The retrospective application of the proposed changes to TOFA and consolidation interaction provisions 26 March 2009 is unfair to taxpayers who relied on the existing tax legislation when making significant business decisions on acquisitions or deciding whether or not to make a transitional election to apply the TOFA rules to their existing financial arrangements. These taxpayers would have acted on the belief that they would be entitled to certain deductions which will not be available if the proposed changes apply retrospectively.

In this place last night we had divisions because the government was going back seven years to change the law in relation to transfer pricing. Here we have businesses that entered into agreements in good faith relating to transfer-pricing arrangements and the government says, 'Look, even though the law didn't exist at the time, we're going to retrospectively change the law to make things that you thought complied with the law unlawful, even though that law did not exist at the time.'!

Now, within 24 hours, here we are again—Groundhog Day!—retrospective tax legislation, in this case going back to 26 March 2009—and in this case, even after the tax office had given private rulings approving of transactions. Even now the government are saying: 'Look, we're going back. We are changing the rules. We can't claim enough tax from people going forward; we're gonna claim tax off people going backwards!' This government just can't get enough tax out of you. So they are not only going to claim more tax out of you for all you do tomorrow; the government are going to claim more tax out of you for what you did yesterday, because what they are getting today just isn't enough to meet their wasteful ways.

Then they say to us, 'You guys are responsible for negativity out there.' That is what they say to us. They blame us for negative consumer sentiment. They blame us for negative business sentiment. It is all our fault. It's all Tony Abbott's fault; it's all Joe Hockey's fault—as if we write the speeches for Ivan Glasenberg in London when he says, 'We are getting greater business certainty out of Congo than we are getting out of Australia.' Or Marius Kloppers or Jac Nasser at BHP when they warn of uncertain business times in Australia. As I said yesterday, we do not write the press releases for Gerry Harvey, John Singleton or John Symond. We do not write those releases, they do, because they have to deal with this type of legislation—retrospective tax legislation. They have to deal with it. How can anyone have confidence about the future when there is a government that is changing today's laws tomorrow? Why would you take a risk? Why would you go out and borrow
money to buy a new house? Why would you do that in this environment? Fewer and fewer people are doing it, because they are nervous about the government.

There is a sovereign risk, and before the House for the second day in a row we have retrospective tax legislation. No wonder people are afraid to take a risk. How do you price-risk when a government says, 'We're going to change yesterday's laws'? How do you do that? And where are the accountable people in the Treasury or in the Australian Taxation Office? Who are the people that are going to be held accountable for what is deemed to be original drafting errors? Where are they? What heads have rolled? Because, if you are writing retrospective tax legislation that involves billions of dollars of back taxes being claimed at a time when there were legitimate business investments, someone is going to be sacked out there. People are going to lose their jobs. Of course they are. Where billions of dollars are transferred from the private sector to the public sector, someone is going to have to pay. Of course there will be job losses. There will be investments that will stall. Who is accountable in the government? If it occurred under a previous coalition government and now it occurs under the Labor Party, who are the public servants that were responsible for these drafting errors? Is the minister going to answer that? This is serious stuff. It involves billions of dollars, as I understand it, and yet there is no accountability. They think: 'Oh well, we'll just shuffle it through the House of Reps and the Senate. It'll be okay.'

But out there real people will lose their jobs. They have to, so who is going to be accountable here? This is what kills confidence. The government kills confidence. It kills confidence when it changes the laws as they stand. We have seen it in relation to company tax, carbon tax, mining tax, superannuation tax, taxation of employee share schemes and now it seems there is an endless list of retrospective taxes. The mountain that we have to climb if there is a change of government is just getting bigger and bigger every day.

Schedule 3 is another complex amendment to the tax consolidation legislation. At Senate estimates last month in response to coalition question, Treasury advised that the amendments in schedule 3 addressed issues that arose out of amendments to the tax legislation enacted on 3 June 2010. Treasury's advice was that there had been extensive public consultation over a number of years prior to the 2010 amendments being passed. Despite that, the Board of Taxation noted in its report I referred to earlier that in 2011 the ATO were aware of claims and potential claims by consolidated groups for deductions of over $30 billion in respect to the 2010 amendments. This amount did not include interest or the revenue associated with transactions that have taken place since 30 June 2010.

The Treasury is to be commended for carrying out an internal examination of why the revenue risk associated with the amendments was not recognised prior to passage. But there are questions that remain. The fact that the amendments took effect from the commencement of the consolidation regime on 1 July 2002 only partly explains the quantum of the claims. Evidence given by Treasury at estimates was that the information given to Treasury through the consultation process did not fully draw out the downside risks with the legislation.

Quality control in relation to taxation legislation is crucial. This is even more so where transactions are large and involve
considerable commercial complexity. Tax consolidation legislation is almost a category of its own. Quality control starts with competent and capable personnel. It involves appropriate supervision and monitoring of compliance with the department's standards, having regard to the huge sum of revenue associated with the claimed deductions. There must be careful oversight by Treasury into the quality and risk processes associated with developing tax policy, drafting the requisite legislation, and ensuring that consultation is open and frank, including the participation of the ATO.

This process would not have been helped by the fact that the government has had no less than five Assistant Treasurers since coming to office only 4½ years ago—five Assistant Treasurers in 4½ years! The pick-up and put-down of legislative priorities for this particular portfolio by the various ministers wandering through the revolving door of the Labor ministry seems to have negatively impacted the consultation processes, reviews, stakeholder feedback and deadlines for taxation legislation. Quite simply, this is not the way to run a country. It is not the way to run a taxation system.

In summary, the changes contained in schedule 3 seek to modify the consolidation tax cost setting arrangements and rights to future income rules so that tax outcomes for consolidated groups are more consistent, in the view of the government, with the tax outcomes that arise when assets are required outside of the consolidation regime.

This raises a number of concerns, given that the government is retrospectively amending the consolidation tax cost setting arrangements according to the time when the corporate acquisition took place. The changes within the bill will impact acquisitions that took place on various dates. The first period is prior to 12 May 2010, being the date when the amending legislation was passed by both houses of parliament, when what are referred to as the 'pre rules' will apply. The second time period is after 30 March 2011, being the date the Board of Taxation was asked to review the 2010 amendments, and referred to as the 'prospective rules'. The final period is the intervening period, known as the 'interim rules'. Did you hear that? And this is a government committed to simplification!

Given that the changes passed on 12 May 2010 relates to amendments that date back to 2002, some of the amendments related to consolidation within this bill will have effect from 2002—that is, 10 years of retrospectivity. They are cheering out there in business land. Ten years of retrospectivity!

Entities affected by the proposed changes in schedule 3 will be adversely impacted by the retrospective changes, in particular, those changes editing the acquired rights to future income. This is because, for tax purposes, many of these rights will now have a cost base of zero, as opposed to those entities outside the consolidation's regime with a cost base equal to that of the purchase price. The resetting of the cost base to nil for entities of the consolidation regime, combined with its retrospective application, will disadvantage taxpayers that have elected to be in the consolidation regime.

The coalition opposes retrospective application. That is a position that we on this side of the House uphold. In its submission to the House Standing Committee on Economics, the Tax Institute referred to a number of factors that weigh against the retrospective amendments proposed in schedule 3. Another relevant point, made by CPA Australia, that it is inequitable that a taxpayer who has lodged a ruling or amendment request prior to 31 March 2011 receives a different treatment simply because
it is not actioned by the relevant cut-off time, which at the time of the lodgement was not a factor. They said:

Taxpayers should not receive differing treatment in circumstances where they have no control over the outcome.

It is because of their retrospective application that the coalition will not support the measures contained in schedules 2 and 3.

Schedule 4 of the Tax Laws Amendment (2012 Measures No. 2) Bill, along with the Income Tax (Managed Investment Trust Withholding Tax) Amendment Bill 2012, seeks to double the final withholding tax on management investment trusts from 7½ to 15 per cent from 1 July 2012. The coalition understands the minister is going to be moving an amendment to excise schedule 4 of the tax law amendment bill and the related managed investment trust withholding tax bill. How about that? After announcing it in the budget, the government rushes in the legislation and now are they going to excise it! I am sorry, is this meant to be a key budget initiative?

This is the third backflip from the government and the financial year has not even started! It seems like yesterday that the Treasurer delivered the budget—now we have got the third major amendment to the budget. The first is that they were dumping the company tax cuts, but now they are back on the table—those tax cuts that were only recently dumped in the budget are an article of faith, according to the Prime Minister. The second one is the passenger movement charge, remember that? The government has now dumped the CPI increases that they said were a part of the budget. The CPI increases have now gone. Now, there is the third factor—three strikes. The third one is that they are now dumping their determination to increase the withholding tax on managed investment trusts from 7½ per cent to 15 per cent.

You wonder why people are uncertain and why business is confused. Look no further than the actions at the hands of the government over the last three weeks alone. We had already announced that we would be opposing the measure after the Labor government previously reducing interest on withholding tax—which we praised. They reduced it and now they want to double it. What does that say to investors? The government make a decision—it is the same political party; it is the same Treasurer—and they reduce the interest withholding tax and then they wake up one day and decide, ‘We are going to double it’. And you wonder why people like Ivan Glasenberg are giving speeches in London, saying that it is easier to deal with the Congo than it is to deal with the Australian government. Well, there is the evidence.

David Denison, President and CEO of the Canada Pension Plan Investment Board stated—and this is what we hear all the time:

In this era of fiscal restraint and additional direct and indirect taxes, we are becoming increasingly concerned that some risks associated with ownership of infrastructure are expanding. For instance, it is easy to envision the regulatory rate setting process becoming politicized instead of objective and fair. The same could occur with taxes—in fact, Australia’s budget that was tabled last week effectively doubled the tax burden on our real estate and infrastructure holdings in that country.

If we conclude that these kinds of risks within any country become significant enough to call into question the predictability and stability of cash flows that are at the heart of the investment rationale for infrastructure, our response will be very quick and rational—we will simply stop investing there.

That was the head of the Canada Pension Plan Investment Board. He is saying it is too hard to do business. I did not write that speech. Tony Abbott did not write that speech. These are international investors that
are saying, 'Hang on; this sort of sovereign risk in Australia is becoming just too hard. We will stop investing in infrastructure.'

The chopping and changing of the MIT withholding tax has yet again reduced our predictability, our stability and our certainty in the eyes of international investors when they want to come here. They want to come here. They want a stable place to invest for the long term, and Australia as a net importer of capital needs that. But they have a government that keep screwing it up. In 2008 they reduced the interest withholding tax from 30 per cent to 7½ per cent, and now they want to double it, as they announced in the budget: 'Sorry, we've changed our minds; now we're taking it out'. Why? Why can't the government hold a policy position? Forget four years, three years or two years; why can't they hold a policy position for three weeks? Why can't they hold a policy position for two months?

I know the minister at the table is one who frets about this. He was sent out into the coalface and told to sell a carbon tax package that the Labor Party promised they would never deliver—but, of course, they have. And they wonder why there is uncertainty. The coalition does not support the doubling of final withholding tax on managed investment trusts from 7½ per cent to 15 per cent. We are going to ask the minister at the table, who is responsible when this amendment is being moved by the government, to explain himself. Why can't the government hold a tax policy together? Why does the government now go deep into retrospective tax legislation in order to try and fund its budget?

As I stated earlier, the coalition will not be supporting the passage of this package of bills through the parliament. We believe on many fronts that the government has failed to listen to the community. We believe that the government gives lip service to consultation with stakeholders. We keep getting this feedback, saying, 'Oh, the Treasury, the Australian Taxation Office and the government have consulted with the business community.' The business community is over that feigned, pretend consultation. It does not seem to move the government during what is meant to be a fair dinkum consultation process. No, the government is so determined to proceed that it then goes and announces initiatives in the budget, goes and introduces legislation into the parliament, and then changes its mind.

What a dysfunctional rabble we have running the place in Canberra. This is tax policy. This is not tens of millions of dollars or a program here and a program there; it is billions and billions of dollars. It involves international confidence in our nation. The more the Treasurer and the Prime Minister talk about Australia and the Australian way, the more they are ridiculed by their actions—their actions in having retrospective tax legislation yesterday going back seven years, in having retrospective tax legislation today going back 10 years, in announcing policy in relation to interest withholding tax and then changing their mind a few weeks later, in the passenger movement charge and in the company tax cuts. This is a government that cannot be trusted. It is an embarrassment, and the Minister for Resources and Energy knows how embarrassing it is to be a part of a government that cannot keep its promises or make up its mind. (Time expired)

Mr NEUMANN (Blair) (09:58): I speak in support of the Tax Laws Amendment (2012 Measures No. 2) Bill 2012, the Pay As You Go Withholding Non-compliance Tax Bill 2012 and the Income Tax (Managed Investment Trust Withholding Tax) Amendment Bill 2012. There we saw a pitiful and pathetic attempt by the shadow Treasurer to oppose these bills. Gough
Whitlam, the former Labor Prime Minister, once said that only the impotent are pure. Well, I tell you what, there is not much purity on the other side when it comes to retrospectivity, as the Assistant Treasurer outlined yesterday in this place, with example after example of those opposite bringing in retrospective taxation legislation. So do not come into this place and lecture us about this, when we are fixing up a problem that has operated in one of these respects, on the shadow Treasurer's admission, since 2002. Who was in power in 2002, 2003, 2004, 2005, 2006 and for most of 2007? Those opposite were in power, and they did nothing about fixing up the problems, as we are doing here.

The shadow Treasurer said in relation to the passage of these particular bills that it involved billions and billions of dollars of taxpayers' funds. Have a look at the financial impact that the Tax Laws Amendment (2012 Measures No. 2) Bill is going to have. The revenue impact this year of schedule 1 of the bill will be $32.5 million; the impact of schedule 2 will be $66 million; the impact of schedule 3 will be nil; and the impact of schedule 4 will be $65 million. So it will not be the billions and billions of dollars the shadow Treasurer referred to time and time again in his speech. He made exaggerated claim after exaggerated claim, and the same thing is happening all the time.

The shadow Treasurer talked about sovereign risk and said that the passage of these bills and the operation of this government present a sovereign risk to this country. He spoke as if there has been a great exodus of investment from this country, when in fact half a trillion dollars has been invested in the mining sector—in iron ore and in coal. You can see Australian ships carrying iron ore and coal lined up one after another in places such as the Pohang steelworks in South Korea. People came into this country and made massive investments notwithstanding the GFC. In 2009 and 2010 we saw massive foreign investment in this country. In 2009, there was an 11.1 per cent increase in foreign direct investment in Australia. This was followed by a 7.5 per cent increase—a total of $474 billion—in 2010. Are all the foreign investors coming to this country stupid? No, they are not. Do they have economic idiocy running through their brains? No, they do not. But to believe the jeremiads from the shadow Treasurer about these bills is to believe that all these barons of capitalism and captains of industry—these mining companies and these superannuation funds trustees—are all dills. Why, if you believed a word that those opposite have said, would they invest in Australia? Why would all these foreign investors and opposition backbenchers invest in these companies—as we have seen them do time and time again—if you believed a word of what the shadow Treasurer said was true? He is like a profit of doom. He is like some sort of Old Testament prophet—woe is me! I half expected sackcloth and ashes to be thrown around the chamber during the shadow Treasurer's speech! It was nonsense.

He said not a word about how schedule 1 of the bill protects the superannuation entitlements of workers and therefore the revenue base of this country by making directors liable to pay superannuation and preventing them getting credits through collapsing their companies and not paying the PAYG withholding obligations. There has been not a word from the architects and the apostles of Work Choices over there about protecting workers. There has not been a word about that from them, but that is what schedule 1 of the bill is all about—making sure that workers' superannuation entitlements and government revenue are protected. The shadow Treasurer is not worried about workers or the revenue base of
the country. Those opposite are not interested in either putting in place deterrents to phoenix operations or strengthening and extending the director penalty regime—the DPR—to cover superannuation obligations. It currently only applies to PAYG withholding obligations. The shadow Treasurer said nothing about that—and just waxed on, way off beam.

These bills are important because we do not want people to fail in their obligations to workers, as has happened in the past. I am sure that as members of parliament all of us have had people come up to us at street stalls, at mobile offices and at electorate offices and have talked to us about fraudulent phoenix activity. I am sure that there is not a member of this chamber who has not had someone come and say to them: 'I'm working for a business, and that business has failed. It's unable to pay its debts. I had superannuation, and they didn't pay the superannuation guarantee. They didn't meet their taxation obligations.'

We are making sure that these directors are more accountable for what they fail to do. We are making sure that there is a deterrent in place to prevent directors doing just this sort of thing. We are making sure make sure that they fulfil their obligations. We do not want taxation liabilities left unpaid, and that is why these bills are before this chamber. We do not want outstanding debts, and we want to make sure that these directors are liable. If the company is unable to meet its withholding amounts to the commissioner, the directors must place the company into voluntary administration or liquidation. Currently the Commissioner of Taxation has the ability to penalise the directors an amount equal to any PAYG withholding that has fallen overdue, but the director penalty regime in the Tax Laws Amendment (2012 Measures No. 2) Bill makes them personally liable.

We want to expand the responsibility and the scope of liability of the directors to cover unpaid superannuation guarantees to employees; remedy any possible escape from liability by preventing the discharge of the director's penalties when a company is placed in liquidation and PAYG or superannuation obligations remain outstanding; and impose obligations on directors and their associates to pay PAYG withholding non-compliance tax on withheld PAYG amounts that have not been paid to the commissioner and so forth. I did not hear much from the shadow Treasurer about those measures, which, in my view, are the principal reasons for bills such as those that are before the House.

We are committed to making sure that we protect workers' entitlements. This Labor government has a proud record of getting rid of pernicious and arbitrary legislation imposed on Australian workers by those opposite and of standing up to protect the revenue base of this country when those opposite set themselves against government on taxation issues, as they always seem to do. Schedule 2 of the Tax Laws Amendment (2012 Measures No. 2) Bill deals with problems that have been around for a while. It amends the taxation of financial arrangements—consolidation interaction provisions—in the Income Tax Assessment Act and balances these adjustments with other legislation to make sure that the tax treatment of financial arrangements is part of assets and liabilities in a merger or takeover, that it is consistent with the TOFA tax timing rules and that it takes into account changes in the value of financial arrangements or liabilities. This is important legislation. It amends legislation to make sure that our provisions are consistent, it makes sure that we have a good arrangement protecting the taxation bases. It ensures that taxation treatment of financial arrangements is
consistent with the rules we have put in place in terms of timing and I support that.

Schedule 3 amends the Income Tax Assessment Act, modifying consolidation of tax cost setting rules so that the tax outcomes for consolidated groups are more consistent with the tax outcomes that arise when assets are acquired outside the consolidation arrangement. We amended the regime in relation to consolidation in 2010 as clarification. For some assets this reset tax costs from the original tax costs, in the case of consolidation of corporate arrangements. We want to make sure that it is used as a taxing point when it later arises for the purpose of the assets.

Shortly after that some unintended consequences arose. We have taken steps about that. The opposition say they are not supportive of what we are saying, but the Board of Taxation was asked to look at these arrangements and recommended that we conduct the kind of legislative amendments that are necessary. The board concluded the scope of the new rules was broader than was originally intended at the time of the announcement in 2005—when we were not in power—and could allow some consolidating groups to access deductions that were not available to other taxpayers outside the consolidation regime. So it is a longstanding problem that operated before we came into power. This is fixing up a mess that happened on the watch of the previous government as well.

I will let the minister talk about schedule 4 but I want to make a point about criticisms made of us that we reduced the withholding tax rate paid from managed investment trusts. We reduced the MIT payments to foreign residents from the rate of 30 per cent to 15 per cent. We did that as part of our election commitment back in 2007 when we went to the polls. That is consistent with other countries. The United States and the United Kingdom have 15 per cent. It was 30 per cent under the previous coalition government.

We are a government that is interested in foreign investment. We welcome foreign investment in this country. We think it is important. We do not have sufficient population or dollars and cents to develop our country—vast continent that it is—without foreign investment. We are a country that has grown by virtue of immigration and having people come to this place. They come as employees and employers. We welcome them when they come to the rural, manufacturing and the mining sectors. We, on this side of the chamber, are people who believe both in free trade and fair trade and believe that the criticism of our support of foreign investment is unjustified and exaggerated. We saw that well and truly on display by the shadow Treasurer whose words were nonsensical and alarmist in this regard, once again so much like some sort of Old Testament prophet going around saying, 'We are all doomed and no-one should have any confidence,' and then having the temerity to criticise us when we say that they are putting a dampener on consumer and business confidence in this country. I support the legislation.

Mr ROBB (Goldstein) (10:11): It is always fascinating to follow the member for Blair. He seems to have one theme, no matter what he is talking about. It is always contradictory when you sit and listen. He stands up and, in the most virulent manner, accuses the opposition of endless negativity and then proceeds for the length of his 15-minute contribution—or whatever it may be—with endless negativity. The government seem to be obsessed with abusing this side of politics and the member for Blair is a classic example of that. I think it reflects the fact that, even though they are
the government and should have plenty to say because they are responsible for introducing measures and legislation and defending that legislation, they have nothing to say really. The member for Blair read what is contained in the bill and in essence gave no argument of any consequence in support of those measures.

The bill has been in the public arena now for some weeks. There have been some very trenchant concerns and frustrations about some of these provisions. There have been statements made not only by the opposition—let us put us aside—but by the people in the businesses and investors who will be affected by the changes that are proposed. At the very least the lead speaker for the government on this bill should provide some critique of the concerns that have been raised by important members of the community, people who are creating thousands of jobs, looking to promote billions of dollars of investment, looking for certainty, looking for the absence of sovereign risk.

You would think that the member for Blair would address some of these concerns that have been listed over several weeks very prominently in the newspapers and elsewhere, yet he went on an exercise of simply reading out what is in the legislation in between all these histrionic attacks on the opposition and inflammatory language about the way in which we have expressed our concerns over the legislation. I must say it is a pathetic contribution and it adds nothing to this debate. It does reflect the morale that we see on the other side and the concern by the adults on the other side that this government is one of the most inept, if not the most inept, governments in our lifetime. It is a government which has lost any sense of direction, if it ever had any. It is a government that is confusing people all over this economy and, externally, with investors in foreign markets. It is a government that has, at its root—because of its incompetence, inconsistency, flip-flopping and lack of direction—very materially created a crisis of confidence amongst households in this country. They have been saving disposable income at a rate of 12 per cent over the last year because they are afraid to spend. They are building up reserves and paying off the mortgage because of their fear. They are worried about their jobs. There is a crisis of confidence. They have pulled $90 billion of discretionary income out of the marketplace.

No wonder our retail sector is on its knees. It is because of the lack of confidence. It is because they are waking up at 2.30 in the morning worried about whether they are going to have a job. We see endlessly, each week, reports of companies that are going to the wall and putting off thousands of people. Sure, we are blessed with what is going on with the mining boom in the west and in Queensland. Put that aside, and the rest of the country has stopped. The investors, major companies, have got serious money on their balances sheets that they are not investing because there is a crisis of confidence not only amongst households but also amongst businesses.

This sort of legislation is another classic example, another symbol, of the deep sense of confusion and lack of confidence and uncertainty that is now riddled through our economy—at a time when we are blessed with the mining boom. It is a boom that has been going for 10 years and has been wasted by this government. Every dollar of the $800 cheques that are going out is still being borrowed. Can you believe it! After 10 years of a boom and the highest terms of trade in our history—monumentally higher than anything we ever had before—we still have $800 going out to households, every dollar being borrowed. And then there is the flip-flopping that is represented in this bill.
We will not be supporting this set of bills, as my colleague the shadow Treasurer announced, because it adds to the great uncertainty and concern about consistency, flip-flopping and the litany of sovereign risk issues that now confront investors who may be looking to put their money in Australia—or investors in Australia looking to take a risk and invest in and create jobs. The changes proposed under the Tax Laws Amendment (2012 Measures No. 2) Bill 2012 and the Pay As You Go Withholding Non-compliance Tax Bill 2011 do not appropriately target phoenix activity. The government has failed to argue a strong enough public justification for the retrospective application of proposed changes contained in schedules 2 and 3 of the tax laws amendment bill. This is in relation to consolidation tax cost-setting arrangements and related changes to taxation and financial arrangements.

My colleague the shadow Treasurer went through in some detail—and with great clarity—the way in which schedules 2 and 3 are a lazy attempt to plug some spending holes that this government has. It is a lazy attempt to use retrospective legislation to grab some tax from years ago. The retrospective application of these changes heightens our sovereign risk profile.

As an opposition we have very strong in-principle opposition to retrospective tax changes and if anything were ever to be done it would need enormous justification. The reasons this government has put forward are very shallow. In fact, if you listened to the member for Blair he gave no justification of any consequence for the retrospection. All he did was criticise and defame the shadow Treasurer and others on this side of the House. Our opposition stems from the fact that retrospective tax changes can change the substance of bargains struck between taxpayers who made every effort to comply with laws prevailing at the time the agreement was entered into. People who acted lawfully are now going to be slugged, potentially some years later, with an unexpected and in some cases highly significant tax grab by this government.

We are opposed to retrospective changes because they can expose taxpayers to penalties in circumstances where taxpayers could not possibly have taken steps, at the earlier time, to mitigate the potential for penalties. We oppose retrospective changes because they may change taxpayers' tax profiles. This, in turn, can materially impact on the financial viability of investment decisions and the pricing of those decisions—years after they were taken, years after people acted in good faith and made a case based on the prevailing legislation. They did their ROI assessments and deals with other companies and took risks based on the prevailing legislation. Now they find they will be lumped with an unexpected, highly material and in some cases debilitating tax bill. It will also leave a mark on their reputation. For many if not all who have acted within the law they will feel they have been unjustly labelled as tax cheats. In some cases, businesses will go to the wall because they took decisions at the time based on the prevailing law. We are opposed to retrospective tax changes because they could increase Australia's level of perceived sovereign risk. Added to these changes is the litany of sovereign risk issues from the introduction of a carbon tax, which was promised never to be introduced, and from the introduction of the mining tax, which exists nowhere else in the world, and, again, the incompetent way in which that has been dealt with over the last 18 months or nearly two years. Then there is the way in which they handled the live cattle job. They have actually created a long-term poisoned pill in the middle of our relationship with
Indonesia—our closest neighbour, with a population of nearly 300 million, and a big part of our future, and yet our trade with that country is smaller than with New Zealand and its four million people. Can you believe it? And yet this government has gone out of its way to compromise and frustrate and demean that nation by, overnight, with absolutely no forewarning, announcing, via email, that we were going to cut off 40 per cent of their imported protein, indefinitely, because of a television program three nights before in Australia. Can you believe it? This is the sign of a government which is just amateur hour, and people see all of these things. Now we have a whole raft of changes which have retrospective elements to them.

The final element of these bills is the Income Tax (Managed Investment Trust Withholding Tax) Amendment Bill 2012. We hear rumours now that it is going to be withdrawn and possibly some grubby deal is to be done with the Greens. Maybe we will see it introduced, who knows? Nothing will surprise us. Nothing will surprise the rest of business. It will only confirm the judgment they are making: 'Let's not invest. There's too much uncertainty. This government's got no idea.' They have already made a change, yesterday, in the CPI matter, for the passenger movement charge—only a lazy $140 million! But they have withdrawn that. Now, today, we hear that they may well have withdrawn this bill, which increases the withholding tax on foreign investment from 7½ per cent to 15 per cent—just another lazy $265 million! It is the only reason they introduced it in the first place. It was a measure that they introduced some four years ago and received great commendation, including from ourselves. It was an inspired move, to reduce the withholding tax to 7½ per cent. And it has had a material effect. There have been literally billions of dollars, especially coming into the housing and construction sector. We were starting to see billions of dollars being invested in infrastructure through this mechanism. Now all of that will be put on hold. We are literally sacrificing billions and billions of dollars of investment, and a decision, which got commendation around the world and certainly within this country, has now been turned on its head for a miserable $264 million. We even have a situation where research subsequently conducted by Allen Consulting Group is saying that, for every billion-dollar drop in investment—and there will be billions, many billions—from the increased tax, it will raise $40 million less in revenue from the tax increase in 2015-16, than the $75 million predicted by the government. So it is not even going to raise the money they expected. So they have taken this step which has again materially affected our sovereign risk for no good reason.

So we have a $400 million hole in the budget. And today we see the Reserve Bank has indicated that the forecast sharp swing to budget surplus next financial year mostly reflects shuffling of spending that will limit the scope for further interest rate rises. The RBA has just confirmed that the budget surplus is a hoax—it is a con. It is a fiction. What we have been saying all along—and what businesses suspects, and what everyone suspects, everyone knows—is that the one-and-a-half-billion-dollar surplus is a con. It is never going to happen. Again, it is a sovereign risk issue now.

All of these things are adding up—adding up to a point where this is very dangerous for the country. We are opposed to these bills. This government is out of control. It is all over the place. It must be stopped. The only way this will happen is with an election. (Time expired)

Mr MELHAM (Banks) (10:26): I rise to support the Tax Laws Amendment (2012

I want to address a couple of points that the member for Goldstein made in his contribution. The first thing I want to say to the House is: I am not opposed to retrospective legislation in certain circumstances. That has been a feature of legislative reform over the years—obviously, not in every single case, but it is warranted in a number of cases. Indeed, it is warranted sometimes in the criminal law. Indeed, when we had the war crimes legislation under the Hawke government, it produced retrospective legislation against abhorrent conduct that occurred at the time of the Second World War. That legislation was supported, and it made criminal acts that should have been criminal at the time. So you just cannot rule it out.

Today we see on the front pages of the newspapers a shyster, a solicitor, who was overcharging his clients and who, some 12 months ago in New South Wales, transferred to his wife millions of dollars worth of assets, be it his share of the family home for a dollar, or his share of a farm for a dollar. It is said that his assets can be recovered. That is what is being said in the papers. But I say to you, Madam Deputy Speaker D’Ath: if that shyster’s assets cannot be recovered then the New South Wales government should introduce legislation and it should be retrospective legislation that enables it to recover his assets, because he was under investigation and during the period of that investigation has transferred his assets, for a dollar, in some instances, where the value was much more. What are we supposed to do as legislators—do what the coalition does in a number of instances: be like moo cows, watching the passing traffic? No, in my opinion, you come in and you legislate, and a retrospective feature is warranted—not in all circumstances but in some circumstances.

The reason I rise to support this particular legislation has to do with features of it in terms of phoenix activity. I go to the explanatory memorandum, which says:

Schedule 1 to this Bill strengthens directors’ obligations to cause their company to comply with its existing Pay As You Go (PAYG) withholding and superannuation guarantee requirements. These amendments reduce the scope for companies to engage in fraudulent phoenix activity or escape liabilities and payments of employee entitlements by:

- extending the director penalty regime to make directors personally liable for their company’s unpaid superannuation guarantee amounts;
- ensuring that directors cannot discharge their director penalties by placing their company into administration or liquidation when PAYG withholding or superannuation guarantee remains unpaid and unreported three months after the due date; and
- in some instances, making directors and their associates liable to PAYG withholding non-compliance tax where the company has failed to pay amounts withheld to the Commissioner of Taxation (Commissioner).

The explanatory memorandum goes on to summarise regulation impact statements and explain other aspects of the bills. In particular, it says at paragraph 1.7:

The director penalty regime makes directors of companies that fail to comply with their obligation to pay amounts withheld under the PAYG withholding regime to the Commissioner (or fail to pay an estimate of their PAYG withholding liability) personally liable for the amount that the company should have paid, through imposition of a penalty.

It continues in paragraph 1.11:

Phoenix activity poses a significant threat to employee entitlements, government revenue and the economy as a whole. In its most basic form, a fraudulent phoenix company is used to
intentionally accumulate debts and then is placed into voluntary administration or liquidation to avoid paying those debts. The business then ‘re emerges’ as another corporate entity, controlled by the same person or group, but free of debts. However, some aspects of the director penalty regime limit its efficacy in ensuring that directors cause their companies to comply with their obligations, including in phoenix cases.

Some evidence was put before the Standing Committee on Economics on 27 October 2011 by Mr Grant Darmanin, a senior director and the Phoenix Risk Manager of the Australian Taxation Office, that is worth mentioning. On page 29 of the committee report, he says:

Our best estimate is that at any given time there are around 6,000 phoenix companies operating in Australia, and we estimate that, given that not all of them have a single director—some have two directors—somewhere between 7½ thousand and 9,000 company directors could be exposed in particular to this legislation. These are fraudulent phoenix operators; they are not just people making business decisions.

That is what he says in evidence. Then on page 31 he says:

Fraudulent phoenix operators, almost to a person, do not report, they do not lodge and they do not pay. We have to go out and identify them and quantify the liability, sometimes using forensic-style investigative or audit techniques.

I think it is important to put on the record that on page 32, Mr Darmanin says:

There are, but phoenix operators, particularly the fraudulent ones, are very adept at flying under the radar, so to speak. When they come back into the ATO’s systems, they will quite often use as the director someone who is not directly related to the former group. It might be someone that they engage, pay or hire or a name they pick from the telephone book. When we profile that individual when it comes through, quite often the direct links to that former business are not obvious. I take your point, though, that if we ask them questions we may get some answers, but phoenix operators do not like telling the truth.

Then on page 33, the chair says:

Okay. So there are 6,000 to 7,000 that you know about. Do you have an estimate of how many you might not know about and how many new ones come in every year?

Mr Darmanin responded:

No, we do not. There have been various studies done over the years, not so much by the ATO but by other committees and organisations, that have made various assessments of the impact of phoenix activity on the Australian economy. The most recent one was a 2004 parliamentary joint committee inquiry into corporations and financial services. That put the impact on the Australian economy at that time—2004—as being between $1 billion and $2.4 billion per annum. That is the most recent hard data we have to work with. Since that time, all the ATO’s experience is that fraudulent phoenix activity has continued to increase not decrease, despite the ATO having a targeted approach to try to address this behaviour since the late nineties.

The chair then asked:

How much is it increasing every year?

Mr Darmanin responded:

It is hard to be definitive around that. When I say ‘increasing’, the indicators that we look at are the number of complaints being lodged by individuals whose entitlements have not been paid and we look at those companies and find that they are involved in repeat phoenix behaviour. We have incidents of companies incurring repeat liabilities—companies who are given an income tax adjustment the first time who choose to liquidate and continue their business through a new company rather than pay those assessments, for example. We have break-outs in different parts of our business, as I talked about before. A lot of phoenix activity in previous years used to be at the lower end of the SME market; now it is across the whole of the SME market. It is active in the micromarket as well. Originally, it used to be PAYE and prescribed payments, when we had that system; now it is in the superannuation, GST and income tax.

The member for Goldstein talks about sovereign risk. What I see here is risk to the
ordinary taxpayer—to the ordinary hardworking individual—from shonks. The parliament should go after the shonks and set a legislative framework, even if it requires retrospectivity, that puts these people on notice that they will be personally liable and that we will come after them if they engage in this sort of behaviour. And we should not apologise for it. Recently we saw a situation where the High Court came down in terms of directors' liabilities and duties to do with a particular company dealing with asbestos. I welcome that unanimous decision of the High Court, because what it says is, 'If you want to be a director, don't bother just picking up your director's cheque. You actually have to do your homework. You have to read your papers. You have to read the press releases before they go out.' What it means is that directors have to take responsibility as directors, not just occupy those positions for the sake of an honorarium or some remuneration, and that they can themselves be liable. What we had in the James Hardie case, I think, was the High Court being spot-on in terms of the liability of those directors—those that tried to hide behind the claim, 'Well, I didn't read the press release, so I'm not liable.'

In relation to phoenix companies, which are much worse, we should not apologise for the action that we are taking, even involving a level of retrospectivity in this legislation. When the member for Goldstein talks about sovereign risk, I think he is using an expanded definition of 'sovereign risk' to bring this sort of activity that the government is involved in into the definition of 'sovereign risk'. I am concerned about sovereign risk, as we all are, but I am also concerned about employees' entitlements, because time and again we have seen under this government and the former government companies going belly-up and employee entitlements going out the window. Here we are talking about activity that is despicable activity, deliberately setting up companies to do the wrong thing, maximising the money to certain individuals and minimising any liability.

So I have no hesitation in standing up in the House today and supporting this legislation, notwithstanding the fact that there are elements of retrospectivity in the legislation, because what I would say is that it should not cause concern if the conduct that we are talking about is captured retrospectively. It is not outside the bounds. This notion of 'retrospectivity never at any cost' is rubbish. I believe in retrospectivity in appropriate cases. When it comes to phoenix activity or dishonourable behaviour, you can legislate retrospectively to pick it up, because the threat of that retrospectivity of itself is a powerful deterrent to the shonks. It says to them, 'You're not going to be able to get away with it.'

What it is about is greed, so you have to attack the greed and the loot that they are looking for with, in some instances, the threat of retrospectivity, which might stop certain behaviour. That is the only way. When you talk about deterrent effects, I say to you: when it comes to money and when it comes to this sort of behaviour, deterrence does have an impact in the corporate sector for some of these shonks. If they think they can transfer assets to their partners, their relatives or whatever with immunity and it is not going to be captured or picked up if they are caught out, they will do it. I am not arguing for retrospectivity in every instance—I am not saying that—but what I am saying to you is that in some instances it is warranted. In this instance, to me, it is certainly within the realm and within the principles. It has been, I think, pointed out by other speakers that there has been retrospective legislation in the life of the former government. So they did it—not as a
regular occurrence, but on a number of occasions it was done. So let us not be too precious in relation to that. I commend the bills to the House.

Mr BUCHHOLZ (Wright) (10:41): What an interesting group of bills: the Tax Laws Amendment (2012 Measures No. 2) Bill 2012; the Income Tax (Managed Investment Trust Withholding Tax) Amendment Bill 2012, which has the retrospectivity linked to it; and the Pay As You Go Withholding Non-compliance Tax Bill 2012. It is quite a complex group of bills. However, I rise today to speak about the Tax Laws Amendment (2012 Measures No. 2) Bill, the Income Tax (Managed Investment Trust Withholding Tax) Amendment Bill and the Pay As You Go Withholding Non-compliance Tax Bill.

I express my concerns in relation to these bills because I believe they are inadequate in their process and assessment and they fail to pay consideration to a number of associated issues and recommendations. In particular, the government has not adequately addressed the bipartisan concerns of the House of Representatives Standing Committee on Economics inquiry into the government's previous attempts at legislating these measures. A prospective undue increase in taxation and proposed retrospective measures without proper justification to raise automatic and indiscriminate liabilities to directors add pressure on investments and are not acceptable. The potential automatic increase in the liability of directors under the PAYG bill raises concerns about the preservation of natural justice and the considerable burden to business.

Before I go on, I just want to start with a very basic point. Let us get a determination on what a company director is. When you think of a company director, depending on your background, does your mind go to someone who is maybe taking a board position on one of the major banks or an influential organisation and who could be paid enormous amounts of remuneration, or does your mind go to your local mechanic or butcher, who could have a net household income of around $100 grand a year and who could have taken advice from their accountant that, because they are around that $100,000 level, it is more advantageous for them from a tax perspective as a small family business to set up a company structure as opposed to a partnership? This bill captures the mechanic. It captures the butcher. It captures the bloke in the main street.

I have not heard anyone from the other side stand in this House to defend the rights of the common man and the worker. This bill is doing them over. I want you to take your mind to a place where when you hear the word company director during the debate on this bill you think of the mechanic, the bloke who has grease up his arms. Do not think of the bloke in the suit in Collins Street on a million bucks a year—or a million bucks a month in some cases. Making directors personally liable for the failure of someone else will only add more red tape to the business and will add more bureaucracy, and would most definitely cause most potential directors to run a mile in the other direction. What will happen to the future of Australian business and thus the economy?

Phoenixing is a terrible practice. We do not support phoenixing in any capacity whatsoever. For those of you that may not totally understand what phoenixing is, it is a horrible practice where a business bloke might see that he is getting into trouble and is going to go out the back door, so he transfers the assets out of his business with the distinct intention of avoiding paying super and other liabilities that his staff are entitled to. We will not have a bar of that. We will crack down on phoenixing and assist
in whatever capacity we can because we do not support that. Phoenixing is corrupt and there is enough corruption going on in this nation as it is.

The previous speaker spoke about evidence the Taxation Office gave to the House of Representatives Standing Committee on Economics. I happen to sit on that committee. This bill seeks to give the Taxation Office enormous, overreaching powers. The tax office claims this will give it the capacity to stop phoenixing. But guess what? These powers reach to every single business in the nation. The evidence was there are only 6,000 cases of phoenixing. But this bill allows the Taxation Office, under the auspices of investigating phoenixing, to go into your business, to tear the place apart, find whatever other anomalies that may be happening in your business and go after it. This is just a trigger to get through the front door of your business to try and grab more cash.

One of the people who gave evidence to the economics committee was John Colvin. He is the CEO of the Australian Institute of Company Directors. He said:

The bill was conceived to target phoenix operators. The regulatory impact statement prepared in June 2011 in respect of the bill only addresses the measures the context of phoenix activity. There have been some minor amendments to that regulatory statement as we understand it; however, the premise of the bill and the way it is constructed is basically still targeting or based on phoenix activity. Even if you accept the ATO figures which have been put forward, less than half a per cent of directors may be engaged in phoenix activity and yet the bill potentially imposes liability on the whole 2.2 million. That is a very big and damaging net to catch a few fish, we would contend.

If you are serious about wanting to shut down phoenixing then why, when a business shuts down one day, do you give a tax file number to directors to open up the next day? Would it not just be easier to not give them another tax file number? Where did that idea come from, out of the blue? Do not let them start up again. Your mechanism is so big and so clumsy you do not know who they are. There are not enough rigorous checks. The ACCC has powers already that can prohibit it but they are not exercised. The Taxation Office has powers that can stop this type of practice but it is not exercising them. What does this government do? It continually says the answer is: 'More red tape, more bureaucracy! We'll fix it and we'll go and affect every other small business in the nation.' I say that is wrong because I stand on this side of the House as a small businessman who believes in less government, less interaction, less bureaucracy. Let the punter on the street, the bloke who is trying to drive the prosperity of this nation have a go.

I am not going to support anything that goes towards fraudulent activity where staff liabilities are in question, but please let common sense prevail on phoenixing. You have provisions that already exist to stop phoenixing in its tracks by not giving directors a tax file the very next day when they go to transfer. You are going to affect the lives of 2.2 million businesses, company directors and mechanics; that is the link. Do not think we are chasing the end of top end of town. This affects everyone. It is a bad bill.

This bill would impose liability to all directors, including those of charities and not-for-profit organisations. They are limited by guarantee, as many directors are. Many of these organisations are the lifeblood of the community and should not be placed under unnecessary stress and inconvenience. Overall these bills will punish taxpayers who, in good faith, abide by prevailing laws. This bill is nothing more than a blatant tax
grab, an attempt to remedy Labor's erosion of the Australian fiscal position.

The bill represents a number of issues each of which has been examined at length by the House Standing Committee on Economics. The first issue I raised today was in relation to making directors personally liable for unpaid superannuation guarantee amounts to their company employees. I raised the question as to whether directors of companies may be liable for these measures if they join the board after the fact. The government cannot answer this question about if an existing board is in place. Now we are back at the top end of town, and the organisation has been going for 15 or 20 years.

I go on and take a position on that board and, because of my diligence and my strong governance procedures, I instigate investigations to make sure that we have contingent liabilities for staff entitlements. As a result of those investigations, I find that the company that I have just joined may be negligent in that and I want to remedy it. As a result of this, I am in the tin for the 20 years of liability.

So what is my motivation then as a company director? What is the actual intent of this legislation? It is encouraging me not to say anything, because I am going to be liable for it. Why aren't we promoting good faith for directors to come out and be transparent? Who knows? One of the most important aspects that has been omitted from these bills is that phoenixing activity, and I could go on all day about that.

According to the Australian Institute of Company Directors there are some 11,700 companies in Australia that are limited by guarantee. We are talking about charity organisations, grower groups, and businesses that serve the Australian people. As John Colvin from the Australian Institute of

Company Directors mentioned in his speech to the parliamentary estimates committee, it targets almost all of Australia's 2.2 million directors including those who volunteer their time to work with charities and community organisations. Mr Coleman also pointed out that following submissions to the parliamentary estimates committee in 2011, the committee recommended the government investigate whether it was possible to amend the bills to better target phoenix activity. Yet the government has made virtually no attempt to target phoenix activity in revising the bill.

But it has not just been to the economics committee, it has been to a Senate committee. They raised concerns about this part of the bill, and still there is no amendment. It is just typical of Labor's attempt to burden the directors of those companies, even where there was no illegitimate activity, with undue liability. And why, I ask: because the Labor government has no interest in the successful operations of business in Australia.

These bills also look at amending the taxation of financial arrangements provisions, TOFA, to ensure that the tax treatment of financial arrangements that are part of a consolidation event is consistent with the TOFA tax-timing rules. This is both a revenue protection measure and a revenue gain over the forward estimates. These amendments are said to protect a significant amount of revenue over the forward estimates and generate a revenue gain of $253 million over that period.

The consolidation tax cost-setting arrangements and related taxation of financial arrangements are in simple terms retrospective tax changes. The government have failed to justify the retrospective aspect of this legislation. The government describe this measure as 'revenue protection', but have
not quantified the amount of tax revenue which would be lost if the tax measure was not passed. That is important—a lot of this stuff is important. The government describe this measure in the bill as 'revenue protection', but have not quantified the amount of tax revenue that would be lost if the measure were opposed. So they are saying that it is not going to have any impact on budget if it goes through, but if it does not go through we are going to have to find some money. I just do not get that part of it.

Retrospective measures can expose taxpayers to penalties when taxpayers could not possibly have taken steps to mitigate the potential for penalties to be imposed. As an opposition and as a coalition, we fundamentally oppose retrospectivity. When you pay your tax bill on 30 June each year, it is fundamentally the security of your business to know that you are clear. What a horrible day it is when you wake up the next day and find that you have got an eight-year tax bill, knowing that in good faith you had paid your tax. This bill is bad for the country. It is bad for business confidence, confidence that is lacking in our market at the moment. Thank you.

Mr TONY SMITH (Casey) (10:56): In speaking on the Tax Laws Amendment (2012 Measures No. 2) Bill 2012 and the package of bills before the House, let me also join with my colleagues, the shadow Treasurer, the shadow minister for finance and those others from this side of the House, who spoke in this debate in reiterating our opposition to these bills. The shadow Treasurer this morning outlined some of the government's history on this legislation. He also indicated that the government has tabled an amendment to delete these very schedules this day, so it appears that we are witnessing, apparently—not that the government has said anything discernible at this point—a U-turn in slow motion on this issue. Let us focus on this issue because it says so much about this government's approach to taxation.

In the budget the government announced that it would double from 7½ per cent to 15 per cent the withholding tax for foreign investments for managed investment trusts, and the shadow Treasurer and the shadow minister for finance have outlined the great damage that announcement has done already and the flawed nature of that announcement. They have also outlined in great detail how this is completely contrary to earlier actions and statements by the government.

I just said the government 'announced' this in the budget. That is being too generous to the Treasurer. In my cursory look at his budget speech just now, before beginning my contribution to this debate, I could not find any mention of it. On a closer reading maybe there is a word or two there, but I suspect not. I start from the position with this Treasurer that if there is some bad news to announce it will not be in his budget speech. He has got great history on this, of course. This is the Treasurer who refused to name the debt or deficit figures in his budget speech in 2009.

I will take the House through the history of this because it exposes so much: not only the incompetence of those opposite but their complete lack of understanding on matters of taxation. If you go back to the Treasurer's budget speech of 2008, he very clearly
Mr Crean: I do know what I'm talking about.

Mr TONY SMITH: Many years ago when I was a mere kid, and the minister at the table was probably in his 30s, there was an Australian opening batsmen called Graeme Wood. No-one wanted to bat with him because he was famous for saying, 'Go, stop, wait, no, go back!'—and you would always end up standing next to him at one end of the pitch. You see that on tax policy with those opposite.

Let us remind them of their words. The Assistant Treasurer introduced these bills on 24 May announcing the increase in this tax rate, the doubling of it. Let us look at what he said almost four years ago to the day. On Wednesday, 18 June 2008, here is what the now Assistant Treasurer said as a backbencher in the newly minted government who were going to create a financial services hub here in Australia. Talking about the cut to 7½ per cent, he said: That will be a very clear signal, a marker to global capital that this is the place to invest—that Australia is a country where you are able to invest and you are able to get a reasonable rate of return without being slugged with excessive levels of tax, as may be the case in other jurisdictions.

I regret to inform members opposite that the Assistant Treasurer at the time went further. In introducing the legislation, the member for Prospect and then Assistant Treasurer, now the Minister for Immigration and Citizenship, had this to say, again on 18 June 2008, on why the government was cutting the rate to 7½ per cent: Why did we do that? Get ready for this. He said: Because you do not create a financial services hub with tinkering.

What did they do in this year's budget if they didn't cut the rate to 7½ per cent, and they announced they're increasing it to 15, if that's
not tinkering, if that's not a doubling, if that's not change? Right back then you had this new government, this new band of brothers, and they were going to cut the rate to 7½ per cent. Now they are doubling it to 15 per cent, and no mention can be found in the Treasurer's speech. I will go on and continue to quote the then Assistant Treasurer:

You do not create a major policy reform by working around the edges. We took the view that if we could give Australia the lowest withholding tax rate in the world this would be a major advance in making Australia the financial services hub of Asia. We took the view that a withholding tax rate of 7½ per cent was an appropriate way to promote Australia as a financial services hub.

Well, you do not have that view now. In the budget it was doubled. It says so much about this government that their approach on these issues creates uncertainty, leverages risk and sends out the message to international investors that this is a government that chops and changes.

Think about what the effect of that budget night announcement was on international investors. They got the message from the new government in 2008: "Come here because we have a 7½ per cent rate"—and, as the shadow Treasurer said, they invested on that basis. If they were listening to the Treasurer's speech on budget night that would not have mattered but once they digested the detail they discovered that the rate was to be doubled. What impression about tax policy in Australia does that leave in international quarters? Let me be very blunt: it shouts out the message that the government cannot be trusted on tax. It shouts out the message of uncertainty—and uncertainty is toxic in the world environment. It says, 'Whatever this government says, you're at great risk of that tax rate being changed on you retrospectively.'

You do not have to take my word for it; you can take the word of so many commentators. That would take up a lot of time in this House but I do want to quote one because this gives a real world view to those opposite about the effect the government's conduct has created. The shadow Treasurer quite rightly quoted David Denison this morning. David Denison, president and CEO of the Canada Pension Plan Investment Board addressed it directly:

In this era of fiscal restraint and additional direct and indirect taxes, we are becoming increasingly concerned that some risks associated with ownership of infrastructure are expanding. For instance, it is easy to envision the regulatory rate setting process becoming politicized instead of objective and fair. The same could occur with taxes—in fact, Australia’s budget that was tabled last week effectively doubled the tax burden on our real estate and infrastructure holdings in that country.

If we conclude that these kinds of risks within any country become significant enough to call into question the predictability and stability of cash flows that are at the heart of the investment rationale for infrastructure, our response will be very quick and rational—we will simply stop investing there.

The shadow finance minister made the point that the member for Blair did not have a lot to say—he had got word that the amendment I mentioned earlier was being tabled. The member for Blair, who speaks on all of these bills, was elected in 2007; he sat there in 2008 and hailed the reduction to 7½ per cent. He voted for it and then on budget night discovered that the 7½ per cent rate was doubled. Those opposite understand—at least the member for Blair does—the impact of this but they have a Treasurer and an Assistant Treasurer who have no idea on these matters.

Mr Baldwin: Incompetence personified!

Mr TONY SMITH: That does damage. My friend at the table said, 'Incompetence
personified'. That raises a very important point: lack of competence in Canberra creates a lack of confidence outside Canberra. *(Time expired)*

**Mr VAN MANEN** (Forde) *(11:12)*: Once again we stand in this House, less than 24 hours since I last spoke on another piece of legislation that contains retrospectivity and lacks clarity and detail. As the member for Casey has so well pointed out, it adds to the level of uncertainty in our business community about the future direction of tax policy in this country. I will go through this package of bills, the *Tax Laws Amendment (2012 Measures No. 2) Bill 2012* and related bills, one by one and have a look at the various schedules.

We fully support some of the ideas contained in this legislation. We have always supported the notion that phoenixing activity should be minimised as quickly as possible because it has lots of deleterious effects on confidence, particularly in the construction industry. I saw that firsthand on many occasions when my father worked as a ceramic tiler. Building companies would close for business on Friday and reopen as a new company on Monday; they would ring him up to work on new projects but had not paid him for the old ones that he was working on in the weeks prior.

We will start with a look at schedule 1. It refers to the *Pay As You Go Withholding Non-compliance Tax Bill 2012*, which makes directors personally liable for unpaid super. It means directors' penalties cannot be discharged by placing a company into administration and looks to make directors and associates liable for PAYG withholding noncompliance tax where a company has failed to pay. It seeks to expand the application of the director penalty regime and ensure that directors are held to account for their activities. What is important in this legislation is that it is not just about phoenix activities. Once again, we see a failure to clearly articulate what phoenixing activity actually is. The changes are justified in the explanatory memorandum as being part of an attempt to combat phoenix activities. This is the second attempt by the government to make these types of changes. The first attempt was made in the *Tax Laws Amendment (2011 Measures No. 8) Bill 2011* and the associated *Pay As You Go Withholding Non-compliance Tax Bill 2011*. An inquiry into these bills by the House Standing Committee on Economics made a bipartisan finding that the provisions in the bills did not add to existing requirements but instead applied a more effective penalty regime to phoenix operators who were abusing the law to obtain an unfair competitive advantage. I do not think there is anyone in this House that would disagree with that notion to achieve that outcome.

However, the committee noted concerns from the business community and its representatives that the bills would potentially apply to a broad range of directors, whether they were engaged in phoenix activity or not. This is the crux of the matter. The committee unanimously recommended that the government should investigate whether it would be possible to tighten the provisions of the bills to better target phoenix activity. After the House economics committee tabled its report, the government withdrew the relevant provisions from those bills, including withdrawing the *Pay As You Go Withholding Non-compliance Tax Bill*.

The House economics committee has now inquired into the provisions of the package of bills currently before the House. The coalition members of the committee have again found that the measures proposed by the government are not properly directed to or focused on phoenix activity. The coalition
members found that the measures were, instead, 'broad based and not targeted' and would impose such onerous obligations that company directors would become more focused on compliance, rather than on performance and running the business.

A particular concern expressed to the committee was the liability that these provisions would apply to board members of charities and other non-profit organisations, and that this liability would act as a disincentive to undertake those roles. When we consider the time and effort that these people put into volunteering their skills and their talents to important charitable institutions in our community, this would be of grave concern. It is a point I would particularly like to emphasise, because in my electorate the not-for-profit community organisations and their volunteers are one of the key pillars of strength. I have no doubt that that would be reflected in many other electorates around Australia, if not all.

The government continues to introduce ad hoc and piecemeal measures to deal with phoenix activity. However, as I have touched on previously, the government has yet to provide a comprehensive definition of what phoenix activity is. It has continually failed to target the measures so that they apply to directors of phoenix companies without imposing onerous new obligations on directors of the vast majority of companies that continue to comply with their legal obligations.

Within the current regulations—within ASIC, within the Corporations Act and within the tax act—there are more than sufficient provisions to prevent those directors from being able to be issued with tax file numbers or re-registered as directors of new companies. As I have touched on previously in this House, it is a matter of enforcing the regulations that are already there—not seeking to impose new levels of regulation because our regulators failed to apply the laws that are already in existence.

I reiterate that the coalition is strongly opposed to fraudulent phoenix activity—and I have already given a personal example of that—and supports all appropriate measures to stamp out this practice. As I said last year in debate on the Corporations Amendment (Phonixing and Other Measures Bill), phoenixing is a cancer that is eating away at the foundation of trust upon which our business community and the broader community are built. It outlooks relationships and creates a distrust that means people can no longer rely on those they do business with. We remain concerned that the government's approach to this important public policy matter is again confused, ad hoc, piecemeal and not appropriately targeted.

Schedule 2 makes changes to the taxation of financial arrangements provisions, both as a revenue protection measure and as a revenue gain over the forward estimates. These changes apply to consolidated groups and work together with provisions of schedule 3 that have a retrospective impact. It also changes the consolidation tax cost setting arrangements—that is the retrospective component.

As I mentioned last night in the debate on the Tax Laws Amendment (Cross-Border Transfer Pricing) Bill (No. 1) 2011, the coalition is opposed to retrospective taxation changes as a matter of principle. We are opposed to these changes for a number of reasons. Firstly, the proposed changes can change the substance of bargains struck between taxpayers who have made every effort to comply with the prevailing law at the time the agreement was entered into. They can expose taxpayers to penalties in circumstances where taxpayers could not
possibly have taken steps at an earlier time to mitigate those potential penalties. Secondly, they may change the tax profile of taxpayers, which in turn can materially impact the financial viability of investment decisions and the pricing of those decisions. Thirdly, they can increase Australia's level of perceived foreign risk. I again make the point that the perception of sovereign risk these days with this government is no longer perceived or real and actual. How can taxpayers be expected to have complied with laws they did not know existed at the time they were supposedly expected to have complied with them?

Earlier today I received an email from a constituent who made the following remarks in relation to the retrospective effect of the proposed cross-border transfer pricing amendment bills debated last night. He said:
The retrospective effect of this legislation is particularly abhorrent because it goes back much longer than tax records are required to be retained.

My understanding of the bill before us today is that the retrospectivity actually goes back 10 years rather than the eight we were discussing last night. He goes on to make the point:
The whole tenor of the bill is predicated on the fact that the courts have ruled on the effect of the law as it is written and have dared not to support a 'policy' position taken by the Commissioner of Taxation. The law is now absolutely clear and the government should accept the ruling of the courts like all other citizens are required to do, or appeal if it thinks it has good grounds.

If these proposed changes were made prospective from the date of announcement, which in the case of the transfer pricing was 25 November 2011, then we would be inclined to support these measures.

Schedule 4 in the outlined bill is proposed to double the withholding tax on managed investment trusts from 7½ per cent to 15 per cent. We heard this morning that the government will now make changes to this schedule, and we wait with bated breath to hear what they actually are. At the end of the day, we still call on the government to scrap its ad hoc, piecemeal approach to double the tax on managed investment trusts. Our focus should be on encouraging further investment from our foreign counterparts through internationally competitive taxation arrangements so we can grow our economy more strongly.

As all of us in this House well know, we are a nation and an economy that relies on foreign capital to grow and build our economy and our wealth. The first example that springs to mind here is how destructive the world's biggest carbon tax is going to be for competition in this sense. I have spoken with an export business in my electorate that is considering shutting down operations for periods during the year, forcing staff onto annual leave or leave without pay in an effort to stay below the 25,000-tonne threshold for the carbon tax. This is in order to keep them competitive in their export markets against other countries that they compete with, such as the USA.

Getting back to the proposed changes to the managed investment trust withholding tax, as they stand, they would double the managed investment trust withholding tax for foreign investment from 7½ per cent to 15 per cent. I will continue on this, despite the fact that the government is proposing changes which none of us have seen. Again, they would be retrospective in that they would apply to all income distributions made after 1 July 2012, irrespective of when the original investment decision was made. In 2008, when the government reduced the rate of withholding tax progressively from 30 per cent to 7½ per cent, the coalition did not oppose that; we actively supported it.
However, at the time, we did express concerns that the reduction was not a genuine reduction for international taxpayers because, through the operation of the double taxation agreements, any reduction in taxation paid in Australia might simply lead to higher taxes being paid in other jurisdictions. At the time, the coalition also expressed concerns that the bill had not been subject to proper scrutiny as the government had not allowed the bill to be considered by the Senate Economics Committee, that Labor's costings of the measure may have been underestimated and that the government had delivered a tax cut to foreigners but had not delivered a tax cut for Australian taxpayers.

It is the government's constant chopping and changing in relation to the withholding tax that is yet again reducing our predictability in the eyes of international investors. If passed, this legislation will undermine Australia's objective of becoming a regional financial services hub in the Asia Pacific. Attracting more foreign investment is as important as ever to achieve stronger economic growth for our future. *(Time expired)*

Mr Baldwin (Paterson) (11:27): I rise to speak on the Tax Laws Amendment (2012 Measures No. 2) Bill 2012 and the Income Tax (Managed Investment Trust Withholding Tax) Amendment Bill 2012. I rise to speak on these budget measures, which are of huge significance to the tourism industry and our ability to ensure the infrastructure pipeline. I have to say that I have never seen a government more out of touch with the tourism industry, one that has so breached trust with the tourism and one that has so failed in basic communication between ministers. I say that because on 2 May this year the government announced a tourism investment guide to market Australian tourism investment to potential foreign investors in Shanghai.

It is true that this government needs to lift their game to attract these investors. For example, they need to restore the Survey of Tourist Accommodation and a comprehensive way to deliver a complete industry-wide performance model. They need to reduce government borrowing, which competes with tourism accommodation providers when they seek finance to improve their properties. They need to set KPIs for Austrade officials around the world to find inward investment, and they need to reduce red tape that currently makes residential property development more attractive than developing tourism accommodation stock.

Despite this, I welcomed the initiative that day and I commended the minister, saying, 'It is a good first step towards improving Australia's accommodation stock.' Depending on which model we assume to be true, we will need to provide somewhere between 30,000 new beds and 70,000 new beds to reach the Tourism 2020 targets. The opposition would help the sector help itself, by properly restoring the Survey of Tourist Accommodation. Under Labor the requirement for small boutique accommodation providers to report guest numbers was scrapped. Hotels and motels offering fewer than 15 beds are not required to report on occupancy.

While this saves the ABS less than $1 million, it means Australia no longer has reliable data on occupancy and no way for bank managers to determine returns on investment sought by providers. Work has begun within the Department of Resources, Energy and Tourism to restore reporting, with an online system to replace its expensive and slow phone interview based system. However, important parts of the
sector have been dismayed by the lack of industry-wide consultation, by the extended delays in this project and by the government's long-term commitment to the project itself. The exclusion of small accommodation providers from the data capture represents a lost opportunity to establish complete research platforms upon which to base important tourism decisions. The government's prospectus was a totally powerful measure so long as it was part of the broader policy to deal with underinvestment. I was dismayed therefore to learn that, six days after launching its prospectus, the government doubled the tax on international hotel investors. The increase to managed investment trust withholding tax is one of the measures announced in the budget which have set the tourism industry into an absolute spin.

In this budget, the government has directly attack the tourism industry. For example (1) there is no carbon tax compensation for tourism, and this stands to destroy 6,400 jobs, mostly in regional and rural Australia and cut 10 per cent from industry profits; (2) the budget for Tourism Australia has been reduced by 6.2 per cent, which is $8 million in real terms; (3) the passenger movement charge has been increased from $47 to $55 per passenger, and a desire has been expressed to index it by the CPI; (4) $118.1 million in costs for AFP security at airports has been passed on, and these will be passed on to airlines, who will pass them on to tourists; (5) there have been 90 headcount cuts to Customs staff, so increasing tourist waiting times at airports; (6) duty-free concessions have been reduced; (7) the visa label charge will increase by $10; (8) there is a $7 million investment in SmartGates at the same time as the government is cutting $10 million from elsewhere in Customs' budget, and this will take the form of further staffing cuts; and (9) there are tax-loss carrybacks only for companies, and these are limited to two years. Australian Federation of Travel Agents CEO Jayson Westbury says:

If the Government has a budget black hole, it is not reasonable to hit the one industry that provides long term and career based jobs to everyday Australians, who already contribute significantly more than their fair share of taxes.

**Mr Bradbury:** Madam Deputy Speaker, on a point of order: the matters to which the member is referring have no relevance to the bills that are being debated.

**The DEPUTY SPEAKER (Ms Grierson):** Thank you, Minister. I have been listening to the member for Paterson, who has strayed quite a few times from the legislation before us. I would ask him to come back to the legislation.

**Mr BALDWIN:** Madam Deputy Speaker, I am exactly on the legislation. Like many on this side of the chamber, I followed proceedings in the House of Representatives Standing Committee on Economics and the questioning by the member for Wright. As that committee learned through testimony and from its publication a week ago of the report by the Allen Consulting Group, the net effect of the MIT bill will be that by 2016 there will be less money for government to spend—$172 million less, in fact—and that there will be reductions of $533 million in household consumption. In short, the tax will wipe out a large proportion of the household discretionary spending that tourism relies on for financial stability.

I am aware of a range of tourism investments threatened by the MIT bill, but I will not add to the pressure already put on developers by disclosing commercially sensitive information and citing individual cases. The Allen Consulting Group report made known to the House economics committee indicates the following: a one per
A cent increase in the rate of tax reduces the level of investment activity by three per cent; there will be a $1 billion decline in foreign capital results by financial year 2016; there will be a net overall reduction in federal tax revenue—that is, a substantial decline in economic activity will wipe out the entire estimated revenue rise; there will be a $172 million reduction in government spending capacity; 4,640 jobs will be lost; and there will be a reduction in household consumption of $533 million and in GDP of $580 million. The Allen Consulting Group concludes that an increase in withholding tax will be self-defeating. The Property Council of Australia and the Financial Services Council have evidence that the $1 billion decline has already occurred.

In advance of this debate many members will have been sent a copy of the Business Council of Australia's study into Australia's capital project investment pipeline called Pipeline or pipe dream? Securing Australia's investment future. As Business Council of Australia CEO Jennifer Westacott said when launching the study:

The study provides for the first time a total picture of how capital investment is driving the economy, and underlines why policy priorities for a stronger economy must help focus on the delivery of Australia's investment pipeline.

The study highlights how important the effective delivery of major projects will be to the future shape and health of the economy and living standards. The $921 billion pipeline is not assured, and we are becoming a high-cost place to invest.

The government's changes to the managed investment trust taxation, which fly in the face of the week-old Shanghai launch, are prime examples of the ways in which this government is making Australia a poor choice for investors. The BCA launched their report at the Prime Minister's Economic Forum last week. As reported in the media, the Tourism and Transport Forum opted not to attend that event—and they were wise not to do so. The last time they attended a similar event, their Deputy Chair, Ann Sherry, appeared at the future tax summit to advocate accelerated depreciation of assets to drive investment in the sector. The outcome was a budget plan scotched at the last minute to do just the opposite for aircraft. When the Prime Minister was quizzed on the TTF's nonattendance her pat response was to say Labor has been meeting with the tourism sector—and especially the cruise sector—and talking about their needs. Labor has lost all credibility with the cruise sector over two recent decisions. Firstly, where is the Prime Minister's decision to allow Carnival Corporation and P&O Cruises access to Garden Island as an overflow facility? Secondly, Labor completely disregarded Orion Expedition Cruise's very reasonable expectations, which were put to Labor through the shipping reform bills process.

Instead of attending the Prime Minister's Economic Forum, TTF CEO John Lee came to my electorate along with others, including Jayson Westbury, the CEO of the Australian Federation of Travel Agents, and John Hart, CEO of Restaurant Catering Australia, to meet with our shadow Treasurer. They and the others who came to speak with the shadow Treasurer about managed investment trust withholding tax and the passenger movement charge know that the coalition will both listen to and act on their concerns. They were reassured by the shadow Treasurer's comments on the need for a stable, predictable and sensible approach to policy. They have seen him respond by arguing the case on managed investment trust withholding tax and the passenger movement charge. These are the two key concerns facing tourism and hospitality out of this year's budget.
With these bills today, the government proposes to add to the cost of hotel management where a property is owned by a managed investment trust. According to Tourism Accommodation Australia, most MIT hotel investment in Australia is from Singapore and Malaysia and feedback from these investors is not good. According to John Lee, CEO of the TTF, the new tax impost in these bills will create instability and uncertainty for specific transactions. He says:

It is bewildering that such a long-considered policy, we understand developed over 2½ to three years, would be changed overnight without consultation or regard for the potential ramifications for the hotel and investment industry.

Minister Ferguson attended the National Tourism Alliance post-budget wrap-up with me the day after the budget was handed down. During the Q&A session he would have heard Rodger Powell of the Tourism Accommodation Association refer to advice from lawyers Baker & McKenzie recommending:

… non-residents holding Australian assets through MIT structures consider whether a MIT remains the appropriate structure for their investments in light of the government's decision.

I received a letter from Mr Powell earlier this week, in which he advises:

MITs are the vehicle through with much of the investment in Australian accommodation occurs. The Government's inconsistency in doubling the tax on MITs at a time when Tourism Australia is broadening its remit by actively seeking foreign investment in the Australian tourism industry is alarming.

You are, of course, well aware of the need for new investment in accommodation to ensure Australia is able to offer the travel experiences being demanded by our key tourist markets. The only way this can happen is by offering an attracting investment climate.

Mr Powell goes on to further advise that increasing the MIT withholding tax will:
1. Threaten existing projects and deter new investment in accommodation
2. Reduce tax revenue;
3. Damages Australia's reputation amongst foreign investors;
4. Increases Australia's reliance on foreign debt;
5. Undermines Australia's ability to serve as a regional financial hub; and
6. Scare off investors committed to long-term investments.

Of course, Labor will highlight that the rate was 30 per cent under the coalition. However, the Howard government brought down a range of taxes relevant to tourism, whilst creating Tourism Australia and lifting its funding to its highest level.

As my colleague Senator Cormann said on 29 May:

Labor's zig-zag approach to withholding tax on Managed Investment Trusts has also yet again increased Australia's sovereign risk profile.

The Gillard government has yet again managed to reduce the confidence of international investors in the stability and predictability of our taxation arrangements.

More important than the rate per se is the paramount importance that we give to hotel investor confidence in their 10-year investment plans that they will not change on a whim.

Howard had a plan to pay off Keating's $96 billion debt and provide assistance to business and individuals through easing tax pressures. Labor talks good when it comes to help meeting our Tourism 2020 targets which include boosting accommodation growth stock so that we can meet potential growth from China. As former Minister for Tourism Nick Sherry was quoted in a leading tourism industry publication Travel Weekly:

Unlike other sectors of the economy, investment in the broad tourism industry has "not been
particularly good. Tourism Research Australia says investment growth in tourism is lagging behind the rest of the economy," Sherry said. "It's been a struggle to reach investment growth of 2% a year which is insufficient. The stark reality is that there has been no meaningful addition to Australia's accommodation supply for a decade or more.

Sherry was further quoted as saying:

The sad fact is that much of Australia's accommodation is outmoded and outdated and Chinese visitors in particular ... are used to very modern facilities in their own country. There is a great challenge in tourism to invest in the modernisation of facilities.

I urge the House—and particularly those members on the crossbenches to whom the tourism and hospitality industry looks for support—to consider the following facts: tourism's contribution to the Australian gross domestic product was $73.3 billion, or a 5.2 per cent share of the Australian economy. Total gross value added tourism was $69.1 billion, representing a 5.3 per cent share of the Australian economy. In Australia, tourism directly and indirectly employs 907,100 persons, representing 7.9 per cent of total Australian employment, and shrinking. Australians spent 130 million nights abroad in the year 2010. During its peak under the Howard government, Australian tourism made a profit of $3.584 billion. Next year the sector will stand to make a net loss of $8.7 billion. Since 2008, Australia has slipped from fourth to 13th place in the World Economic Forum Travel and Tourism Competitiveness Index rankings.

Let us look past the nonsense of this tax. I encourage the government to back down on this, as they are doing on the CPI aspect of the passenger movement charge. They need to understand the industry. They need to work with the industry. You actually create growth and investment by reducing taxes, not increasing taxes, on individuals and companies. That is why this part of the budget is an absolute farce and the Assistant Treasurer sitting opposite should recognise these facts.

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (11:41): Firstly I would like to thank those members who have contributed to this debate. Schedule 1 amends the tax law to better protect workers entitlements to superannuation and to strengthen the obligations of company directors to help prevent fraudulent phoenix activity. The failure to withhold tax and pay superannuation amounts impacts all aspects of the economy. These amendments aim to ensure that compliant businesses and employees are not being disadvantaged by companies that fail to meet their obligations. Those opposite will say that they oppose this bill because the director penalty regime can apply to all directors whose companies fail to meet their obligations. What they fail to recognise, and what they fail to admit, is that the existing regime has applied this way for pay-as-you-go obligations since 1993 and for the entire time that they were in government.

It is no surprise, of course, that those opposite are willing to come into this place and to vote against a bill that seeks to protect workers' entitlements. We know that they are not interested in the superannuation of hardworking Australians. They opposed superannuation when it was first introduced and the now Leader of the Opposition is on the Hansard as having said that compulsory superannuation was the biggest con job ever foisted on the Australian people. They are strong words.

Mr Hockey: Why are we keeping it?

Mr BRADBURY: The member opposite says, 'Why are we keeping it?' Well, one may well ask why they have so vociferously opposed this government's efforts to increase the superannuation entitlements of working
people. Of course, we know that they have opposed and have voted against our plans to increase superannuation to 12 per cent. This for a 30-year-old worker on an average wage, under our reforms, will mean that they will retire with an extra $100,000 of retirement savings. And it should come as no surprise to any of us that, once again, we have the opposition, the member for North Sydney and his colleagues, coming into this place opposing workers' entitlements.

I note that there are some references in the *Australian Financial Review* today to a speech that was given by Liberal senator, Senator Sinodinos, who has indicated that changes to industrial relations are on the coalition's agenda.

**Mr Hockey:** They're on your agenda, too!

**Mr BRADBURY:** The member opposite who interjects and protests so loudly was the handmaiden, the one who was left carrying the baby when it came to delivering and inflicting the pain upon the Australian working community that Work Choices ultimately delivered.

They are the party of Work Choices. They come in here and they want to vote against workers' superannuation entitlements.

**Mr Baldwin:** Mr Deputy Speaker, I rise on a point of order. The same minister who stood up and asked me to be relevant to the debate has now strayed so far from the debate that I ask you to bring him to the point. Or does he not understand his own bills?

**The DEPUTY SPEAKER** (Mr Murphy): There is no point of order. The member for Paterson was heard in silence—

**Mr Baldwin:** That is not true.

**The DEPUTY SPEAKER**: In the time I have been in the chair he was heard in silence. The member for Paterson will desist from interjecting and the Assistant Treasurer will be heard in silence.

**Mr BRADBURY:** The bill very specifically and very clearly goes to the protection of superannuation entitlements of working people. That is what those opposite are voting against. They are voting against protections that we want to put in place that will ensure that a regime is in place that provides some accountability with respect to the provision of superannuation entitlements.

It is a shameful thing. I can understand why the member for Paterson does not want to accept the fact that that is what he is voting against. When he was talking about the bill he preferred to focus on other parts of the bill. But it is no surprise that the opposition come into this place and launch a further attack on the entitlements of working people.

Schedule 2 of the bill amends the taxation of financial arrangements, the TOFA regime, to ensure that the tax treatment of joining/consolidation events is consistent with the TOFA tax-timing rules and that financial assets and financial liabilities are treated symmetrically.

Schedule 3 amends the Income Tax Assessment Act 1997 to modify the consolidation tax cost-setting rules. The changes are necessary to take away unexpected retrospective benefits arising from amendments to the consolidation regime that were made in 2010. There is an important point to make. Amendments were made in 2010 that provided retrospective benefits. These amendments merely recognise the fact that unanticipated and unintended benefits flowed from those amendments. It is widely recognised that it is appropriate to correct it to ensure that a more balanced outcome is achieved.

These changes demonstrate the government's commitment to maintaining
equity, fairness and integrity of our tax system. The changes implement recommendations made by the Board of Taxation for future consolidations and will ensure that companies inside consolidated groups do not receive tax benefits that companies outside consolidated groups are unable to receive. Following extensive consultation, the changes affecting a corporate acquisition will depend on the time when the acquisition took place.

The changes affecting corporate acquisitions that took place before 12 May 2010 are necessary to ensure deductions are claimed only when it was intended and to protect a significant amount of revenue that would otherwise be at risk. Changes for the period between 12 May 2010 and 30 March 2011 will largely protect taxpayers who made business decisions on the basis of the current law, before the Board of Taxation was asked to review the law. For corporate acquisitions after 30 March 2011, the changes will increase certainty for taxpayers and will implement the board's recommendation to apply a business acquisition approach in certain cases.

Those opposite talk about these changes to the consolidation regime, going back to the start of the regime in 2002. They say that they will oppose this bill, because taxpayers were right to act based on the law at that time. This reveals their complete ignorance about what these changes are actually doing. What they fail to understand is that under the law at the time, between 2002 and 2010, taxpayers could not claim immediate deductions for what were essentially capital items, such as goodwill. The 2010 amendments changed this position. What we are now doing is taking away the unanticipated and unintended windfall gains arising from those changes. In fact, this bill confirms that consolidated groups will still be able to claim more deductions for those years between 2002 and 2010 than they would have been able to under the law as it stood when the coalition were last in government.

Schedule 3 to this bill removes unintended windfalls from the 2010 changes that would provide consolidated groups with inappropriate tax benefits, benefits that are not available to companies and small businesses outside the consolidation regime.

Taxpayers who did act on the law at the time, between 2010 and March 2011, are largely protected. Taxpayers who have written advice from the tax office or who have already finalised their tax returns are also protected. We are acting appropriately to protect the integrity and fairness of the tax system and to remove these unintended windfall gains.

It is true that we need to backdate these changes to the start of their respective regimes. The government never takes lightly the decision to make retrospective changes but there are circumstances where retrospective legislation is justified. The Board of Taxation said that the 2010 changes went much further than was intended and the Australian parliament rightly considers each proposal for retrospective legislation on its merits. Like this case, this is generally only done where the law is operating in a manner inconsistent with the parliament's intention and where there is a significant risk of revenue loss. The revenue at risk here from these unintended windfalls is definitely significant. This bill protects over $6 billion of revenue at risk. To demonstrate the lack of credibility of the opposition on this question of retrospectivity: they seek to come into this place and, whiter than the snow, suggest that they have never supported, and they never will support, retrospective legislation, particularly in the tax context. Do not have a look at what they say; have a look at what
they did when they were in government. They introduced numerous measures, many of which were backdated by up to several years, in order to go back and ensure that the original intent of a policy was actually delivered, and there were numerous examples. This particular bill also seeks to protect the rights of working people, which they are seeking to oppose. In the very same week when these matters are being debated, when they come in and say that they never support retrospective legislation, when they have done that in the past, their New South Wales Liberal colleagues are supporting retrospectively ripping away the entitlements of workers with changes to the workers compensation scheme in New South Wales. So retrospectivity is something that they say they oppose, but when they were last in government they embraced it, where it was appropriate or where they deemed it to be appropriate, and in New South Wales this week we see them retrospectively ripping away the rights of working people. Do not listen to what they say; look at what they do. 

I will also be moving an amendment to remove schedule 4 to the Tax Laws Amendment (2012 Measures No. 2) Bill 2012, which will be introduced into parliament at a later date. I commend the bill to the House.

The DEPUTY SPEAKER (Ms AE Burke): The question is that the bill be agreed to.

The House divided. [11:58]
(The Deputy Speaker—Ms AE Burke)

Ayes
- Adams, DGH
- Bandt, AP
- Bowen, CE
- Brodman, G
- Butler, MC

Noes
- Champion, ND
- Clare, JD
- Crean, SF
- D’Ath, YM
- Elliot, MJ
- Emerson, CA
- Ferguson, MJ
- Garrett, PR
- Gibbons, SW
- Grier, SJ
- Hall, JG (teller)
- Husie, EN (teller)
- Jones, SP
- Kelly, MJ
- Leigh, AK
- Lyons, GR
- Marles, RD
- Melham, D
- Murphy, JP
- Oakeshott, RJM
- O’Neill, DM
- Parke, M
- Piibersek, TJ
- Rishworth, AL
- Rudd, KM
- Shorten, WR
- Smith, SF
- Snowdon, WE
- Symon, MS
- Thomson, KJ
- Willie, AD
- Zappia, A

AYES

AYES

NOES

AYES

NOES
Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (12:03): I present a supplementary explanatory memorandum to the bill.

I ask leave of the House to move government amendments (1) and (2) as circulated together.

Leave granted.

Mr BRADBURY: I move government amendments (1) and (2) as circulated together:
(1) Clause 2, page 2 (table item 11), omit the table item.
(2) Schedule 4, page 65 (lines 1 to 21), omit the Schedule.

This amendment removes schedule 4 from the Tax Laws Amendment (2012 Measures No. 2) Bill 2012. This schedule relates to the managed investment trust final withholding tax rate and will be reintroduced to parliament at a later date.

Mr HOCKEY (North Sydney) (12:03): This is the third roll-back on the budget and we are six weeks in. It has been six weeks since the budget was delivered and this is the third change to a budget that has not even started. Aren't you embarrassed? You cannot hold a budget for six weeks! Company tax cuts back on the agenda, dumping the CPI increase on the passenger movement charge and now you are dumping your own tax increase on interest withholding tax. What sort of rabble are you guys? We used to joke that the Labor Party could not hold a policy from Lateline to lunchtime. Now you cannot hold a budget for six weeks. How embarrassing! Where is Swannie? Here he is! How do you feel about that? So much for the surplus.

The DEPUTY SPEAKER (Ms AE Burke): The member for North Sydney will refer to individuals by their appropriate title.

Mr HOCKEY: So much for the surplus that was promised. The member for Lindsay wrote to his constituents in a recent newsletter. He said: 'Guess what? We've delivered a surplus!' He said to his constituents—

The DEPUTY SPEAKER: The member for North Sydney needs to talk to the amendment.

Mr HOCKEY: I am talking to the amendment, Madam Deputy Speaker. The Labor Party is dumping and trashing its own budget and now, without any explanation whatsoever, the Labor Party amends a bill it introduces from the budget. They roll back before they get a chance to roll forward. The Labor Party reduced interest withholding tax from 30 per cent to 7½ per cent and they are so committed to getting back to surplus they
said, ‘We’re going to have to increase interest withholding tax to 15 per cent. But wait, there’s more. We’re going to pull it back. We’re not going to tell you what we’re gonna do.’

This is the confusion. This is the indecision. This is the incompetence that has writ large of Labor in government. This is what the Labor Party is about: absolute total taxation incompetence and absolute total policy incompetence, whether it be the carbon tax or the mining tax or employee share schemes or the alcopops tax or company tax cuts, which the government was so determined to deliver that it dumped them when it came to the budget. But wait. The Prime Minister, in a moment of great revelation to the business community, came down from the top of the mountain and said: ‘Our top priority is company tax cuts.’ But then the Passenger Movement Charge, and today they are dumping the interest withholding tax changes.

The DEPUTY SPEAKER: The member for North Sydney needs to come back to the amendment.

Mr HOCKEY: This is the amendment, Madam Deputy Speaker, in case you are not familiar with it.

The DEPUTY SPEAKER: The previous two were not; the previous discussion was.

Mr HOCKEY: It is the Labor Party dumping a key budget commitment to increase the tax on managed investment trusts, and today they are dumping it. The Assistant Treasurer has not even got the guts to explain why. So come on: the Assistant Treasurer should get up here now and explain why the Labor Party is dumping its own budget promise.

Why is the Labor Party doing this? I thought this was your budget. The Treasurer stood up here six weeks ago and said this was a key component, and now the government is dumping and trashing its own budget. It is okay to dump a Labor leader, but your budget—come on, guys, what is this?

The DEPUTY SPEAKER: The member for North Sydney is now straying.

Mr HOCKEY: But I am straying to the right place, Madam Deputy Speaker. The budget has not lasted six weeks and already there are three amendments. The Treasurer said solemnly at budget time that ‘if there is anything that is going to affect our $1.5 billion surplus, you know what, we’re going to increase taxes’. So far they have had three measures that have affected their $1.5 billion promised surplus. This is why you cannot trust Labor. This is why Australians believe the government is incompetent. Don’t blame us for the negativity out there: it is all at the hands of the Labor Party. Now Assistant Treasurer, get up here and answer: why are you dumping your own budget today?

Mr Pyne interjecting—

The DEPUTY SPEAKER: The member for Sturt is warned. It is not even question time. The question is that the amendments be agreed to.

Mr HOCKEY: Madam Deputy Speaker, I will keep talking until I get an answer: why is the government dumping this measure from the bill? Why is the government doing it? Is this policy on the run again? The Assistant Treasurer and the Treasurer owe an explanation to the parliament and the Australian people: why is this major budget measure being dumped from the bill today; why is it being dumped from the budget? Answer the question.

The DEPUTY SPEAKER: The question is that the amendments be agreed to.

Mr HOCKEY: I ask again—don’t be mute; answer the question: why is the government dumping its own budget

The DEPUTY SPEAKER: The member for North Sydney will resume his seat. He is now abusing the process of consideration in detail. This is consideration in detail; it is not question time. There is no automatic right under the standing orders in consideration in detail for anyone to answer a question. The question is that the amendments be agreed to.

Mr ROBB (Goldstein) (12:10): This amendment goes to the fact that this government has now compiled a litany of sovereign risk issues and this is another classic symbol to investors both in Australia and overseas that this is no longer a safe place, a stable place or an effective place in which they can trust investment dollars. There is a great onus on the Assistant Treasurer and the Treasurer to come to this dispatch box and explain why they would trash further our reputation as a safe and stable destiny for investment in this country.

This is a government that has introduced a carbon tax against an iron cast commitment. They have introduced a mining tax with a level of incompetence that is incomprehensible plus it is something that does not exist anywhere else in the world. They have handled the live cattle job in a way which has added to sovereign risk. They have introduced retrospective taxation in this very bill, more retrospective taxation. In doing so, they have again added to the litany of sovereign risk issues in this country.

The DEPUTY SPEAKER (Ms AE Burke): Order! The member for Goldstein has the call. Could people who are having conversations around the room, please go outside. This is the parliament and the member for Goldstein has the right to be heard in silence.

Mr ROBB: Thanks, Madam Deputy Speaker. I suspect the conversation reflects the attitude that is now prevailing across the community. No-one can take anything that this government is doing seriously. People have made up their minds. There is a level of crisis of confidence, and no-one is prepared to engage. Even their own backbench, their own frontbench, have not got the commitment to engage in these sorts of substantive issues. Even the Assistant Treasurer has spent most of his time jawboning—probably about football or something else.

These issues are not taken seriously, yet they have caused an amazing crisis of confidence in this country. It is absolutely critical that a decision such as the doubling of the withholding tax on investment funds—a decision that some four years ago received great commendation from both us and investors around the world—now without any explanation, they increased it. Now without one scintilla of explanation, they are going to dump it. What other deals are going on behind the scenes? What more responsibility can you have than to explain the actions that you have taken?

You have dumped measures in this budget. If you put it together with yesterday's decision on the indexation of the departure tax, we are now talking a $400 million hole in the budget. What was the surplus? $1.5 billion. What have they now in the space of 12 hours sacrificed? $400 million. Could you explain, Assistant Treasurer, where you are going to get that $400 million to deliver the $1.5 billion surplus?

Nearly one-third of the surplus has gone as a consequence of two decisions taken in less than 24 hours. More than one-third of the surplus is gone. What a joke! And now
on the front page of the Financial Review the Reserve Bank is saying that the surplus is not worth the paper it is written on, that the whole thing is a series of money shuffles. What has everyone been saying? Exactly that. And now we have the Reserve Bank saying that not only was this budget never an accurate account; this government is even making that case worse; $400 million has gone out of their budget literally in the last 12 hours. Now we have, on top of that, an addition to the great sovereign risk that this government has created, with endless decisions, and this final one, this one of dumping the 7½ per cent and increasing to 15 per cent the withholding tax.

We need an answer to this. The Assistant Treasurer cannot just sit there with a bland look on his face. Come to this dispatch box and tell us why. Give us one reason why you would dump this, why you would create a black hole in your budget surplus?

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (12:15): The government is not abandoning or dumping anything. The government remains committed to the managed investment trust withholding tax arrangements that were outlined and proposed in the budget. We will be separately reintroducing those measures as part of a separate bill. In relation to the matters that are being raised—

Mr Robb: At 15 per cent?

The DEPUTY SPEAKER (Ms AE Burke): The member for Goldstein has had his opportunity.

Mr BRADBURY: The member opposite says 'at 15 per cent'. He should remember that when they were on the government benches, the rate was 30 per cent; not 15 per cent, not 7½ per cent, but 30 per cent. They came into this place—I remember the debate well—the member for Casey came in here and started quoting some of my comments. I remember it well. I said that we need to make sure that we have a competitive rate, and we will have a competitive rate. Once these amendments are passed—and I am confident that they will be passed by the parliament—then we will have a competitive rate.

At 15 per cent we will be competitive. It is exactly the same rate as Japan and the United States; and the UK is 20 per cent. But, most importantly, our rate will be very competitive with the rate that existed when they were last in government—30 per cent. It will be much better than that. So, on the question of the competitiveness of the rate, we are confident that there will not be any difficulties.

The member for North Sydney in his haste—amid all the hyperbole that we often get, the huff and puff and the bluster that we get from him in this place—started talking about interest withholding. That demonstrates that he either does not get it, he does not realise that we are talking about withholding tax rates in respect of distributions from managed investment trusts—distributions, not interest—or he has not read the bill. I am not sure which of the two it is. People can go back and have a look at the Hansard if they like and have a look at some of the comments that he made there, which betrayed a fundamental lack of understanding about the key measure. He does not know the difference between interest and a distribution from a managed investment trust. He wants to hold himself out as the alternative Treasurer, but he cannot get a fundamental issue like that right. It is no wonder he has a $70 billion black hole.

Mr TONY SMITH (Casey) (12:18): At last the admiral speaks—
The DEPUTY SPEAKER (Ms AE Burke): The member for Casey will withdraw and refer to members appropriately.

Mr TONY SMITH: I withdraw. It took the Assistant Treasurer four occasions, in a government dealing with a tax bill, to answer a question on an amendment that he moved. The shadow Treasurer asked him on three occasions to justify why this amendment has been moved. The shadow minister for finance had to ask him. But the default position of this Assistant Treasurer is to sit there at the dispatch box in this parliament and say nothing. That speaks volumes about the Assistant Treasurer's incompetence and the incompetence of this government on tax policy generally.

The government made a great fanfare four years ago of the fact that they had cut this tax rate to 7½ per cent. They were like a band of brothers, they were better than anyone else, and the reason they did that was they wanted to send a signal to the international community that Australia would be a financial services hub and this is where they wanted people to invest.

They also made the point that they needed to take that step to show that we were different. They made the point that you could not tinker around or muck around with this. As the shadow minister for finance rightly pointed out—and nothing illustrates it more than their conduct and their actions on this issue—the signal this government has sent time after time on tax policy is uncertainty. They have sent uncertainty right around the globe. Even when they change their minds, they cannot explain it.

The Assistant Treasurer sits at that dispatch box with the shadow Treasurer asking him for a simple explanation of why they have moved an amendment to delete an entire schedule from their bill, an entire schedule that was a major budget announcement just six weeks ago. And the Assistant Treasurer in this government says nothing for three occasions. That was his default position; like a battery operated kid's toy run out of batteries. Maybe the parliamentary secretary at the table changed the batteries. Sitting there with a glum look on his face. There might be an explanation. Let's give him a break. Perhaps the shadow finance minister has been too hard on him. Perhaps he does not know why the amendment has been moved in his name.

The one thing this Assistant Treasurer can do is go around Australia on this issue and he can say, 'Whatever your position is, I have adopted it at some point in time.' He came into this House four years ago, and proudly advocated the 7½ per cent and said why that was important and he introduced the legislation to double it.

As I said earlier in the debate, this is an important part of the government's budget, as the shadow finance minister pointed out. I do not think you will find it in the Treasurer's budget speech, though. That is the best indication of any significant measure the government is moving that they think might be unpopular; just like the time the Treasurer forgot to mention the debt and deficit. It was only when the shadow finance minister spoke after the shadow Treasurer had spoken three times that the Assistant Treasurer was prompted to get up in the debate—not to tell us, but to tell the public and the parliament. Here in the House of Representatives we have an Assistant Treasurer who will not explain and will not talk. I will tell you why: it is because he is not sure that it will not change again. And he meekly says that they will be introducing separate legislation. Finally, when pushed, he talked about 15 per cent being competitive. I would like him to confirm that the separate legislation will be 15 per cent. I think the international
community would like to know from the Assistant Treasurer what today's policy position is.

As the shadow minister pointed out, uncertainty is toxic in the international community. The Assistant Treasurer will not take the word of the shadow finance minister—I know that—but he ought to take the word of international investors: people like David Denison, the President and CEO of the Canadian Pension Plan Investment Board. Mr Denison said:

... in fact, Australia’s budget that was tabled last week effectively doubled the tax burden on our real estate and infrastructure holdings in that country.

(Time expired)

Mr FLETCHER (Bradfield) (12:23): I am pleased to rise in the consideration in detail stage of this bill to seek some further clarification from the Assistant Treasurer as to precisely what the government is doing here. As all in this House would be aware, at this stage of the process the opportunity is presented for ministers at the table to explain to the chamber the details of the merits of the particular amendments that are being moved by the government.

It tends to raise eyebrows when the government is moving amendments to its own legislation at this late stage. It tends to suggest that it is a government that is making things up on the run. It tends to suggest that it is a government that is not certain that it is able to deliver what it is seeking to deliver, because of the need to engage in constant negotiation with the Independents.

Unfortunately, what goes on in this chamber has enormous implications for the economy of Australia, for the financial services sector of Australia and for international investors who are considering investing in our country. It is an uncontentious proposition—it is shared by all here in the chamber—that the rate of withholding tax is a question of the highest importance in determining the incentives for foreign investors to invest in Australia. That was the basis on which the government announced changes to its policy some years ago. That has been the basis on which questions have been raised about the policy change announced with not very much fanfare during the budget recently.

We now find ourselves, here in the House of Representatives—the people's house—weighing up, as we are charged to do, the merits of legislation put before the House by the government, particularly the merits of a specific amendment put before the House now by the government. We find ourselves charged with assessing the merits of a particular amendment, when it is very difficult to understand the full intent of what is proposed.

Let us remind ourselves that the government in its budget announced that there would be a change in the withholding tax for these kinds of vehicles—managed investment trusts—which are, as we all know, of the first importance as a vehicle for foreign investment into Australia. The Treasurer announced on budget night that this withholding tax would increase from 7½ per cent to 15 per cent. As we all know, that was consistent with a budgetary strategy of seeking to return the budget to surplus.

That is an aspiration with which we can all agree, even if, on this side of the House, we entertain very serious doubts as to the government's capacity to deliver on that stated aspiration. We now find that an element of the strategy laid out by the Treasurer only a few weeks ago which was going to be used by the government to achieve its stated objective of a surplus of approximately $1.5 billion is, by virtue of the amendment put before the House this
afternoon by the Assistant Treasurer, going to be removed. That is to say, the measure which the Treasurer announced only a few weeks ago, under which the withholding tax rate will increase with a view to securing additional revenue for the Commonwealth, is now to be removed. Yet we have no clear explanation as to why that is happening. We have no clear explanation as to what the implications are for the budget and the achievement of that promised $1.5 billion surplus. We have no clear indication as to whether the government is now abandoning its policy of increasing the withholding tax rate and we have no clear demonstration of a government calmly and consistently implementing a strategy.

On the contrary, we have all the indicators of a government making it up in a panicked rush as it goes along, apparently impervious to the disastrous implications that that has for confidence in the Australian economy on the part of foreign investors. So I repeat the question to the Assistant Treasurer which has been put by colleagues on this side of the House: what on earth is going on here? Please give us an explanation.

Mr BUCHHOLZ (Wright) (12:28): I rise in this consideration in detail debate in absolute amazement as to why we cannot get a simple answer out of the Assistant Treasurer. I, too, ask the question: why? I think the whole principle of this comes back to trust. Managed investment trusts make a conscious decision to come into our country to invest. As a nation we are net importers of capital. We are net importers of funds. They have been a fundamental building block in creating the quality of life that we have.

In the Standing Committee on Economics hearings we took evidence from Martin Cordina of the Financial Services Council. This may help in understanding why the government has chosen to offer the amendment today. In response to a question at the hearing, Mr Cordina said:

We were disappointed that we were not consulted prior to the announcement being made on budget night.

This bloke is from the Financial Services Council. Whenever I have the opportunity to take evidence from the Taxation Office or from Treasury, their words are always: 'We have consulted extensively with the market. We have consulted with industry.' Guess what—industry did not have a clue that this was coming. Mr Cordina went on to say:

Since this government came into office in 2007, we have issued something like 10 media releases which were supportive of subsequent changes that have been made, either to our tax system or regulatory-wise, that essentially had their origins in the Johnson review. We were one of the leading participants in the Johnson review, involved in much of the work that was conducted there. So I guess all I can say is … in this area, that the announcement was made without any prior consultation.

So here you have it—Martin Cordina from the Financial Services Council saying that they were not aware that we were going to see, overnight, a doubling of the rate, from 7½ per cent to 15 per cent.

We are asking the Assistant Treasurer why. When you listen to the rest of the evidence provided by Mr Cordina, it becomes crystal clear. He was asked:

Is there any evidence for that flight of capital occurring?

That was asked by a member of the government, and he was inquiring whether or not, if there were an increase from 7½ to 15 per cent, there would be a flight of capital out of this country. Mr Codina replied:

There is absolutely evidence of that. Collectively we have quantified in excess of $1 billion, some of which has been made public and some of which is highly sensitive, because of the nature of the foreign investors. In some cases you have
sovereign funds—in other words, it would be akin to a foreign government being critical of the Australian government as a consequence of the change.

When you look at the wafer-thin budget surplus that has been forecast and when the Financial Services Council of Australia—a body not to be dismissed or taken lightly—have identified in good faith a potential flight of $1 billion of capital out of this country, it is no wonder these guys are now standing up and saying, a couple of weeks after the budget, 'We got it wrong,' and that we are now having to make amendments.

All we need is for the Assistant Treasurer to stand up and answer our question as to why, because it does come back to trust. Foreign investment in this country is raised on the back of us providing good government. What happens in this room fundamentally underpins the confidence of foreign investment markets in our nation—it is what happens in this room, the way we carry ourselves, our integrity. Business confidence is at an all-time low. Do not take my word for it; have a look at the Australian Chamber of Commerce and Industry-Westpac survey for the last 17 consecutive quarters. The biggest inhibitors of investment in business at the moment are government taxes and red tape. We in this room need to get it right.

The DEPUTY SPEAKER (Ms AE Burke): Thank you, Member for Mayo.

Mr BRIGGS: The Deputy Speaker is doing a terrific job in current circumstances and I think being polite to someone doing their job in these circumstances as well as she is doing deserves that. I congratulate her for it. Deputy Speaker, while your circumstances, acting in this position, are unique, this is also a unique event in the history of this House—a budget unravelling before our eyes, a budget which was only delivered some six weeks ago, in the current parliamentary session. The normal procedure of bills following the budget to implement the measures announced on budget night by the Treasurer is unravelling, without explanation.

I think it is extraordinary of the Assistant Treasurer, who is not known for not wanting to talk and explain the government's views on things like immigration policy up near Darwin. In fact, he is such a detailed researcher that he looks in great detail into issues which affect his constituency. We know during the last election he took the trouble to travel all the way to Darwin to see about the situation in relation to—

Mr BRIGGS: That said, I am utterly surprised that on this occasion—

Mr Bradbury: How did that FOI request go?

Mr BRIGGS: Sorry, Parliamentary Secretary, I was just being polite.
now falling apart before us, without explanation. We know there are lots of discussions going on privately within the government. We just saw that in the chamber during the division—lots of small chats and quiet discussions working out what to do next. Obviously this is happening with their budget as well.

On budget night, the Treasurer announced a plan to deliver a surplus. He did not deliver a surplus. He delivered a plan to deliver a surplus—unlike the misleading information being sent to some constituents around the country, which I find very concerning, that they have delivered a surplus. Of course, the Australian Labor Party has not delivered a surplus for 20 years, so the member for Lindsay in his capacity as the local member is telling his electorate that is of course wrong. And now we have this bill, this backdown, without explanation—

Mr Bradbury: It's a fantastic piece of material—you ought to have a look at it.

Mr BRIGGS: I will get a copy and have a look at it, and I will give it good consideration from my own material, because we on our side know what it is like to deliver a surplus. Nine out of 11 budgets under the Howard-Costello government were surplus budgets. That is why we left you money in the bank, Assistant Treasurer Bradbury.

Madam Deputy Speaker Burke, you were here when Peter Costello was Treasurer. You remember those days very fondly, I know. You would remember that Peter Costello, when he announced a budget, followed through with the budget. He put the bills into the parliament, followed them through and had them delivered in the face of unrelenting opposition from the Labor Party, which opposed every decent measure. He delivered the budget. He did not come into this place, or send his Assistant Treasurer into this place, to unwind budget revenue measures without explanation. Why is it that this measure, which was announced on budget night, is being unwound without explanation? This is a very important question because it gets to confidence in the budget and to the ability of the government to deliver its surplus. Will the government have enough money to deliver its surplus? Will foreign investors know what the withholding rate will be when they invest in our country? We need this investment to help develop our great country even further. These are important questions.

The Assistant Treasurer—soon to be shadow Assistant Treasurer—has announced that there will be another piece of legislation. What will be in that legislation? Answer us that question. Will the revenue be the same? Give us an explanation—that is all we ask. (Time expired)

Mr HARTSUYKER (Cowper) (12:38): May I commend you, Madam Deputy Speaker Burke, on the very fine job you are doing in the chair since your ascension to this high office. I look at these amendments to the Tax Laws Amendment (2012 Measures No. 2) Bill 2012 with some amazement. On page 65, lines 1 to 21 were written and printed only weeks ago. The ink is barely dry on this document and we have an amendment to the government's own budget. The ink is barely dry on the legislation and the government is amending it. What does that say to the Australian people? It says that we have a government that lacks the competency to implement the budget that it handed down just back in May.

One of the really interesting things about that budget night was looking around the galleries when the Treasurer was delivering the budget. What did we see? We saw galleries that were half empty for the Treasurer's speech. I have never seen that
before. I have never seen a Treasurer deliver a budget where he could not even fill the galleries. I think that is because the Australian people have no confidence in this Treasurer. They have no confidence in this government. The fact that this amendment is being put before this House to effectively rescind a proposal within the government's own budget—delivered only six weeks ago—shows the lack of competence in this government. It shows the lack of ability of this government to maintain a policy position. It shows the lack of ability of this government to follow through and provide the sort of certainty that the Australian people need.

These amendments are a worry not only because they rescind a measure announced in the budget but also because they reflect the wider competence of this government, and that is why consumer confidence is so low. That is why business confidence is so low. The Australian people lack confidence in this government. It is quite astounding.

We have had the promise: 'There will be no carbon tax under a government I lead,' and no sooner did the Prime Minister get into office than—what do you know?—the government changed its mind. In this case, we have a proposal to change the withholding tax contained within the budget and only weeks later the government has changed its mind. How can business plan for the future when we have a government that cannot maintain a position for more than a few weeks? Australian business needs to make long-term decisions based on sound policy and we have a government that is doing backflip after backflip on its own budget document. That is hardly inspiring the sort of confidence that Australian business needs to make the investments that are going to drive future jobs and employment within this country.

No wonder small business is doing it tough. No wonder the customers are not coming through the door. They are concerned about the competence of this government. They are concerned about the fact that they cannot rely on the word of this government, the Prime Minister or the Assistant Treasurer. I think the Assistant Treasurer will go down as Nostradamus: being able to forecast and claim a budget surplus when he has not delivered it. He is, indeed, showing up Nostradamus, because we will not know whether this government has delivered a budget surplus. It has so far delivered the four biggest deficits in this nation's history. Now we have the Assistant Treasurer already claiming a surplus, but we are not going to know whether that surplus is delivered until September next year. I do not know that the electors of Lindsay will accept this rather Nostradamus-like prediction that this government is going to deliver a surplus. We see the sorts of measures contained in this amendment eroding the very surplus that this government is claiming to be able to deliver over the next financial year when the Australian people have no faith in that at all. They do not have confidence in this government. They do not have confidence in the ability of this government to maintain a policy position. They are certainly showing that they are concerned about this economy through poor consumer confidence and poor business confidence, and this government is at fault on all counts.

Mr KEENAN (Stirling) (12:43): On the Australian political landscape there is one big set piece speech given every year and that is when the government brings down its budget. The budget is the most important document that any government brings down. It outlines the government's priorities and where expenditure is going to be. It really is a blueprint for how the government is going to govern in the following year. Indeed, it is
a blueprint for how the government is going to govern in the following few years after that as well. It is a vitally important document.

If I cast my mind back to the budgets for which I have been in this parliament, the idea of Prime Minister Howard or Treasurer Costello bringing down a budget which they would subsequently amend would be completely and utterly unthinkable. Unfortunately, the unthinkable has become the norm under this incompetent Labor government. We are debating a bill here today and, astonishingly, the next bill we are debating is going to show the government moving to amend its own budget document within 1½ months of that document being brought down. I think a government that cannot bring down a budget—

The DEPUTY SPEAKER (Ms AE Burke): I remind the member for Stirling that this is consideration in detail on the amendment before the chair. I have allowed a very wide-ranging debate, but we do need to get back to what is before the chair, which is the amendment we are now debating.

Mr KEENAN: I appreciate that, and I am dealing with the withholding tax on managed investment trusts. I am concerned about the fact that we have a government that is unable to produce a document for the Australian people which is supposed to outline its priorities, which is supposed to outline where the expenditure is for the coming year and for the forward estimates period, which is supposed to provide some certainty for both domestic investors and international investors. When a government cannot do that, you really have to wonder whether it has forfeited the right to continue to govern.

I think that this bill and other debates that we will be having in this parliament later on today are a great indicator for the Australian people that minority government is a failed experiment.

The DEPUTY SPEAKER: The member for Stirling is now straying considerably from the amendment before the chair. I have allowed a wide-ranging debate, but this is an amendment and the bill cannot be canvassed again, nor can whole ranges of things. It is a very defined piece of legislation we are looking at.

Mr KEENAN: I am looking at the amendment, but I am doing so within the broader context of the government.

The DEPUTY SPEAKER: You actually cannot. That is my ruling.

Mr KEENAN: I will restrict my remarks specifically to the amendment as per your instructions.

The DEPUTY SPEAKER: I thank the member for Stirling for his candour.

Mr KEENAN: I do believe it is important to establish the context in which we are having this debate today. What is very important is that a government can set a course and stick to it. It is important that they can provide certainty for investors in Australia. What business needs when it comes to making investment decisions, the time frames of which can sometimes be years or even decades out, is knowledge that when a government gives its undertakings about what is going to happen, those undertakings will actually be delivered. When you have a government that cannot even deliver a budget document six weeks after it has been brought down, clearly that investment climate is being sabotaged.

Sovereign risk is a very important issue. It is not one which investors in Australia traditionally would need to be concerned about. Something that we as a country have been able to go out and sell as one of the vital parts of the investment climate in
Australia is the fact that, when you invest in Australia, you are not subject to the types of sovereign risk that you would be subject to if you were investing in other parts of the world. That reputation for stability is being trashed by this government. It is being trashed by the fact that they cannot hold onto a budget document for even six weeks after it has been brought down. It has been trashed by the fact that the Assistant Treasurer cannot even today give some certainty to investors about what is going to happen going forward with this particular measure. It has been trashed by the other measures that the government has taken to destroy the investment climate in Australia. You wonder why consumer confidence is low in Australia. You wonder why people who have the money are not prepared to invest it. This amendment we are discussing here today is a great example of why.

This government cannot even bring down a budget and hold on to it for six weeks. This is the greatest indication that minority government has failed, and the only way to address that is via an election.

**Mr VAN MANEN** (Forde) (12:48): As the previous speakers have touched on, once again we see the government succeeding in adding to the uncertainty in the business community rather than adding to certainty. As I touched on in my earlier speech, one of the key things that has allowed us to grow our economy well over the past 20 or 25 years is some certainty and understanding about the direction of tax policy. Again we see a schedule or bill put up to double the tax rate on managed investment trusts and all of a sudden have it pulled. As numerous speakers have asked, where is the explanation from the Assistant Treasurer? Why can the government not explain the rationale?

**Mr Bradbury:** Weren’t you in the chamber when I spoke? Did you listen?

**Mr VAN MANEN:** It was no explanation.

**Mr Bradbury interjecting—**

**The DEPUTY SPEAKER (Ms AE Burke):** The member for Forde has the call and will speak to the amendment before the chair.

**Mr VAN MANEN:** This removal of this schedule and the inability for this government to stick to its plans is adding continually to the uncertainty in the business community and the international community that is looking to invest hundreds of billions of dollars in this country over the coming years in the mining industry and in a number of other areas.

**Mr Lyons:** You told us the mining industry was going to die! They went out and bought shares!

**Mr VAN MANEN:** I did not say the mining industry was going to—

**Mr Lyons:** Yes you did.

**Mr VAN MANEN:** How many shares have you guys bought in the clean energy companies? None. That is how confident you are about the clean energy market. The hypocrites sit over there. But let me get back to this.

It is another backflip of this government and the trashing of the budget. We see $400 million being removed from the surplus that we are supposed to see in September 2013, yet there is no explanation of how that is going to be made up and what the rationale is for pulling it out of this bill and seeking to maybe reintroduce it at some point in time. There is no certainty about when it is going to be reintroduced or what tax rate it is going to be reintroduced at. It is just another of the myriad examples of the inability of this government to create certainty and a clear
direction for the future of this country and the future of our economy. In addition, we have seen the retrospective nature of a number of things proposed in bills last night and again today. It is just a sad indictment of the failure of this government to engender any confidence in our economy for the future.

Mr HARTSUYKER (Cowper) (12:52): I certainly welcome the opportunity to speak again on this amendment, because it does raise an area of concern for me with the issue of certainty. It is a matter that I have raised previously, in an earlier contribution, but one that cannot be reinforced too much, because when you look at markets they are adversely affected by a lack of confidence. This amendment before the House today can only reduce the confidence that exists in our financial markets and the confidence with which foreign investors will view this country. Heaven forbid! We have a situation where Australian consumers have virtually given up hope and Australian business is losing hope, and now we want to encourage overseas investors in Australia to lose hope as well. That is a very worrying trend—all because this government cannot maintain a policy position from budget day to the present. The ink was barely dry on this document, and they are already making amendments. It shows a lack of competence. It goes to the very heart of the problems that have beset this government since it was first elected. When the Australian people have lost faith and international investors are losing faith, what does that leave us with? It leaves us with a very poor outcome for the people of Australia.

This government is charged with the responsibility of governing wisely for all Australians. What we have is a government that governs incompetently on its own behalf. It is governing for the Australian Labor Party rather than for the people of Australia. It is incompetent in the extreme. It cannot manage its own budgetary process, as we see now. Not only does it run up massive deficits; it cannot even manage the budgetary process, let alone the finances of Australia. We have seen you cannot manage the finances of Australia, and now we find you cannot even manage the budget process. That is, I think, a new low point in public administration, even by this government's already low standards.

But we do have some optimism. We have the member for Lindsay, the Assistant Treasurer, doing his Nostradamus impression and claiming a surplus 13, 14 or 15 months before we are going to know what the outcome is. That is a very brave and very courageous minister—to claim a surplus now, Nostradamus, when you do not have one shred of proof or evidence based on your past performance that you are actually going to deliver a surplus. So we have the Australian people and Australian business in a state of dismay at the performance of this government, we now have overseas investors disillusioned as a result of the performance of this government, we now have overseas investors disillusioned as a result of the performance of this government, and they still try to claim somehow that they can maintain some shred of credibility in the economic community or the international community. I think that that is pure delusion.

We have a government that has failed the test. It has failed the test in relation to delivering a balanced budget over the time that this government has been in power. It has failed the test with regard to the degree of competency that is required in the budget process. It has failed the test with regard to the need for consistency of policy announcement and policy implementation. This is a government that has failed spectacularly. It is a government that continues to fail, and it is of great concern to the Australian people. That is why this amendment is so significant. It goes to the
very heart of the lack of confidence in this government and this minister, who is boldly predicting a surplus that he has little prospect of delivering.

Mr Keenan: At least he's optimistic.

Mr HARTSUYKER: Yes, at least he is optimistic—thank you, Shadow Minister. He is at least optimistic. That is more than can be said for the Australian people and Australian business, who have lost faith in this government. I know that as time goes on the continued failings of this government, unfortunately, are only going to grow and grow and grow. The people of Australia will have their chance to decide on their level of competence at the next election.

Mr HOCKEY (North Sydney) (12:57): I am surprised that the Assistant Treasurer has not explained yet why the government has decided to go down this path and pull this particular measure—

Mr Bradbury interjecting—

Mr HOCKEY: No, the government simply moved an amendment to its own bill. He has not explained, after all the encouragement we have given him. We want to encourage you, old sunshine! We want him to get up there and tell the truth. Let the sun shine in—that is what we say. Let there be a transparent hung parliament. Let the Independents—like the member for Lyne, the member for New England and the member for Denison—come in and help the sun to shine, because now the government is amending its own bill and it will not tell us why. Oh, dear. Do you know why? He does not know why. He does not know why they are amending their own bill. Given that we have had five assistant treasurers in 4½ years, you would think that by the time they get to the fifth they would get it right. But no. We have him coming to this place. Old Swannie has wheeled him out. He said, 'You go out and do it, Admiral. You tell them that we're pulling this out of the bill.' The old admiral, taking instructions from the 'chief of defence', says, 'Righto, sir. I'll do it.'

Mr Lyons: Mr Deputy Speaker, on a point of order: the member for North Sydney referred to the Assistant Treasurer as something other than his proper title, and I ask him to withdraw.

The DEPUTY SPEAKER (Mr Symon): I thank the member for Bass and remind the member for North Sydney to refer to members by their title.

Mr HOCKEY: Sorry. I did give him a promotion! He is well known as a commander, so I promoted him to admiral! I am trying to do you a favour! He appreciates it!

Mr Lyons: I know this is quite humorous, but he still must refer to the Assistant Treasurer by his correct title and he did not that time.

The DEPUTY SPEAKER: I thank the member for Bass and I do remind the member for North Sydney of that provision.

Mr HOCKEY: From our perspective obviously we welcome the government dumping this initiative but we are not sure they are dumping it, because they have flagged now they are going to reintroduce it.

Mr Bradbury: We are not dumping it.

Mr HOCKEY: The minister interjects 'we are not dumping it'. So what is it going to be? What is the interest withholding tax going to be?

Mr Bradbury interjecting—

Mr HOCKEY: Say it in the chamber now. What is it going to be?

The DEPUTY SPEAKER: The question is that the amendments be agreed to.

Mr Bradbury interjecting—

Mr HOCKEY: The minister is interjecting across the table that he said it all.
I invite him to get up again and say it so that not only the whole of Australia can hear it but, most importantly, so all those international investors can hear it. I have just been handed a press release from TTF Australia. TTF Australia was headed by Chris Brown, who was well known to the Labor Party—he was even a member of the Labor Party. It is now headed by Mr John Lee, the brother of Michael Lee. I would not necessarily say John Lee was a card-carrying member of the Labor Party. In fact, I seriously doubt he is anything other than a card-carrying member of the Labor Party. Perhaps he has torn up his card because he says that the decision not to proceed with a doubling of the withholding tax rate for managed investment trusts will go some way, not all the way, to restoring foreign investor confidence. He said:

The proposal to double the withholding tax rate for managed investment trusts stopped foreign investment in tourism in its tracks.

That is exactly what we said.

As investors were suddenly facing a tax bill twice the size jeopardising their returns. This announcement in the federal budget came as a complete surprise to industry—it has obviously come as a complete surprise to the Assistant Treasurer as well—as there was no consultation on this issue despite repeated requests for any changes to at least be flagged with the sector.

It also flew in the face of the release less than a week earlier of the tourism investment guide, which detailed 100 investment opportunities to improve Australia's tourism product offering. Following consultation with members, TTF raised its concerns about the impact this would have on tourism investment and has been actively pursuing this issue with MPs.

This is the part—get ready ladies and gentlemen—where he said:

Thanks must go to the coalition for its recognition of the impact this measure has caused and will continue to cause in the future.

This is from a strong Labor member.

While some damage has been done to Australia's reputation as an investment destination, the decision not to proceed with doubling the withholding tax rate will help to restore investor confidence and renew interest in Australian tourism products.

We welcome this amendment because it dumps it. But you know what? The Assistant Treasurer now says it is not dumped. He now says it is coming back. What is it? Is it morning or night or afternoon or evening? I do not understand where the Labor Party is going. But what I do understand is it is not the Liberal Party, Tony Abbott, Joe Hockey or Andrew Robb who are raising these concerns; it is in fact the Ivan Glasenberg, the Marius Kloppers and the Jac Nassers. It is the Gerry Harveys, the John Symons and the John Singletons and now the John Lees. These are the people who, by their own words, are saying this government is incompetent.

This is a government that is inconsistent. This is a government that simply does not understand that what investors are crying out for are stability and certainty and predictability and reliability. So when the Treasurer stands at the dispatch box and gives a budget speech, Australia and the world do not expect that within six weeks three key components of the budget will be dumped before the financial year has even started. And yet our Prime Minister has the gall to go overseas and give them a sermon on the mount about the Australian way. The Australian way, as Labor defines it, is to have three different policies in three days and to have a budget that does not last six weeks. It is their policy to dump and rebirth leaders from time to time and now it is their...
policy to add to the sovereign risk of investment in Australia.

So I say to you: do not start giving us a lecture about negativity. Do not give us a lecture about poor consumer confidence. Do not give us a lecture about poor business confidence. It comes back directly to the actions of this incompetent government, a government that cannot hold the policy, a government that cannot be consistent, a government that deliberately and intentionally misleads people when it comes to core policy responsibilities of a day-to-day government in Australia. Shame, Labor, shame! Shame on you for being incompetent. Get out of the way and give us an election so we can give Australia a predictable, stable, reliable and trustworthy government again. (Time expired)

Question agreed to.

The DEPUTY SPEAKER (Ms AE Burke): The question now is that the bill, as amended, be agreed to.

The House divided. [13:10]

(The Deputy Speaker—Ms AE Burke)

AYES

Adams, DGH
Bandt, AP
Bowen, CE
Brodtmann, G
Butler, MC
Champion, ND
Clare, JD
Crean, SF
D’Ath, YM
Elliot, MJ
Emerson, CA
Ferguson, MJ
Garrett, PR
Gibbons, SW
Grierson, SJ
Hall, JG (teller)
Husic, EN (teller)
Jones, SP

Kelly, MJ
Leigh, AK
Lyons, GR
Marles, RD
Melham, D
Murphy, JP
Oakeshott, RJM
O’Neill, DM
Parke, M
Plibersek, TJ
Rishworth, AL
Rudd, KM
Shorten, WR
Smith, SF
Snowdon, WE
Symon, MS
Thomson, KJ
Wilkie, AD
Zappia, A

Alexander, JG
Andrews, KL
Billson, BF
Bishop, Ji
Broadbent, RE
Chester, D
Ciobo, SM
Coulton, M (teller)
Entsch, WG
Forrest, JA
Gambaro, T
Griggs, NL
Hartsuyker, L
Hockey, JB
Irons, SJ
Jones, ET
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Moylan, JE
O’Dowd, KD
Prentice, J
Ramsey, RE
Robb, AJ
Roy, WB
Schultz, AJ
Secker, PD
Smith, ADH
Stone, SN

King, CF
Livermore, KF
Macklin, JI
McClelland, RB
Mitchell, RG
Neumann, SK
O’Connor, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Roxon, NL
Saffin, JA
Sidebottom, PS
Smyth, L
Swan, WM
Thomson, CR
Vamvakakou, M
Windsor, AHC

NOES

Alexander, JG
Andrews, KJ
Billson, BF
Bishop, BK
Briggs, JE
Buchholz, S
Christensen, GR
Cobb, JK
Dutton, PC
Fletcher, PW
Frydenberg, JA
Gash, J
Haase, BW
Hawke, AG
Hunt, GA
Jensen, DG
Keenan, M
Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
Neville, PC
O’Dwyer, KM
Pyne, CM
Randall, DJ
Robert, SR
Ruddock, PM
Scott, BC
Simkins, LXL
Somlyay, AM
Tehan, DT
Truss, WE
Turnbull, MB
Vasta, RX
Wyatt, KG

Tudge, AE
Van Manen, AJ
Washer, MJ

Combet, GI
Crook, AJ
Gillard, JE
Abbott, AJ
Rowland, MA
Southcott, AJ

Question agreed to.
Bill, as amended, agreed to.

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (13:14): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Pay As You Go Withholding Non-compliance Tax Bill 2012
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (13:15): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Mr KEENAN (Stirling) (13:18): Hot on the heels of the government's backdown, where it has just moved to amend its own budget, this is the second time today that it will move to do exactly the same thing. It is extraordinary that we are now in a position within this minority government that six weeks after they bring down what is supposed to be the seminal document outlining their priorities for the coming year that we are debating in this chamber for the second time today moves by the government to amend its own document. In this case we are dealing with the increase in the passenger movement charge, which is really just another dodgy tax that they are using to try to cobble together this dodgy surplus that Amendment Bill 2012, be postponed until the next sitting.
Question agreed to.

BILLS
National Water Commission Amendment Bill 2012
Migration (Visa Evidence) Charge Bill 2012
Migration (Visa Evidence) Charge (Consequential Amendments) Bill 2012
Reference to Federation Chamber
Mr FITZGIBBON (Hunter—Chief Government Whip) (13:17): by leave—I move:
That the bills be referred to the Federation Chamber for further consideration.
Question agreed to.

Passenger Movement Charge Amendment Bill 2012
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.

Mr KEENAN (Stirling): Hot on the heels of the government's backdown, where it has just moved to amend its own budget, this is the second time today that it will move to do exactly the same thing. It is extraordinary that we are now in a position within this minority government that six weeks after they bring down what is supposed to be the seminal document outlining their priorities for the coming year that we are debating in this chamber for the second time today moves by the government to amend its own document. In this case we are dealing with the increase in the passenger movement charge, which is really just another dodgy tax that they are using to try to cobble together this dodgy surplus that
nobody in their right mind believes they will ever achieve.

In this case, they are doing two things. They are increasing the passenger movement charge by $8, from $47 to $55, which means that since the Labor Party came to office they have increased that particular tax by 45 per cent. They are also doing something that concerns the coalition greatly, and which we have moved successfully to get them to cease: they were going to link this particular tax for an annual increase every single year to the CPI. The extra tax on the tourism industry would be indexed to CPI. Every year under the government's proposals announced in their budget—which of course they are slowly abandoning—we were going to see an annual increase on the tourism industry, an increase that was going to affect an industry already struggling because of the lack of confidence in the Australian economy and other factors such as the high Australian dollar. We did not think that was fair and we did not think it was justified, and we joined with the tourism industry to get that measure stopped.

We would have loved to have knocked off this measure completely. The coalition parties do not believe in tax increases. We do not believe in making life harder for small businesses such as those small businesses in the tourism industry. But unfortunately we are faced with the reality of Labor's wasteful spending where they have wasted money—billions of dollars on pink batts, billions of dollars on their border protection debacle, tens of billions of dollars in mailing cheques out to people through the second stimulus package—and because of the wasted money and the appalling fiscal situation that Labor has now got Australia into, we were faced with a situation where we did not think it was feasible to stop the increase from $47 to $55.

If we were in government though, this would not be happening. We would not be levying extra taxes on small business. We would not be levying extra taxes on the tourism industry. We would not need to be doing so because we would not have wasted the money that has forced the government to take these measures in the first place. The government is now reaping what it has sown. The fact that it cannot control its expenditure, the fact that it has wasted so much money, means that it has to run around finding these sorts of savings and increasing these sorts of taxes in a way that the people who are subject to them can ill afford.

I would like to commend the tourism industry for taking this stand against this particular tax. They launched a campaign called Stop Taxing Tourism and they showed that the industry has had it up to here with the incompetence of this Labor government. I particularly acknowledge the Tourism and Transport Forum, the Australian Federation of Travel Agents, the National Tourism Alliance and the Australian Tourism Export Council for their excellent advocacy on behalf of the industries they represent; for saying, 'The tourism industry is doing it hard; we cannot afford these extra taxes,' and for joining with the coalition in trying to get these taxes stopped.

They are also outraged that they have been lied to yet again by this government. This government has a problem with the truth. Increasing this tax is just another grievous example. As recently as 2 March 2012, at a full board meeting of the National Tourism Alliance, the Minister for Tourism told the industry that there would be no increase in the passenger movement charge. Two months later this became yet another broken Labor promise. Sadly, this is a government with a very long history of deceiving the Australian people on
everything from the carbon tax to border protection.

The tourism sector is particularly worried about the introduction of the carbon tax. It is one of Australia's most exposed industries with Australian Tourism Export Council modelling showing cumulative electricity prices will go up as much as 30 per cent. Labor has refused to model the impact of the carbon tax on the tourism industry. The change that the opposition are championing here today will at least give this industry some much needed relief by knocking off this budget measure.

The reasons the coalition is proposing to knock off this CPI indexation are many. We do not believe it is a good way of making public policy to have an automatic tax increase for a particular industry. The passenger movement charge itself is already set at a far higher level than the service which it purports to pay for. The government spends about $240 million currently in processing passengers through our major airports, but the total revenue from the passenger movement charge will be $655½ million this financial year and almost $800 million in the coming financial year. This is opposed to the government's own budget estimate for the cost of processing passengers of $240 million this financial year and $230 million the following financial year.

Over the past few years many levies and charges have been added to the passenger movement charge in response to specific measures—for instance, foot-and-mouth disease. There were significant costs associated with processing passengers in and out of Australia when the threat of foot-and-mouth disease existed, so the then coalition government increased the passenger movement charge by $8 to offset that. It is a good example that, no matter which government is in power, there is really no such thing as a temporary tax. Once a tax has been introduced it is very rarely rolled back. Those increases to the passenger movement charge are still in place, but at least they were made in relation to extra costs the government faced in processing passengers to and from Australia.

There is no direct correlation between CPI increases and the increased costs associated with passenger movements. By the government's own figures the cost of processing passengers is going down. This is one of the most insulting things about this bill—at the same time as the government is increasing this tax, the cost is going down because it is ripping money and personnel out of a service it purports to fund. The government has cut, and is cutting, funding significantly for passenger facilitation through our eight major airports. What they are saying to the Australian people and international passengers coming to Australia is: 'You are going to wait longer when you come through our eight major international airports and we are going to charge you more for the privilege.'

The CPI has the capacity to move up and down at varying rates. The fact that the tourism industry could not have any certainty that this tax was going to be in line with CPI in any given year was a cause of great concern for the industry. The tourism industry needs to set prices well in advance. They did not know what this tax was going to be and that created another layer of uncertainty, making it harder for this very significant industry to do business. A government tax that is going to impose an automatic increase on the price of travel to and from Australia, without any regard for the global marketplace or the need for travel and tourism operators to price competitively, is not something the coalition is prepared to support.
Any suggestion that the travel and tourism industry will be in a position to absorb this automatic increase year on year without any other economic factors being considered is a clear demonstration that this government just does not understand the global ramifications and the competitiveness of the travel and tourism industry. It is an insult to an industry that already contributes significantly through a range of other taxes and is, importantly, a key source of employment for Australians.

It is pretty shocking to me and to other members of the opposition that the tourism minister is not actually listed to speak on this bill. He gave a commitment to the tourism industry that the government was not going to increase the passenger movement tax as late as March this year yet he has not deigned to come into this House to explain himself. He is not going to talk on a bill that will clearly have an immediate impact on the industry that he is supposed to support. The tourism industry can draw its own conclusions about the fact that the Minister for Tourism is not prepared to come into the House to address what is a very significant measure within his own portfolio. This is a cause of great concern to the opposition and, quite frankly, leaves its members flabbergasted.

This bill has been thoroughly examined by both houses of the parliament. The House Standing Committee on Economics, which looked into it, was very concerned about the impact the bill will have on the industry. In their submission to that inquiry, the Australian Airports Association wrote that their main request to the government was that it remove the CPI indexation attached to the 17 per cent passenger movement charge increase and that moneys received through the passenger movement charge be directed to funding Customs staff and technology at the primary line. They further said in their submission:

The AAA is most concerned about this indexation due to the impact it will have on Australian tourism. The significant increase to the PMC with indexation attached comes at a time when the industry is incredibly vulnerable.

Airports are at the front line of this Labor government's incompetence. At the same time as the government is increasing the costs associated with people entering and leaving Australia, it is ripping funding away from Customs' ability to process those passengers. As the airports themselves will tell you, this is leading to increasing delays at our major international gateways. They have come to see me about this and they have lobbied the shadow tourism minister extensively about this. They are very concerned about what the government is doing. The government's own KPIs show that the time for processing passengers coming in and out of Australia is increasing, and that is grave cause for concern.

The House Standing Committee on Economics looked into this measure, and the dissenting report by the coalition members explained:

It is evident to the Liberal members of the committee that the Government’s increase of the Passenger Movement Charge (PMC) is patent revenue raising and will effectively be a ‘tax on tourism’. However, for the industry, it could not have been introduced at a worse time. Specifically in relation to the CPI increase, the Liberal members of the committee said:

The indexation of the Charge is patently ill-thought-out and it is further evidence of this being a ‘cash grab’ by the Government. To have the charge increase automatically, serves no other purpose than to generate additional revenue …

Mr John Lee of the Tourism and Transport Forum, who has been quoted extensively in the parliament today, gave evidence to the committee. In his submission he said:

As a minimum, MPs should stop the indexation. There is no other indexation on a tax. In terms of
pure philosophical, hard Keynesian economics, you should reject it on that basis alone.

Liberal members of the committee were particularly concerned that this additional charge would only serve to make other destinations more competitive to visitors considering Australia or, for those who do wish to come—if they do come—to make them spend less on discretionary items or services.

Mr John King from the Australian Tourism Export Council gave evidence to the committee pointing out the additional disadvantages Australian tourism operators face in the form of excessive regulation. Mr King said:

As well as battling a high Australian dollar, our tourism exporters have been hit with an almost endless tsunami of government regulation, red tape, the carbon tax, inflexible and inappropriate labour laws and imposed costs, all of which are increasingly destroying our competitiveness. Australia unfortunately is now one of the most expensive and difficult countries to get to and to travel in.

The Labor government seems intent on ruining a core Australian industry—an industry that employs over 900,000 people, representing almost eight per cent of total Australian employment. And this is shrinking as the industry is choked with Labor's penalising measures.

With the emergence of new and highly competitive destinations overseas, Australia's share of global tourism has fallen. Australians heading overseas now outnumber visitors coming to our shores. Since 2008, Australia has slipped from fourth to 13th place in the World Economic Forum Travel and Tourism Competitiveness Index Rankings. The 2012-13 budget did not help the tourism sector to reverse this trend. I know that my friend, the shadow minister for tourism, will be speaking more about the concerns he has for this industry within his remarks. I want to turn my attention—

Mr Baldwin: Unlike the minister, who is not going to speak.

Mr KEENAN: As the shadow minister has pointed out to me, this is unlike his opposite number, the minister, who has actually refused to come into this House and speak on this debate—something that I think says everything about this government's attitude to this vitally important Australian tourism sector.

At a time when the tourism sector is suffering, our airports are being hit with these new taxes. The Australian Customs and Border Protection service—an agency that has been systematically savaged by Labor—has faced specific budget cuts to the line that they have for processing passengers throughout Australia's international terminals. Customs and Border Protection have been slugged with staff cuts, they have been slugged with budget cuts and Labor has specifically cut the budget for passenger processing. Last year, Labor hit Customs with a $34 million cut to the passenger facilitation program and this year, astonishingly, they cut a further $10.4 million from that program at a time when passenger numbers are expected to increase from approximately 32 billion to 38 billion in just four years.

So passenger numbers are increasing, the government is charging people more to come to Australia and to leave Australia, yet it is cutting the services associated with processing those passengers. I note that as well as the tourism minister, who has refused to speak on this issue, the Minister for Home Affairs will not speak on this measure either. He is responsible for this from a Customs perspective, and he has not addressed these issues when he made his contributions.
The $434 million hit that Customs took has already had the effect of taking 70 staff off the front line for processing passengers at Australia's international airports. A further funding cut will clearly make these waiting times worse. Airports are already short-staffed and we actually need to put more Customs officers in, not fewer. If the government refuses to do that, and if it refuses to reverse the measures that it has taken to take those front-line staff out, then we are going to find a situation where passenger processing times—which are already increasing—are going to continue to get worse.

According to the government's own figures, Customs has a target of processing inbound passengers within 30 minutes when they come to Australia. In the past they have managed to do that for 95 per cent of inbound passengers, but now they have had to adjust that figure down to 92 per cent. A 30-minute processing time is, quite frankly, not that great. If you are moving about airports around the world, you would expect at more efficient airports that you would get through in a better time than 30 minutes. The Australian benchmark, as set by the government, is 30 minutes. It is not a particularly competitive benchmark, compared to our international competitors, yet the government is not even managing to meet that and, of course, according to its own figures it is getting worse. It is getting worse specifically because the government has cut funding and personnel to the agency that is doing this job, and it has done that at a time when it is allegedly taking more money from passengers moving in and out of Australia to provide that service. The Australian Airports Association have highlighted their concerns about government cuts in this area. They wrote a discussion paper in 2011 that highlighted Labor's cuts and they stated that those cuts have led to an increase at our major international gateways of Sydney, Brisbane, Melbourne and Perth for peak-period inbound processing of an extra 24 minutes processing time. So people coming into Australia can expect to wait and have been waiting an extra 24 minutes because of the government's cuts. Since then, those government cuts have become more severe, so those waiting times are going to increase and the extra time that people wait at Australia's major international gateways is likewise going to continue to rise.

Customs, of course, have been hit by more than just these particular budget cuts. They are also cutting 190 staff from Customs in this budget, which will put increased pressure on passenger processing times. Indeed, globally, since Labor has come to office, they have cut 750 staff from the Customs and Border Protection Service, an agency that is clearly being pushed to breaking point by a Labor government that has failed them in so many ways but particularly, of course, in regard to border security.

Customs staff numbers and resources are not increasing in line with the increasing numbers of people coming to Australia. Indeed, as I have outlined, they are decreasing. International passenger numbers coming through our airports increased by almost nine per cent between 2009 and 2010, from 23.6 million to 25.7 million. An estimate by Customs showed that international visitors to Australia will increase by more than 150 per cent and international departures will increase by more than 500 per cent over the next two decades. Yet the government's plan to deal with this is to continue to attack the agency that provides this service.

It is not the only way they are doing so, sadly. In this year's budget there has been another major blow for Australia's national
security agencies, in particular, the aviation sector. Airports have been slugged with a new tax on services provided by the AFP for national security policing at our airports. Labor’s lazy accounting and their requirement to prop up their dodgy surplus have led them to raise $118 million over four years from airports to cover what should be a federal government responsibility. The Australian Airports Association highlighted what they believe is the inequity of this measure when they wrote directly to the Prime Minister and said that airports are a major critical infrastructure where the AFP predominantly play a counterterrorism role.

Security is a national issue and therefore should be paid for by the Commonwealth government. The policy debate about it being inappropriate for entities such as airports to pay for the AFP in a rent-a-cop scenario has already been had. That is why the Labor government agreed to pay for these services in 2010. Airports have found, as so many other sectors in the Australian economy have, that you cannot trust the Labor Party at their word. If they tell you something, there is no guarantee that they will follow through with it and there is no guarantee that it will be delivered. Airports around Australia have found this to their detriment with this $110 million slug to provide policing at our airports.

Labor have also placed additional pressure on airports and Customs through the budget measure of cutting duty free allowances for tobacco from 1 September this year. This will have significant impacts on delays for passenger processing times at the primary line. Labor have not given Customs any extra resources to deal with this change and have not boosted funds for cargo Customs screenings to deal with the expected influx of illegal tobacco that will come through our borders, instead cutting $58.1 million from the cargo screening program, again, at a time when cargo numbers are increasing.

All of these cuts and proposed measures serve only to hinder passenger movement and slug the tourism industry, and make Australia a less attractive destination for international visitors and an inconvenient and expensive experience for Australian passengers passing through our airports. This measure that we are debating today is another deceitful budget measure from a Labor Party that can never be believed at their word. The Minister for Tourism promised the tourism industry that this was not going to happen two months before they brought down their budget. The increase is nothing more than an unjustified tax grab, and it is occurring because Labor have wasted billions of dollars through their failed programs that I outlined at the start of my speech.

The greatest insult, of course, is the fact that they are increasing the passenger movement charge and trying to say that this is just a charge for people coming to and going from Australia. At the same time they are doing it, they are cutting resources to the agencies to process passengers and they are increasing the waiting times for international visitors and Australians travelling internationally. People entering and leaving Australia are going to pay more to wait longer. We do not believe that this is justifiable. As I said at the outset of my comments, we would have loved to have stopped this tax in its entirety. It has no relationship to passenger processing. It is purely about propping up a dodgy surplus.

What we have been successful in doing is convincing the crossbenchers and forcing a government backdown on the automatic indexation that Australian international passengers were going to have to pay on this passenger movement charge. The
government will have you believe that this is their amendment. They will have you believe that suddenly, six weeks after the budget, they had a change of heart and decided that this indexation was unjustifiable.

It was just yesterday that the coalition circulated its amendment to this bill, and the amendment is very simple. It reads very simply, and I have it here. It is a very straightforward amendment. It did the job that we wanted it to do, which was to stop this unjustifiable increase on the tourism industry and to stop this annual tax increase that they can ill afford as they are struggling to cope with the extra imposts that have been put on them by this Labor government. We circulated our amendment at about midday yesterday. Suddenly, later on that afternoon, the government had a change of heart and they circulated their own amendment to their own bill, a bill that implements measures from their own budget brought down just six weeks ago. If you examine both of the amendments, as I am doing now, you will see that they are word-for-word, letter-for-letter, exactly the same. There is not one difference between the opposition's amendment that was circulated early yesterday and the government amendment that was circulated a few hours afterwards.

The government will have you believe that they had some sort of change of heart, but we all know what happened here and we all know it is another great example of why minority government is not working and why this parliament has been judged by the Australian people to be a failed experiment that they are just itching to end. When you cannot bring down a budget and stick to it for six weeks, when you have to amend the measures that you announced just six weeks ago, that is a sign of a government that is failing. It would have been inconceivable at any one— (Time expired)
Fowler Electorate: Australian Chinese Buddhist Society

Mr HAYES (Fowler) (13:46): I rise today to speak about the Australian Chinese Buddhist Society and Mingyue Lay temple in Bonnyrigg, which is within my electorate of Fowler. The Mingyue Lay temple was established 25 years ago and is one of the largest temples in Sydney. The temple is of a classical 12th century Chinese design, and the main shrine houses more than 37 bronzed Buddhas. Thousands of people—such as my good friend Kenrick Cheah and his family, who live in Chatswood—come from all over Sydney to see the temple, participate in celebrations, pray and pay their respects.

It is great to see our young generation participate in the opportunity to learn about each other's religion and culture. I thank the president of the Australian Chinese Buddhist Society, James Chan, who is a very hard worker. He prepares the temple every year to receive tens of thousands of visitors. I pay tribute to his family and his very supportive wife, Jenny Chan, who is a close friend of my wife, Bernadette. I also thank the management committee and volunteers, among them Jensen Tran and Vinh Trang, who have participated in many of the functions I have attended and who are supportive of many different community organisations and charitable fundraisers.

The Mingyue Lay temple serves as a beacon of tolerance, acceptance and inclusion in the very diverse community that I have the honour to represent.

Ryan Electorate: Chapel Hill State School

Mrs PRENTICE (Ryan) (13:48): I rise to acknowledge one of the Ryan electorate's outstanding schools, Chapel Hill State School—students and teachers from which are here today with us in Parliament House—along with its principal, Mr Stewart Jones, and the teachers and parents. Chapel Hill State School plays an important role in our local community. The role it plays is due primarily to the school's wonderful staff, students and families.

I recently attended the farewell assembly for outgoing principal Ross Perry. Ross worked tirelessly in both the school and the broader community. In recognition of his dedicated service, the school named their new building the Ross Perry Resource Centre.

Ross was also integral to Chapel Hill State School being recognised as a school of choice. The students are among Queensland's best and brightest, and they excel in the NAPLAN testing. In fact, in the 2011 tests, 100 per cent of the school's students were at or above the national minimum standard in 12 of the 15 categories.

I take this opportunity to wish Ross Perry well, and I look forward to working with the school's new principal, Mr Stewart Jones, who happens to be the brother of the member for Herbert and who I know will continue to build on Mr Perry's legacy to ensure that the future remains bright for Chapel Hill State School students.

Afghan Youth Cricket Support Organisation

Mr KELVIN THOMSON (Wills) (13:49): I rise to acknowledge in the parliament the importance of the Afghan Youth Cricket Support Organisation and the work of Coburg West Primary School students in trying to attract donations to support this important organisation.

The Afghan Youth Cricket Support Organisation provides an opportunity for young Afghans to pick up a bat or a ball instead of a gun. Coburg West Primary School is trying to get donations so as to ship a container of cricket equipment to Afghanistan with the intention of influencing
Afghan children in a constructive way. Grassroots campaigns such as this offer support for families whose resources are consumed by everyday necessities and who, if the Taliban are present in their area, are in constant fear of their lives.

For women and girls in Afghanistan things can be particularly difficult, as they face discrimination or, worse, are the victims of outrageous crimes such as acid attacks. I applaud the work of the Afghan Institute of Learning. It has been helping Afghans to lift themselves above the devastation of war by providing education, training, health care and health education, and by empowering women with new skills and by promoting women's rights.

I applaud the efforts and unselfishness of the students of Coburg West Primary School in wanting to make a difference to the lives of young Afghans through their support for the Afghan Youth Cricket Support Organisation. It is inspirational, and I am very proud to see young people in my electorate doing their bit to make the world a better place.

**Dawson Electorate: Carbon Pricing**

**Mr CHRISTENSEN** (Dawson) (13:50): Despite the government's claims to the contrary, ratepayers across Australia are going to face increased costs because of the carbon tax. The truth has come out in Mackay, where the council announced yesterday that ratepayers will face a $23.40 increase in their waste management levy because of the council's inclusion by the Clean Energy Regulator in the liabilities for the carbon tax.

The Mackay council is going to have a bill, after it has done its mitigation, of $36.4 million over 40 years. The $23.40 increase will raise the levy for ratepayers to $165.65. Meanwhile, charges to commercial customers will go up, with a gate fee of $20.02 per tonne.

The council has mitigated by installing a gas flaring system at the landfill they have. But this has still not completely removed the cost of the carbon tax, so the mayor has said that she has no option but to frame the budget in such a way as to raise the levy because the council is collecting it on behalf of this federal government. The council has no choice in the matter. This is absolutely disgraceful. It proves a lie to the government's statement that there will be no cost on ratepayers. I congratulate the council on their efforts to mitigate and condemn the government on this cost to ratepayers.

**Assistance Dogs**

**Ms BURKE** (Chisholm—Deputy Speaker) (13:52): Today I want to put on the record the deep feelings of loss on behalf on my constituent, Alexis Smith. Alexis has lost her dog Toomba. We might scoff at this and say it is a family pet but, for Alexis, Toomba was her life. It was her independence, it was her ability to get around, it was her ability to come to my office and volunteer, it was her ability to attend university. Toomba was the saving light. As she writes to me:

I need another mate, my heart is empty. I am going to struggle to study for my exams next week. I cry often and feel lost. Margaret— who is Alexis's sister— and I are deeply and truly upset. Toomba is too young! We only got to be soul mates for about 4 years.

Why is Toomba so special? Toomba was an assistance disabled dog. Alexis has a severe disability and is in a massively heavy wheelchair. She often complains that in medical terms she should not still be with us and has defied logic and is still alive this day at 46. For her to get around and to be able, she had this amazing dog. I struggle to call Toomba a dog because we often referred to
him as a person in our office. Toomba was just there as Alexis says as her soul mate. Toomba picked up things, Toomba protected her, Toomba answered the phone, Toomba opened the door. Toomba could even turn on the computer in my office. This was an amazing dog and we are all sad that she has gone but we want to pay thanks to the Assistance Dogs of Australia who provided this amazing creature that made the life of Alexis that much better.

**Darwin RAAF Housing**

**Mrs GRIGGS** (Solomon) (13:54): Today Gerry Wood, Northern Territory Legislative Assembly independent member for Nelson said:

… both the Commonwealth Government and the NT Government should be ashamed of themselves when it comes to doing something about helping people get a roof over their head … the bulldozing of houses at Eaton owned by the Commonwealth Government, a Labor Government, whilst many people struggle to get enough money to buy land and house or rent, is disgraceful.

I could not agree more. In this very place in June 2011, this parliament unanimously agreed with me that the Darwin RAAF base houses known as Eaton should be made available to Territorians. I along with many Territorians agree with the other statement of Gerry Wood that the Gillard and Henderson Labor governments:

… seem to be about putting obstacles regulations in the way when it comes to finding solutions to reuse these houses, so that an affordable option to be given to those in need.

It is an absolute outrage and disgrace that these houses are being knocked over in the middle of a housing crisis. This government is out of touch and cannot be trusted. It should be building houses not knocking them down. Shame on you Minister Snowdon and shame on you Chief Minister Henderson. Territorians deserve better.

**Information Technology**

**Mr BANDT** (Melbourne) (13:55): In February this year I met with Jenny Anderson, the CEO of an information and communications technology business in my electorate of Melbourne. Jenny explained to me some of the challenges that the Australian ICT sector is facing. One of those challenges has been the recent decision of Austrade to restructure resources towards emerging markets. As the Greens spokesperson on science and research as well as industry and innovation, I am concerned that Australia’s cutting-edge businesses in sectors such as ICT and biotechnology may be at risk as a result of those decisions. Examples of changes that will create difficulty for businesses like Jenny’s are the elimination of information and communications technology in Austrade and the refocusing of representation to developing markets.

The honourable Craig Emerson, the Minister for Trade and Competitiveness, has advised that Austrade has placed greater emphasis on emerging markets because of the value a badge confers on governments with less open regulatory processes. I suspect this change in emphasis probably relates to mining exports and has been made at the expense of the intellectual potential of our ICT industry. The government should be supporting innovative business in Australia with a view to long-term prosperity. I am proud of the progressive industry in my electorate. I will continue to work with these businesses to identify how we can support their development.

**Lavis, Mr David**

**Mr MORRISON** (Cook) (13:56): I rise to pay tribute to rural fire service captain David Lavis. David was a well-known face and friend to many in the Sutherland shire rural fire service. More than that, he was a...
genuine local hero. He served as a proud member of the rural fire service for 30 years and as captain of the Kurnell brigade for 17 years. Sadly, he passed away this month at the age of 62 after a long battle with cancer. The rural fire service do a stellar job protecting lives and communities. It is a gruelling job but nevertheless David's daughter, Rebecca, said, 'His biggest love was the fire brigade.' He was involved in responding to all major incidents and bushfires in the shire but it was not just a summer job.

Rural fire service volunteers work right throughout the year, from hazard reduction in the cooler months to rescue efforts assisting the SES and on rare occasions attending to incidents at the Kurnell refinery. Our local community gathered this morning at the South Chapel in Woronora to farewell David. His RFS colleagues donned their yellow gear to provide a guard of honour. Our thoughts are with his wife, Carolyn, his family, Matthew and Jennifer, Rebecca and David, Rachael and Paul and his eight grandchildren. David was a generous man who gave much to his family, his community and to our shire. At Kurnell the new headquarters and new station for the rural fire service will be an everlasting tribute to his great service and memory.

**World Refugee Day**

Ms PARKE (Fremantle) (13:58): I note that today is World Refugee Day, a day on which we recognise and raise awareness of the more than 15.2 million registered refugees and the 26.4 million people around the world who have been displaced from their homes due to violence, persecution, famine, drought and global warming. Australia's share of the world's refugee crisis, capped at 13,750 places per year, is a very small one. I hope that we will do more.

This year the theme for International Refugee Week is restoring hope by significantly increasing our refugee intake, both from among those desperate people waiting in camps in Africa and elsewhere for resettlement, and those people barely existing in Indonesia and Malaysia. We could restore some hope and lessen the incentives for people to undertake dangerous boat journeys across our oceans. This would also be welcomed by our neighbours who bear the brunt of the refugee influx and who are far less resourced to cope than we are. The evidence shows that, for those who arrive in Australia by whatever means seeking asylum, measures like detention do not reduce demand. They merely increase mental illness among people already traumatised, most of whom will ultimately become Australian citizens.

I welcome the majority findings of the recent select committee report into immigration detention chaired by the member for Banks and trust that its recommendations, including with regard to establishing an independent review process for refugees with negative ASIO security assessments and alternatives to indefinite detention, are being seriously considered and will be implemented as soon as possible.

**Italian Community**

Ms GAMBARO (Brisbane) (13:59): The Italian community is an important part of the Australian story. The contribution Italian migrants have made through their work ethic, family life, culture, food and music have added colour and vibrancy to the Australian way of life. Many of those early migrants are now aged and in the caring hands of a welfare organisation, Co.As.It. For 25 years Co.As.It has been providing community care services for the Italian aged community and aged-care facilities in Australia. Since 2005 Queensland Co.As.It
has been successfully providing training for staff at Italian nursing homes, community health centres and hospitals in Brisbane.

The DEPUTY SPEAKER (Ms AE Burke): Order! In accordance with standing order 43, the time for members’ statements has concluded.

QUESTIONS WITHOUT NOTICE
Carbon Pricing

Mr ABBOTT (Warringah—Leader of the Opposition) (14:00): My question is to the Acting Prime Minister. I remind him of this month's report on electricity price increases, released by the ACT Labor government's independent regulator, which states, 'The majority of the increase in electricity prices is attributable to the introduction of a price on carbon. It represents just under 80 per cent of the absolute change.' How does the Acting Prime Minister reconcile that with his statement to the House that 'the great bulk of increases in electricity prices have nothing to do with a carbon price'?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:00): The opposition leader is continuing with his campaign of deception and deliberately spreading misinformation around our community. As I explained to the House yesterday, nationally the carbon price is only expected to make up nine per cent of an average household bill in 2012-13. Those are the facts and, as I pointed out to the House yesterday, over the last five years electricity prices in New South Wales have increased by 80 per cent. We had this extraordinary statement from the shadow Treasurer yesterday about the alleged impact of a carbon price. This is what he said: 'Electricity prices in Sydney have risen 66 per cent since federal Labor came to power.' That is just a straight lie and it is just so typical of the misinformation being put around by those opposite. We on this side of the House—

Mr Pyne: Madam Deputy Speaker, I rise on a point of order. I would ask the Acting Prime Minister to table the document from which he is reading.

Mr SWAN: I withdraw, Madam Deputy Speaker. But I ask this question: how can the power price rises that Sydneysiders have—

Mr Dutton interjecting—

The DEPUTY SPEAKER (Ms AE Burke): Order! The member for Dickson is warned.

Mr SWAN: How can the price rises for electricity, of 80 per cent, that have been in place for over five years in New South Wales be the responsibility of a carbon price? How could that be? It is not the case. We have explained the impact of a carbon price overall—less than 1c in the dollar; 0.7 per cent. But of course there will be an impact on the overall price level, small as it is. That is the reason we are putting in place assistance to families and assistance to industry. That is what we have been doing. So we stand by all of the modelling that we have put out, including when it comes to electricity prices. We understand that there is a price impact and that is why households are getting assistance. The average household assistance is over $10 per household. The average electricity price increase is just over $3. That is a fact. There is nothing that those on that side of the House can do when they come in here to deny those essential facts.

The Leader of the Opposition will say anything, do anything and wreck anything for political power. He is constantly talking down our economy, he is constantly misrepresenting the impact of a carbon price and it just shows how unqualified he is for high office.
Mr ABBOTT (Warringah—Leader of the Opposition) (14:03): My supplementary question is to the Acting Prime Minister. Does the Acting Prime Minister deny that the carbon tax is almost 80 per cent of the power price increase in the ACT?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:04): The facts are as I have just outlined them. These are the facts. The fact is that the carbon price is expected to contribute up to nine per cent of the average household bill in 2012-13.

Economy

Ms O’NEILL (Robertson) (14:04): My question is to the Acting Prime Minister. Will the Acting Prime Minister update the House on the outcome of the G20 Leaders Summit? What does this say about the importance of keeping our economy strong?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:04): I thank the member for Robertson for her very important question. The G20 Leaders Summit in Los Cabos is a very important meeting, particularly given the volatility in the global economy and the situation in Europe. In Los Cabos the G20 did resolve to put in place work which will support recovery in the global economy and also to progress a solution to the problems in Europe. Importantly, it is united in its resolve to support growth and jobs. Growth and jobs are what this government has always been about. The G20 agreed to the Los Cabos Growth and Jobs Action Plan, which recognises that you can support growth and jobs and maintain fiscal discipline at the same time.

The G20 also moved to limit the continual fallout of the problems in Europe. Of course, European leaders resolved and committed to take all necessary steps to safeguard the integrity and stability of the euro area. The G20 did welcome those commitments. What we must do is limit the impact of the contagion to the rest of the world from the troubles in Europe. These are all positive steps. The fact is that Greece and Europe still confront very substantial economic challenges and they will not be resolved overnight. We will need to see further action by European leaders over the months and years ahead. Australia is not immune from these global developments, but we certainly face this global turbulence from a position of strength.

One reason we have this position of strength is that at the height of the global financial crisis and the global recession we acted to protect jobs and growth. As a consequence of that our economy, almost uniquely amongst the developed economies, avoided a recession. We have not suffered here the impact of high and prolonged unemployment and all of the capital destruction that we have seen across other developed economies. The result is that we have the best combination of impressive growth, low unemployment, record investment, contained inflation, low interest rates and strong public finances. The result is that our economy is 10 per cent bigger than it was prior to the global financial crisis, where many other developed economies are still smaller—not even getting back to that most basic starting point.

This is a record that everybody on this side of the House is proud of: 800,000 jobs in the period that we have been in office, and interest rates coming down—someone with a $300,000 mortgage is now paying $4,000 a year less than they were when the Leader of the Opposition was last in government. We are proud of that record. We think it is something that should be celebrated in this country and not talked down by those opposite.
Carbon Pricing

Mr HOCKEY (North Sydney) (14:07): My question is to the Acting Prime Minister and Treasurer. Why has the government set its carbon tax at $23 a tonne when analysts at Thomson Reuters yesterday slashed their forecast for international permits until 2020 by 59 per cent to a mere $4.30 a tonne?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:08): The information I have, which may be somewhat different from what the shadow Treasurer has quoted, says that analysts believe the price for European permits may increase by $8 in 2013 and rise to around $22 to $23 by 2015 if the EU legislates current policy proposals. So he has been caught again misrepresenting the facts.

As I have said in this House on a number of occasions, the Europeans are reconsidering their approach to their emissions trading scheme. They are looking at making changes. What that means is that we could well see a rise in carbon price in the European Union. But this goes to the very heart of the deception that those opposite continue to put forward in this House. There is no figure they will not bend. There is no policy impact they will not exaggerate in their attempt to deny the science of climate change and to go on and deny that the price impact of the carbon price in this country is 0.7 per cent—less than 1c in the dollar.

So, once again, the shadow Treasurer has been caught out with his figures. The Thomson report does not necessarily prove the point that he was making. What we say is that we have the right balance between market incentives and giving business certainty. And what we saw from the IMF yesterday was another endorsement of our scheme.

Family Payments

Ms LIVERMORE (Capricornia) (14:09): My question is to the Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform. Will the minister outline to the House how the government is helping Australian families as we work to build a strong economy? How is this supporting families in my electorate of Capricornia, and how can we continue to make sure families are not forgotten?

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (14:10): I thank the member for Capricornia for her question because, from today, 1.3 million Australian families will get some extra help with the costs of sending their children to school, extra help that families need when they have to pay out for those new uniforms, shoes, schoolbooks, computers, school excursions—all of us know the list goes on and on. And, from next year, families will get the help when they need it: at the start of term 1 and the start of term 3.

This is going to include families like the family we visited this morning. The Acting Prime Minister and the member for Canberra and I went to Hughes Primary School and met with a family—Elizabeth and Anthony and their children Liam and Lauren. This family will receive $818 straight into their bank account this fortnight to help them with the costs of their children's education. We, of course, are sure—

Opposition members interjecting—

Ms MACKLIN: We have comments from those opposite about paying it back. Well, one thing is for sure: you are going to take it back off them.

Opposition members interjecting—
The DEPUTY SPEAKER (Ms AE Burke): Order!

Ms MACKLIN: We know that those opposite will take it off them if they get the chance.

Opposition members interjecting—

The DEPUTY SPEAKER: Order!

Ms MACKLIN: That is exactly what will happen—each and every one of you want to take this money off them. What we know is that this Leader of the Opposition talked about families having confidence in him—saying that, when it came to judging him, they could judge him on his record. He talked about the forgotten Australians, the forgotten families. Well, we know who forgot them! Each and every one of you forgot about Australian families when you voted no to the schoolkids bonus. And of course the member for Sturt has let the cat out of the bag today and made it absolutely plain that if you ever get the chance you will rip this money off families—claw it back; take the money out of the pockets of families—because it is only this side of the parliament that wants to help families. You just want to rip the money off them.

Mr Forrest: Madam Deputy Speaker, I rise on a point of order. In regard to standing order 65, can I plead with you to urge people in this place to address their remarks through the chair. It is there for a special purpose: it is less confronting. It is a matter I have addressed to previous speakers. I am hoping you will attend to the matter.

The DEPUTY SPEAKER: I appreciate the member for Mallee's assistance. The use of the word 'you' is inappropriate because it means I am doing it, and I am sure I am not. It is inappropriate. But the volume of noise in the chamber is also making it very difficult, and I would ask everyone to observe the standing order in respect of noise.

Carbon Pricing

Mr JOHN COBB (Calare) (14:13): My question is to the Acting Prime Minister. I refer to the statement in a report by Growcom, one of Australia's largest representatives of vegetable growers, that farmers will be hit with immediate cost increases of between $5,500 and $45,000 a year because of the world's biggest carbon tax. Does he expect farmers to absorb the massive increase in their costs, or to pass it on to consumers through higher prices for their groceries, and, if so, how?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:13): I do not necessarily accept the validity of those figures at all. Just as we have had, day in and day out in the parliament, we will continue to have gross exaggerations made by those opposite. The fact is that the Leader of the Opposition has gone around this country claiming that the price rises will be unimaginable. He has said we will see the end of Whyalla. He has said we will see the destruction of whole industries.

Mr Pyne: Madam Deputy Speaker, I rise on a point of order on direct relevance: the Acting Prime Minister was asked about Growcom's figures for vegetable growers in Australia; he was not asked about any other matter. He has to address himself to that question.

The DEPUTY SPEAKER (Ms AE Burke): The Acting Prime Minister has just begun his answer, and I call him to the question.

Mr SWAN: As I have said repeatedly in this House, the impact on the overall price level is 0.7 percent, or less than 1c in the dollar. But it is true that it will have an impact on some costs and it will be more in some sectors than in others. That is why the government has put in place a Household Assistance Package as well as an assistance
package for industry. We have done that because of those costs. But for those opposite to come into this House and exaggerate those price impacts day in, day out is simply reckless and irresponsible. What they are determined to do is talk down our economy and the hard work of millions of workers and tens of thousands of small businesses in our country.

The Leader of the Opposition is now running away from some of his more outrageous statements about the impact. We have heard about how we are going to have not a cobra strike but a python squeeze. But, of course, we all know that the Leader of the Opposition is simply a snake oil salesman slithering around this country making all sorts of poisonous accusations.

Mr John Cobb: Madam Deputy Speaker, on a point of order: the Deputy Prime Minister is defying your ruling. This is about the costs to farmers.

The DEPUTY SPEAKER: The member for Calare will resume his seat. Points of order are not an opportunity to reintroduce debate. The Acting Prime Minister has the call.

Mr SWAN: I will conclude by making this point. We are providing $15 billion of household assistance over four years. That is $15 billion in the pockets of customers walking through the doors of Australian businesses.

QUESTIONS WITHOUT NOTICE

National Rural Health Students Network

Mr WINDSOR (New England) (14:17): My question is to the Minister for Health. The minister would be aware that the National Rural Health Students Network are in the parliament today. Could the minister explain how the government is ensuring that regional students who wish to study nursing, medicine and allied health can do so in regional Australia, thus training local people to meet the needs of local communities? Will the minister also consider using the Higher Education Contribution Scheme rebate as an incentive for graduates to locate in regional Australia?

Ms PLIBERSEK (Sydney—Minister for Health) (14:17): I thank the member for New England for his question. I have very much enjoyed my visits to his home town and I have been able to witness his strong commitment to his local community. My office met today with the National Rural Health Students Network—and they are in the gallery today as my guests, if they want to give us a wave. I am terrifically pleased that we have students of such high calibre who will be the doctors and allied health professionals of tomorrow.

We know that people who come from, or study in, rural and regional communities end up working in and staying in those communities. James Ross, from Orange, is here. He is studying medicine in Geelong. He grew up in a regional town and he understands the particular needs of a regional town. Ben Croft, from Tamworth, is here. He is studying pharmacy in Armidale and, no doubt, he will one day be filling scripts for the member for New England. And also here is Simon Reid, from Wollongong, who is studying medicine in Sydney and wants to return to coastal New South Wales when he
graduates. James, Ben and Simon grew up in regional Australia and want to study there. We know they will be returning to those country towns in the future and serving the needs of those towns.

It is also great that, as well as coming down here to lobby, they have been taking time out to talk to more than 300 high school students to encourage them to think about a career in rural and regional medicine. We have a very proud record of support for rural and regional students in Australia. We fund 17 rural clinical schools. We fund the John Flynn Placement Program to support 300 students each year to undertake training in medicine, nursing and allied health, encouraging the recruitment and retention of health professionals in rural areas. This year we are offering 241 clinical placement scholarships for allied health students undertaking a placement in rural or remote locations. We are investing in medical, nursing and allied health student accommodation through the Health and Hospital Fund, with $2.6 million in Ballarat and $5.2 million in Alice Springs. As the member for New England indicated in his question, we also have a HECS reimbursement scheme for medical students. We spent $7 million on the scheme last year, with 530 participants working in rural communities. Of course, I am happy for my colleague the Minister for Higher Education to look at whether that scheme should be extended to allied health professionals also.

Carbon Pricing

Mr PERRETT (Moreton) (14:20): My question is to the Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency. What are the drivers of electricity prices and how does the carbon price rate amongst them? What is the government's approach to helping families deal with this and how does this differ from other approaches?

Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (14:20): I thank the member for Moreton for the question. When the government announced the carbon price package last year, we were upfront about the modest impact of the carbon price on electricity prices—$3.30 a week for the average household, an average increase of up to 10 per cent. We were upfront about it. It is a modest impost compared with the massive increases in electricity prices around Australia in recent years. They are increases that have nothing to do with carbon pricing; they are mainly driven by investments in poles and wires. They are increases from which the state governments are reaping dividends. These are the figures. In New South Wales in the last three years, power has gone up by 55 per cent; in Victoria, 37 per cent; in Queensland, 39 per cent; in South Australia, 43 per cent; and in Western Australia, under the Barnett government, a whopping 57 per cent, or $552 a household. As prices have skyrocketed in New South Wales, the O'Farrell government has been happily accepting hundreds of millions of dollars from households when they pay their electricity bills. Last year the O'Farrell government took in $640 million in dividends, and it is forecasting over a billion dollars in dividends paid by householders through their electricity bills for next year.

All of that has happened without as much as a bo-peep from the Leader of the Opposition. All that has gone on, with not a word from the Leader of the Opposition—a 55 per cent increase in power bills in his home state of New South Wales and a billion dollars taken in dividends next year. That is all fine, not worth a word. But a much smaller increase which is offset by an
average of $10.10 a week in cash assistance to households that comes from carbon pricing is unimaginable! It is beyond human conception, that increase of 10 per cent! It is the wrecking ball! It is the death of industries! It is the cobra strike! It is the python squeeze! It is the end of the world—a 10 per cent increase, $3.30 a household, matched by $10.10 a week in assistance. But a 55 per cent increase in New South Wales and billions ripped off New South Wales households by the O'Farrell government is just like cuddling a teddy bear! That is nothing! That is not worth a word from the Leader of the Opposition, who has nothing to say about the rest of the price rises around this country. This is the only government that is helping people with rising electricity prices. From today the schoolkids bonus starts being paid, and it makes a difference. (Time expired)

Mr PERRETT (Moreton) (14:24): Madam Deputy Speaker, I ask a supplementary question. You mentioned rising electricity prices, Minister Combet. How is the government assisting the people of my electorate with the modest impact of the carbon price on electricity prices?

Opposition members interjecting—

The DEPUTY SPEAKER (Ms AE Burke): Order! The Minister for Climate and Energy Efficiency has the call and will be heard in silence.

Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (14:24): I thank the member for Moreton for the supplementary question. As I said earlier, when the government announced the carbon price package last year we were upfront about the modest impact of the carbon price—a $3.30 a week impact for the average household, matched by $10.10 a week on average in cash assistance for households. In the electorate of Moreton, what that translates into is that 55,000 taxpayers will receive a tax cut. The tax cuts start from 1 July, and 55,000 taxpayers receive a tax cut. Out of those, 45,000 will receive a tax cut of at least $300 a year. More than 17,200 pensioners and 1,900 self-funded retirees in Moreton will receive an extra $338 a year if they are single and an extra $510 a year for couples combined. On top of that, more than 2,700 students will get up to an extra $177 a year. In addition, in the budget, of course, a supplementary allowance was provided for to assist young people, the unemployed and many others with utilities bills, and from today, as I remarked earlier, the schoolkids bonus of $410 for a primary student and $820 for a high school student starts being rolled out. (Time expired)

Carbon Pricing

Mrs PRENTICE (Ryan) (14:26): My question is to the Acting Prime Minister. I refer the Acting Prime Minister to Brisbane City Council's statement that the world's biggest carbon tax will add 1.9 per cent to every resident's rates, or more than double the figure he told the House yesterday that councils should need to raise their rates by. How does the Acting Prime Minister reconcile that with this letter from the Parliamentary Secretary for Industry and Innovation to Brisbane councillors claiming that they were exaggerating the impact of the carbon tax?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:26): I think there is a very clear explanation for this, because this is just another cash grab by the Liberal Party in Brisbane. That is what it is, and I think the Brisbane City Council are going to have a lot of trouble demonstrating the claims that they are making. For example, $11 million is claimed to cover a
rise in inflation of 0.7 per cent, but that is based on the average price increase for households, and councils will be subjected to smaller price increases—and the list goes on.

The fact is that those opposite are going to come into this House every day and exaggerate the impact of the carbon price because they do not have any policies in particular; they just have this reckless negativity of the Leader of the Opposition. But, of course, as we get closer to 1 July he starts to run away from his previous positions. First of all the price rises were going to be absolutely through the roof. Then Whyalla was going to be destroyed. Then whole industries were going to go down the gurgler. They are clearly not, because what we have here is not a Leader of the Opposition; we have a snake oil salesman who is slithering around the country peddling his falsehoods because he does not have any policies and he is trying to cover up the fact that he wants to rip out the tax cuts that are coming in on 1 July and to get rid of the tripling of the tax-free threshold. He has also said—

Mrs Prentice: Madam Deputy Speaker, I rise on a point of order on relevance. While snake oil salesmen are relevant to the Acting Prime Minister, they are not relevant to—

The DEPUTY SPEAKER (Ms AE Burke): The member for Ryan will resume her seat. If she had stopped at 'directly relevant', she would have been appropriate. The Acting Prime Minister has the call and will return to the question before the chair.

Mr SWAN: The fact is that what we have here is a political strategy. They do not care what damage they cause to confidence or to the views of Australians about the importance of dealing with dangerous climate change. They will say anything and do anything to justify their political position, which is rapidly declining, because as we get to 1 July he is going to be running away from all of the extreme claims that he has made. He will be simply a hollow man in a cul-de-sac without any policies at all, because then he is going to have to explain to the Australian people what he is going to do about a tripling of the tax-free threshold and what he is going to do about the increase in the family payments. He has already indicated today that he is going to knock off the schoolkids bonus. We had that also—

The DEPUTY SPEAKER: The Acting Prime Minister will resume his seat. The member for Mackellar on a point of order other than relevance.

Mrs Bronwyn Bishop: Madam Deputy Speaker, I rise on a point of order. I wanted to point out that to maintain the link is for direct relevance and there is no maintenance through his answer. I would refer you to page 553 of the Practice.

The DEPUTY SPEAKER: I thank the member for Mackellar. The Acting Prime Minister has the call and will return to the question.

Mr SWAN: On this side of the House we have put in place a long-term economic reform which will enable our economy to prosper in the 21st century, which will drive investment in energy efficiency and in renewable energy. Prosperous economies in the 21st century will be those that are energy efficient and are more driven by renewable energy. That is our motivation for our long-term prosperity. The motivation of those opposite is simply politics, not national interest but political self-interest.

Carbon Pricing

Mr GEORGANAS (Hindmarsh) (14:30): My question is to the Minister for Infrastructure and Transport. What will be the impact of the carbon price on transport infrastructure in regional communities such as Whyalla in my state, especially in
aviation? How does this compare with some of the impacts that have been forecast?

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (14:30): I thank the member for Hindmarsh for his question and for his honesty when it comes to the reality of dealing with climate change and meeting the challenge of putting a price on carbon. We saw just a couple of weeks ago the Leader of the Opposition once again talking down a business in the regional aviation industry, preaching doom and gloom and disaster when it came to the impact of the carbon price. He has got some form on this.

I am asked specifically about Whyalla. On 27 April last year the Leader of the Opposition said: Whyalla will be wiped off the map … He went on to say: … Whyalla risks becoming a ghost town, an economic wasteland if this carbon tax goes ahead. It was like a scene from Mad Max. Special Minister of State, Gary Gray, will be over in Whyalla. He is a Whyalla local. He will be going to visit his mum on 30 June to check that everything is still okay when 1 July comes through.

For a place to become a ghost town, people have to leave it. One of the ways you leave a town is on a plane. So, as transport minister, I thought I would check on what has been going on in Whyalla. I found an article in the Whyalla News dated 4 June. The mayor of Whyalla Jim Pollock said, ‘We are processing something like 75,000 passengers a year.’ So I asked my department how do the numbers compare? And I found out there were 68,000 in 2011 and 64,000 in 2010. The year before there were 62,000. It is growing!

The opposition might say that is all the people leaving town, but I checked. As many people are going into Whyalla as are leaving Whyalla. I checked also on what the local region was saying about Whyalla airport. They are making representations to the minister for regional development to expand the airport. They want a new terminal. They want to fix the runway. There they are out in Whyalla promoting the growth of a town that the Leader of the Opposition said would be wiped off the map. But now we see he is running from his over-the-top comments faster than he ran from the parliament. He could not get out of the parliament. He was beaten by the gazelle over there.

Mr Pyne: Madam Deputy Speaker, I rise on a point of order. How can the minister be relevant to the question without mentioning that Wayne Hanson from the Australian Workers Union said Whyalla would be a ghost town.

The DEPUTY SPEAKER (Ms AE Burke): The Manager of Opposition Business will resume his seat. The Minister for Infrastructure and Transport has the call and will return to the question.

Mr ALBANESE: He is quick, but the Leader of the Opposition will have to run a bit faster from his comments because he says businesses will be shut down, he says towns will be shut down but on 1 July we will see the reality.

DISTINGUISHED VISITORS

The DEPUTY SPEAKER (Ms AE Burke) (14:34): I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from France. On behalf of the House I extend a very warm welcome to our visitors. We also have present in the gallery this afternoon members of a parliamentary delegation from the United Kingdom. On behalf of the House I extend to them also a very warm welcome. On the floor with us this afternoon we have members of a parliamentary delegation from Thailand. On behalf of the House I also
extend to them a very warm welcome. With these many international visitors’ eyes upon us we could all adhere to the standing orders.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Carbon Pricing

Ms O’DWYER (Higgins) (14:35): My question is to the Acting Prime Minister. Is the Acting Prime Minister aware that the Master Builders Association has declared today that the carbon tax will reduce output in just this industry by $24 billion between now and 2020? How can the government continue to claim that the carbon tax will have little or no impact when it will add more than $5,000 to the cost of the average home?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:35): I do not think we should be surprised that there is a lot of dodgy modelling around. There are a lot of untrue claims being made and we have heard a lot of them in the House today. But the truth will be there from 1 July onwards and then we will be dealing with the reality of a carbon price: what impacts it will have on the overall price level and how it will flow through our economy. We had a very good endorsement yesterday of the carbon price from the IMF, which goes through endorsements we have had and work that has been done by groups as diverse as the Productivity Commission, the OECD and many other international agencies. The fact is our economy will continue to grow, and grow strongly. Our economy will continue to generate jobs and it will continue to generate prosperity. But, in the interim, those opposite are hell-bent on the scare campaign we are witnessing today and it is not surprising to anyone on this side of the House that they are joined in that by some sections of industry, but it does not make it right. The fact is that our economy will grow strongly, wealth will be created and we will be a better country because we will be more energy efficient and more powered by renewable energy. That is a good thing for all Australians. But we have seen all sorts of exaggerations over the past couple of days. This is what the shadow Treasurer had to say yesterday:

… electricity prices in Sydney have risen 66% since Federal Labor came to power. This increase because of the carbon tax just adds further to cost of living pressures …

I rest my case.

Workplace Safety

Ms S AffIN (Page) (14:38): My question is to the Minister for Employment and Workplace Relations and Minister for Financial Services and Superannuation. Minister, what are the government’s policies for supporting workers who are injured at work? Are there any obstacles to this support and why is it important that we have proper scrutiny and questioning about policies to support workers?

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (14:38): I would like to thank the member for her question. She has always taken an interest in people in life who are doing it hard. I think it is important that this House notes that if you are unlucky enough to be injured at work in Australia you had better hope there is a Labor administration in charge of your safety laws and your compensation. Let me use, for example, the case of John.

John works in the Territory at a remote mine site. In November 2009 he was injured in a motor vehicle rollover. He fractured his C2 disc, dislocated C6-C7 in his vertebrae, was airlifted to Darwin, then to Adelaide for immediate surgery. He received rehab after surgery, returned to Darwin and, thankfully,
has returned to full-time work with the rehabilitation and support he has received under Comcare. He has received incapacity payments, medical and specialist treatment, surgery, medication, travel by air ambulance, aids and appliances, rehab assistance and physiotherapy. He continues to receive this under a federal Labor government.

He can receive incapacity payments if, despite his best efforts to return to work, he remains unable to return to work in the future due to his injury. He can apply for and, indeed, receive permanent impairment payment. If you have to have an injury, which is bad, at least have it under a Labor government. But there is an obstacle—

**Opposition members:** This is pathetic.

**Mr SHORTEN:** and if people from the opposition call out 'pathetic', wait till they hear what their New South Wales Liberals are doing. Let us take the real-world case—

**Opposition members interjecting—**

**Mr SHORTEN:** We don't need to exaggerate. We don't need to make up tall tales. We just tell the truth here.

**Opposition members interjecting—**

The **DEPUTY SPEAKER (Ms AE Burke):** Order! The minister will resume his seat. The minister has the call and will be heard in silence.

**Mr SHORTEN:** Ashley is a nurse. She injured her back in 1998 moving a patient. She tried to go back to work and in 2004, again at work, exacerbated the back injury. She has struggled with chronic pain for the last 14 years. Without the support she received under the old workers comp system in New South Wales she would have had to retire, she would have been on the DSP, and people would have given up on her. Unfortunately, now she lives in New South Wales with a Liberal government. Where she is injured, unless she passes the 20 per cent whole person impairment test—which is unlikely—that is it in 12 months time: no medical help and put on the scrapheap. What this means for the 600,000 Australians who get injured is: you cannot trust the New South Wales Liberals to look after you if you get injured at work.

Look at those people opposite—they think it does not happen. Six hundred thousand people get injured, and you cannot trust the Liberals if you are injured at work in New South Wales. What is more, you cannot trust the federal Liberals because they will not rule out doing the same thing nationally. They do not have an IR policy or a workers comp policy and we do not trust them to look after workers. *(Time expired)*

**Ms SAFFIN (Page) (14:42):** Madam Deputy Speaker, I have a supplementary question. Minister, in light of your answer, can you explain the difference between the Commonwealth and the New South Wales government policies on helping injured workers, with particular reference to someone like Sydney father Tom Rigby, who was injured at the Kurnell desalination plant four years ago and whose case is reported in today's **Daily Telegraph**?

**Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (14:42):** I thank the member for Page for her question and I am grateful for the coverage in the **Daily Telegraph** today about what happens when you have a New South Wales government stripped of compensation.

The case which the member for Page refers to, which is also detailed in the **Daily Telegraph**, is about a fellow working at a desalination plant four years ago at Kurnell. I will tell you what happened to him. He lost half a foot, muscles from his thigh and half his abdomen. He doubts he will get a job
again in the same industry. His medical costs pile up. He is watching his kids grow up but, because of his injuries incurred at work through no fault of his own, he cannot share the same experiences in parenting as someone who has not been put in this situation.

It is bad enough that you get injured at work, but even worse that you get injured again when Liberals get into power. If this person does not reach the 30 per cent threshold, if he were ever to return to work he would get medical payments for one year—as if your foot grows back when you get injured; as if your abdomen grows back. In Liberal land, where the workers come second, after 12 months you get it in the neck.

Opposition members interjecting—

Mr SHORTEN: You do not like it when you hear the truth. Hang your heads in shame. This bloke is not injured through any fault of his own and he deserves a better go in life. The Liberals when they are in power cannot be trusted in New South Wales, and you cannot be trusted nationally. Put up your policies and show— (Time expired)

Mr Hunt interjecting—

The DEPUTY SPEAKER (Ms AE Burke): Order! Before I call the Assistant Treasurer, he will be heard in silence. The individuals who think their little tricks, as he walks up to the microphone, are cute should be aware they are wearing thin and that you are all out next time. The Assistant Treasurer has the call.

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (14:45): Thank you very much, Madam Deputy Speaker. Well, can you believe it!

Opposition members interjecting—

The DEPUTY SPEAKER (Ms AE Burke): Order, the member for Cowan! I cannot believe the disrespect that the opposition is showing to the chamber at this time. It was their question asked and the Assistant Treasurer has not even been able to get his words out. I believe that the public, who all too often watch this place, will be fairly appalled by the behaviour.

Mr BRADBURY: Can you believe that the Liberals would come into this place and talk about the truth of pamphlets being distributed in the Lindsay electorate? Can you believe it?

Honourable members interjecting—

Mr Hawke: I rise on a point of order, Madam Deputy Speaker, on relevance. I did not ask about the believability of his pamphlet.

The DEPUTY SPEAKER: Order! There is no point of order. The Assistant Treasurer

Economy

Mr HAWKE (Mitchell) (14:44): My question is to the Assistant Treasurer. I refer the Assistant Treasurer to this newsletter distributed in his electorate under his name that states:

We have delivered a surplus, on time, as promised.

In which year has the government delivered a surplus, and how much was that surplus?

Opposition members interjecting—
has the call and so far has not been able to actually get to his answer.

Mr BRADBURY: Thank you, Madam Deputy Speaker. I am pleased to be able to respond to the question in relation to this government's strong economic record. We are returning the budget to surplus and we will be delivering a surplus of $1.5 billion—that is what we forecast—and it will be a surplus that will increase over time across the forward estimates. That is because we are determined to manage this economy in the interests of working Australians.

It is always good to receive a question about the strength of the Australian economy from those opposite. You do not often hear them come into this place and talk about how strong the economy is. When they are out there, like the member for North Sydney talking to an international audience on Bloomberg, they will tell you how strong the economy is, or like the Leader of the Opposition when they are over in the UK speaking to an international audience, they want to claim their piece of the credit, but when it comes to coming into this place and acknowledging the realities of a strong economy, it is a different story. We have taken the responsible economic decisions to ensure that we are returning the budget to surplus.

Mr Simpkins interjecting—

The DEPUTY SPEAKER: Order! The member for Cowan will leave the chamber under the provisions of standing order 94(a).

The member for Cowan then left the chamber.

Mrs Mirabella interjecting—

The DEPUTY SPEAKER: Order! The Assistant Treasurer has the call. The member for Indi is not assisting herself.

Mr BRADBURY: For the member for Mitchell to come into this place and brandish a document, a pamphlet that has been distributed in the Lindsay electorate, after the shameful experience of what this country was subjected to during the 2007 election campaign when his cronies out in the Lindsay electorate decided to spread racial hatred in pamphlets—

Opposition members interjecting—

The DEPUTY SPEAKER: Order! The Assistant Treasurer will return to the question.

Mr BRADBURY: When it comes to truth, I will let the facts of the record stand for themselves. We are delivering a strong economy for the Australian people, an economy that will ensure we spread the benefits of the boom so that all Australians get their fair share.

 Honourable members interjecting—

Mr HAWKE (Mitchell) (14:49): I ask a supplementary question, Madam Deputy Speaker. I refer to the Assistant Treasurer’s answer where he says that he will let the facts stand on their own record. Will the Assistant Treasurer issue a correction pamphlet to his electors apologising for misleading the electors of Lindsay, and correct the record on having delivered a budget surplus?

Honourable members interjecting—

The DEPUTY SPEAKER (Ms AE Burke): Order! The Assistant Treasurer has the call and will be heard in silence.

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (14:50): I think that it is about time you people gave an apology for distributing that shameful pamphlet. Indeed, it was the Leader of the Opposition and his electoral college, his conference, that had raised funds and he refused to rule out that those funds be used in the distribution of that
pamphlet. It is about time he apologised to the Australian people.

Mr Pyne: On a point of order, Madam Deputy Speaker, that was a complete abuse of question time. He was asked a specific question—to correct the record for his misleading statement.

The DEPUTY SPEAKER (Ms AE Burke): Order! The Manager of Opposition Business will resume his seat. There is no point of order.

Mr Albanese: Madam Deputy Speaker, it is not the government's responsibility if the opposition asks dorothy dixers.

The DEPUTY SPEAKER: The Leader of the House will resume his seat. Nobody is assisting the chamber at the moment.

Mr Hawke: Madam Deputy Speaker, I seek leave to table the document from David Bradbury, Our strong economy: how is it working for you?

The DEPUTY SPEAKER: Leave is not granted.

Honourable members interjecting—

The DEPUTY SPEAKER: Order! The member for Goldstein might be looking seasick in a minute too.

Family Payments

Ms SMYTH (La Trobe) (14:51): My question is to the Minister for School Education, Early Childhood and Youth. Minister, what assistance is the government providing to families to help with the cost of school education? How does this build on the significant investment the government has made in school education?

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (14:51): I thank the member for La Trobe for her question because today the schoolkids bonus will start being paid to around 1.3 million families around Australia, benefitting over two million kids who are going to school in those families. A typical family will receive around $760 but larger families will see more. From next year the schoolkids bonus will be guaranteed—an amount of $410 per primary school student and $820 per secondary school student paid in two tranches at the beginning of term 1 and the beginning of term 3. This is because we know that Australian families do face education costs, whether it is books, whether it is track shoes for kids who are going to sport or whether it is uniforms that kids are growing out of. This will provide much needed support for Australian families raising their kids and getting them through school.

We know that the Leader of the Opposition discounted the schoolkids bonus by simply saying that Australians families would blow it on the pokies. We know that the shadow Treasurer called it a sugar hit. Even today, we had the member for Sturt weighing in and confirming that the opposition has been totally opposed and would be opposed to providing support to families in this way when he said, 'I would be very surprised if the schoolkids bonus made it through a coalition policy process.' I am not so surprised because all they seem to be able to do on that side of the parliament is say no. In this instance they have said no to providing support to Australian families who make hundreds of decisions every week about how they want to support their kids—enabling those families to be able to support their kids with education costs.

I am asked how the schoolkids bonus builds on significant investment this government has made in school education. It is absolutely the case that this Labor government has made significant investments in school education, almost doubling what was spent previously by the
coalition. But we have also transformed schools. So when the member for La Trobe goes into schools in her electorate she can see the benefits of some $110 million spent on 118 projects which have benefited 61 schools in her electorate.

For the first time, we have a national curriculum. For the first time, we have transparency in information on the My School website. For the first time, we have a concerted effort to lift investment in digital education by providing computers for kids in schools as well because we know, in the 21st century, those skills are so important. Opposite us in this House is a coalition that has opposed the schoolkids bonus, that wants to take $2.8 billion out of education funding. But primarily it is a coalition that does not understand that we need to significantly commit ourselves to education in this House and that is what this government is doing.

DISTINGUISHED VISITORS

The DEPUTY SPEAKER (Ms AE Burke) (14:55): I have been advised that yet again we have in our gallery lots of our colleagues from local government. I am sure they are enjoying the day and are glad they do not have question time in their chambers. We also have with us the former Speaker of the House of Assembly of South Australia, the Hon. John Trainer.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Asylum Seekers

Mr KEENAN (Stirling) (14:55): My question is to the Acting Prime Minister, Mr Swan. I remind the Acting Prime Minister of his statement to the House on Monday that there are no plans for a detention centre in the Cocos Islands. How does he reconcile that statement with the fact, confirmed by Customs, that the current quarantine station and cyclone shelter are being considered right now for the housing of future illegal arrivals?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:55): I thank the member for his question. I will say it again: the government is not building or operating an immigration detention centre in the Cocos Islands and has no plans to do so, which is what I said yesterday. But when they arrive, if they are not flown off the island, they have to be accommodated for a short period somewhere on the island. That is just common sense. The government has no plans to build a detention centre on the island: I want to repeat that. This is just part of the attempt by those opposite to demonise asylum seekers and conduct their political campaign.

Yesterday I was asked a question about rodents on the island. I am not surprised to get that sort of question because those opposite spend so much time in the sewer. I was not surprised at all. The truth is there are no plans to build a detention centre in the Cocos Islands.

Family Payments

Mr LYONS (Bass) (14:57): My question is to the Minister for Community Services, Minister for Indigenous Employment and Economic Development and Minister for the Status of Women. How will the government's schoolkids bonus, which began to be delivered into the accounts of 1.3 million families today, make it easier for mothers and parents to meet their children's school costs?

Ms COLLINS (Franklin—Minister for Community Services, Minister for the Status of Women and Minister for Indigenous Employment and Economic Development) (14:57): I thank the member for Bass for his question. I know that my fellow Tasmanian understands the importance of the schoolkids bonus to the 6,900 families in his electorate
and, indeed, to the more than 35,000 families in Tasmania who will be receiving this payment. I am sure the member for Bass will be interested to know that there is a total of $37 million going to families in our home state of Tasmania. This money is to help parents with the cost of essentials like schoolbooks and uniforms.

We know, and parents know, that sending children to school is not cheap. This Labor government knows that. As the Minister for the Status of Women I know from talking to parents that it is often the mums who do the running around to get the kids ready for the start of the school year. We know that they do not want to have to keep track of their receipts or fill out paperwork at tax time to get some help with the schoolkids' costs. But it seems the only people who do not really understand that are those opposite, because we have had the member for Menzies here say he thinks it is actually not that difficult to collect the receipts for the amount of money which is required. I think he needs to get out a bit more—he should come down to my electorate and talk to the mums at the school like I did last week. They were telling me about how difficult it is to keep track of things at the start of the school year—the school shoes, the uniforms, the books and the pencil cases. Then they have to work out which are eligible deductions, keep the receipts and remember where they put them.

This government is responding to the needs of mums and dads. We understand that they are busy. Before the schoolkids bonus, 80 per cent of families were missing out on their full entitlements under the education tax refund, and this Labor government does not want families to miss out on their entitlements—the $410 per primary school child and the $820 per secondary child. That is why we are making this change from today, and people will start receiving the schoolkids bonus in their bank accounts from today. From next year, they will receive it in two payments, in January and in July. We know that this will be great for working families, particularly for those mums who are going around at the beginning of the year helping their families out. One million families will now benefit more. A typical family will get $720 extra a year.

But let us be very clear about what the Leader of the Opposition is saying. He does not think that mums and dads can be trusted to spend this money appropriately. He does not understand that they are busy. He does not understand that they actually make decisions day in, day out for their families. Those opposite voted against the 1.3 million Australian families who will start receiving this bonus from today, and that is because those opposite do not think those families should have the bonus. They have voted against it. They speak negatively about it. The member for Sturt today let the cat out of the bag—their plan is to scrap it.

**Immigration**

**Mr MORRISON** (Cook) (15:00): My question is to the Minister for Immigration and Citizenship. Can the minister explain why he was unable to act to use his powers under section 109 of the Migration Act to cancel Captain Emad's visa before he fled the country, and why the minister had no knowledge of the people-smuggling allegations against Captain Emad until the day before Captain Emad fled the country?

**Mr BOWEN** (McMahon—Minister for Immigration and Citizenship) (15:01): I think the member for Cook has come back to clean up the problems from yesterday, Madam Deputy Speaker. The fact of the matter is that when a visa is cancelled, or when a visa cancellation process is begun, it is a very serious matter, and it must be handled with due consideration of the facts and the case in hand. When you are considering a visa, it
must be based on all the evidence before you. I asked my department to thoroughly examine the claim made by Mr Al Abbasi and then, after thoroughly examining that claim and in coordination with sister agencies overseas, the notice of intention to cancel announcement was made.

There is a right way and a wrong way to cancel a visa. If you cancel it the wrong way, not only can the visa be reinstated but also the taxpayers of Australia can be required to pay very substantial compensation to the individuals concerned. If you want a tip on how not to do it, check with the member for Menzies.

Opposition members interjecting—

The DEPUTY SPEAKER (Ms AE Burke): Order! The member for Cook has asked his question. The member for Banks has the call.

Electoral Reform

Mr MELHAM (Banks) (15:02): My question is to the Special Minister of State and Minister for the Public Service and Integrity. How will the amendments to the Commonwealth Electoral Act currently before the Senate improve participation by Australians in our electoral system?

Mr GRAY (Brand—Special Minister of State and Minister for the Public Service and Integrity) (15:03): I thank the member for Banks for his question. The member for Banks has an enduring interest in electoral matters and in electoral reform, and is of course Chair of the Joint Standing Committee on Electoral Matters. The bills to which he refers, if passed, will enhance the integrity of the electoral system, which depends on a sound electoral roll.

The Australian Electoral Commission estimates that today up to 1.5 million Australian electors are not on the electoral roll—that is, 1.5 million eligible Australians are not on the electoral roll. The ABS estimates that there are 15.7 million eligible Australians but only 14.2 million are currently on the roll. That significant gap represents an average of 10,000 people in every federal division. That gap challenges the very concept of universal adult suffrage, which has been the cornerstone of Australian electoral practice since before the creation of our Constitution. Indeed, the Constitution requires that members of this place be directly chosen by the people.

The AEC acknowledges the gap. It has launched the Year of Enrolment and it has been working hard to get as many people as it possibly can to correct their enrolment or to enrol. Transactions have increased to 20,000 new enrollees or enrolment transactions per week since that campaign started. The two electoral amendment bills listed for debate in the other place, if passed, will help the AEC further close the gap for the 1.5 million electors. The bills respond to concerns from the AEC, which has for many years urged successive parliaments to take action to enhance the integrity of the Australian electoral roll. The bills will give the AEC the capacity to update the roll from third-party sources of information. These third parties will include the Australian Taxation Office, motor registries, and state and territory electoral commissions—effectively harmonising the Commonwealth electoral roll with those rolls in New South Wales and Victoria.

Since the equivalent changes have been made in New South Wales and Victoria, around 100,000 new electors have been added to the roll in New South Wales alone; in Victoria, the number is probably closer to 10,000. We know that these measures work. We know that they improve the integrity of our electoral system and we know that they produce a better roll.
It is important to emphasise that these reforms are a safety net. The bills will not change the grounds upon which a person becomes entitled to enrol and vote. I call upon all those members opposite to support these measures as the bills retain the integrity safeguards of the current system and more. The bills are fundamental to maintaining strong levels of electoral participation and ensure the strength, resilience and integrity of our electoral law. I commend them to the House. (Time expired)

**Marine Conservation**

Mr CHRISTENSEN (Dawson) (15:06): My question is to the Minister for Sustainability, Environment, Water, Population and Communities. Is the minister aware that his marine parks proposal is opposed by the Queensland Seafood Industry Association, Marine Queensland, Sunfish Queensland, the Australian Marine Alliance, the Australian Recreational Fishing Foundation, the Commonwealth Fisheries Association, the Australian Fishing Trade Association and ECOFishers Queensland? Can the minister tell the House if there is any representative organisation that has given the tick of approval to his marine parks plan other than his mates in the Australian Greens?

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (15:06): I think the best example of an endorsement that would matter to the honourable member is this one:

To ensure the future health of the Coral Sea, the Government's final plan must be strengthened: the proposed marine national park needs to protect more reefs and more of the deep waters that provide a blue highway for whales, turtles and other ocean giants.

This is one of the biggest public consultation responses in Australian conservation history. The enormous show of support includes school children, recreational fishers, divers and tourism businesses.

That was written and published in the *Courier-Mail* by Peter Lindsay. Peter Lindsay used to be, as best as I remember, a member of parliament on that side who had a good understanding of the pristine nature—

Mr Christensen: Madam Deputy Speaker, I rise to point to relevance. I asked specifically if there were any representative organisations, not individuals—

The DEPUTY SPEAKER (Ms AE Burke): The member for Dawson will resume his seat. The minister is responding to the question.

Mr BURKE: If the honourable member believes the Liberal-National Party is not a representative organisation, I will concede the point!

**Broadband**

Ms SMYTH (La Trobe) (15:08): My question is for the Minister representing the Minister for Broadband, Communications and the Digital Economy. Can the minister outline the support that is apparent for the National Broadband Network?

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:08): I thank the member for La Trobe for her question. Indeed there is a great deal of support for the National Broadband Network out there—the National Broadband Network, which people know will transform communications not just in terms of overcoming the tyranny of distance between ourselves as an island continent with a vastly spread population but also with our neighbours in the fastest-growing region of the world, right here in Asia. That is why we want to bring Australia into the 21st century after the 19 failed plans of those
opposite and develop an appropriate national broadband network.

Yesterday up in the Federation Chamber I had the opportunity, as the minister representing Senator Conroy, to hear representations about the National Broadband Network. Members will not be surprised that the backbenchers on this side of the House were pretty keen on the NBN, but what was surprising was that some people on the other side were pretty keen as well. The member for Forde was pretty keen on the National Broadband Network. That did not surprise me that much; I do not know him that well. But I must say I am surprised by the question of the member for Mitchell earlier on in parliament today which shows he pays attention to pamphlets that go out to electorates. He might like to pay attention to his own pamphlets. Here he is, Alex Hawke MP, federal member for Mitchell: 'Mitchell misses out on NBN'. 'The following suburbs: Baulkham Hills, Beaumont Hills, Bella Vista, Box Hill, Kellyville, Maraylya, Northmead, North Rocks, Rouse Hills and the vital Norwest Business Park.'

So they come in here, they vote against it, they rail against it, they offer it up in savings even though it is off budget because it is an investment that will deliver a return to the government, but they get basic economics wrong. They are in here bagging it, but out there in their electorates the member for Mitchell is at the forefront saying, 'Give us the NBN.' You cannot have it both ways.

This Leader of the Opposition runs, but he cannot hide, and we will hold him to account over the NBN, over the price on carbon and over all the other scare campaigns. We will also hold the Three Stooges to account for the $70 billion black hole.

Mr Swan: I ask that further questions be placed on the Notice Paper.

Mr Pyne: You have previously required the Leader of the House to withdraw his rude statements to the opposition—

The DEPUTY SPEAKER (Ms AE Burke): The Manager of Opposition Business will resume his seat. I have not actually asked the Leader of the House to withdraw that. I have asked some other members. But I will ask the Leader of the House to withdraw it in accordance with the deliberation of the Speaker of the House.

Mr ALBANESE: I withdraw.

PERSONAL EXPLANATIONS

Mr MORRISON (Cook) (15:12): Madam Deputy Speaker, I wish to make a personal explanation.

The DEPUTY SPEAKER (Ms AE Burke): Does the honourable member claim to have been misrepresented?

Mr MORRISON: I do.

The DEPUTY SPEAKER: Please proceed.

Mr MORRISON: Yesterday in the House the Minister for Immigration and Citizenship stated that I had taken out of context things said by his ministerial colleagues. The things that I referred to in my question said that Captain Emad, also known as Ali Al Abassi, was on the movement alert list. I refer to the statement made by the Minister for Home Affairs, and I made reference to that in the question. On 8 June 2012, the Minister for Home Affairs gave an interview with Fran Kelly and made reference to the movement alert list. The ministers would be aware that there is only watch list that is run by the government that is called the movement alert list. The Minister for Home Affairs said:

What happens is that we've got a movement alert list. And he's been on that movement alert list, like a number of people across the country, for some time.
Clearly, yesterday it was the minister who was in error, and he was seeking to contradict his own Minister for Home Affairs.

Mr HOCKEY (North Sydney) (15:13): Madam Deputy Speaker, I seek to make a personal explanation.

The DEPUTY SPEAKER (Ms AE Burke): Does the honourable member claim to have been misrepresented?

Mr HOCKEY: Grievously and at length.

The DEPUTY SPEAKER: The member for North Sydney has the call.

Mr HOCKEY: The Treasurer today quoted from one of my press releases yesterday: 'Carbon tax—another Wayne Swan lie'—which is true. Wayne Swan is so deluded by Labor's carbon tax he can't even get his sums right—which is true.

The Treasurer claims the carbon tax represents just a tiny fraction in the rise of electricity prices. He said:

"Well the carbon price is only a tiny fraction of the rise in electricity prices in NSW."

I argued the case against this and said:

… except this is yet another Labor lie—which it is—

If Wayne Swan had bothered to punch the numbers into his calculator he would have realised the price increases due to Labor's carbon tax make up almost half of the total price rise for NSW electricity customers.

Mr Albanese: He has had a very good go, Madam Deputy Speaker.

Mr Hockey interjecting—

Mr Albanese: You have to go to where you were personally misrepresented.

Mr Hockey interjecting—

Opposition members interjecting—

The DEPUTY SPEAKER: The member for North Sydney has the call, but he must demonstrate where he has been misrepresented.

Mr HOCKEY: The Treasurer quoted at length from my press release, which I am now quoting from and which corrects the record. The Treasurer said—

The DEPUTY SPEAKER: The member for North Sydney must still show where he has been misrepresented.

Mr HOCKEY: Okay. The Treasurer said, and I said:

According to the latest Consumer Price Index figures, electricity prices in Sydney have risen 66% since Federal Labor came to power. This increase because of the carbon tax just adds further to cost of living pressures for Australian households.

So I was actually referring specifically to the increase that the Treasurer described as tiny. But my words were correct, and the Treasurer quoted me totally out of context; and it proved that it was another Wayne Swan lie.

The DEPUTY SPEAKER: The member from North Sydney will withdraw.

Mr HOCKEY: I seek leave to table the press release 'Carbon tax—another Wayne Swan lie'.

The DEPUTY SPEAKER: No, you will withdraw first.

Mr HOCKEY: I am sorry. I withdraw; and I seek to table the press release 'Carbon tax—another Wayne Swan lie'.

Government members interjecting—

Mr HOCKEY: I am seeking to table the press release 'Carbon Tax—another Wayne Swan lie'. Leave not granted.
Mr HAWKE (Mitchell) (15:16): Madam Deputy Speaker, I wish to make a personal explanation.

The DEPUTY SPEAKER (Ms AE Burke): Does the member for Mitchell claim to have been misrepresented?

Mr HAWKE: I have actually been misrepresented, Madam Deputy Speaker.

The DEPUTY SPEAKER: Please proceed.

Mr HAWKE: In question time today, the Minister for Infrastructure and Transport, representing the Minister for Broadband, Communications and the Digital Economy, read from the front page of my newsletter outlining how suburbs in my electorate had missed out on the National Broadband Network. In doing so, the minister went on to assert that this somehow implied an endorsement of government policy, when I am on the record on many occasions criticising the National Broadband Network, and this newsletter was a stunning criticism of government policy: spending $37 billion and missing every suburb in my electorate.

AUDITOR-GENERAL’S REPORTS

Reports Nos 45 and 46

The DEPUTY SPEAKER (Ms AE Burke) (15:17): I present the following Auditor-General’s audit reports for 2011-12 entitled Audit report No. 45, Performance audit: Administration of the Health and Hospitals Fund, and Audit report No. 46, Performance audit: Administration of the Northern Australia Quarantine Strategy.

Ordered that the reports be made parliamentary papers.

COMMITTEES

Selection Committee

Report

The DEPUTY SPEAKER (Ms AE Burke) (15:18): I present the Selection Committee’s report No. 57 relating to the consideration of committee and delegation business and Private Members' business on Monday, 21 May 2012. The report will be printed in today’s Hansard and the committee’s determinations will appear on tomorrow’s Notice Paper. Copies of the report have been placed on the table. In accordance with the resolution of the committee on 30 May 2012, I also present the minutes of the meetings of the committee until the end of May 2012.

The report read as follows—

Report relating to the consideration of committee and delegation business and of private Members' business

1. The committee met in private session on Tuesday, 19 June 2012.
2. The committee determined the order of precedence and times to be allotted for consideration of committee and delegation business and private Members' business on Monday, 25 June 2012, as follows:

Items for House of Representatives Chamber (10.10 am to 12 noon)

COMMITTEE AND DELEGATION BUSINESS

Presentation and statements

1 Standing Committee on Education and Employment


The Committee determined that statements on the report may be made—all statements to conclude by 10:20 a.m.

Speech time limits—

Ms Rishworth—5 minutes.

Next Member speaking—5 minutes.

[Minimum number of proposed Members speaking = 2 x 5 mins]

PRIVATE MEMBERS’ BUSINESS

Notices

1 MS PARKE: To move: That this House:
calls on Australian parliamentarians to endorse the Global Parliamentarian Declaration on the Arms Trade Treaty;
(2) recognises:
   (a) that the poor regulation of arms:
      (i) results in tens-of-thousands of lives needlessly lost every year;
      (ii) undermines peace and peace building processes, human security, poverty reduction initiatives, and prospects for sustainable socioeconomic development; and
      (iii) facilitates gender-based violence against women who disproportionately endure the indirect, longer-term consequences of armed conflict; and
   (b) the immediate need for a legally binding international agreement on the regulation of the global trade in arms;
(3) congratulates successive Australian governments for their demonstrated commitment to an internationally binding arms trade treaty; and
(4) calls on the Australian Government to continue strong advocacy for an international arms trade treaty at the upcoming United Nations negotiations on the matter in July 2012. (Notice given 28 May 2012)

Time allotted—10 minutes.
Speech time limits—
Ms Parke—5 minutes.

Next Member speaking—5 minutes each.
[Minimum number of proposed Members speaking = 2 x 5 mins]
The Committee determined that consideration of this matter should continue on a future day.

2 MR HARTSUyKER: To move:
That this House:
(1) notes that:
   (a) 2012 is the International Year of Co-operatives;
   (b) there are two million more co-operative members in Australia than retail share investors;
   (c) co-operatives create diversity in the Australian economy;
   (d) co-operatives play an important role in delivering services to regional and rural communities; and
   (e) some Australian Government industry assistance is not available to enterprises with a co-operative structure; and
(2) calls on the Government to:
   (a) support the role of co-operatives in Australian communities; and
   (b) continue working with the States and Territories to implement nationally consistent laws governing the operation of co-operatives.
(Notice given 14 March 2012)

Time allotted—40 minutes.
Speech time limits—
Mr Hartsuyker—10 minutes.
Next Member speaking—10 minutes.
Other Members—5 minutes each.
[Minimum number of proposed Members speaking = 2 x 10 + 4 x 5 mins]
The Committee determined that consideration of this matter should continue on a future day.

3 MS OWENS: To move:
That this House:
(1) notes that:
   (a) after almost 12 long years of inaction by the former Australian Coalition Government, the current Australian Labor Government has delivered historic pension reforms that have provided increases of $154 per fortnight for maximum rate single pensioners and $156 per fortnight for maximum rate pensioner couples;
   (b) the NSW Government increased public housing rents for pensioners in 2011, taking away some of the Australian Government's 2009 pension increase;
   (c) the Australian Government is delivering extra assistance to millions of Australian pensioners through the Household Assistance Package;
   (d) this new assistance is being delivered as a stand-alone pension supplement, separate from the base pension rate, so that pensioners living in public housing could receive the full benefit of
this assistance without it affecting their social housing rents; and
(e) the NSW Government has announced that it will include this assistance when calculating social housing rents from March 2013, meaning pensioners living in public housing will not receive the full benefit of the Australian Government's assistance.

(2) condemns the NSW Government for increasing rents for about 84,000 NSW pensioners and taking away part of their pension increase; and

(3) calls on the Opposition to guarantee it would not take away the pension increases as part of the Household Assistance Package if in government.

Time allotted—remaining private Members' business time prior to 12 noon.

Speech time limits—
Ms Owens—5 minutes.
Other Members—5 minutes each.

[Minimum number of proposed Members speaking = 10 x 5 mins]

The Committee determined that consideration of this matter should continue on a future day.

Items for House of Representatives Chamber (8 to 9.30 pm)

4 MR ALEXANDER: To move:
That this House:

(1) strong history of Chinese migration to Australia over the past 200 years;
(2) significant contribution that Chinese-Australians have made over this period to our nation;
(3) vibrant festivities and events hosted by the Bennelong Chinese community and enjoyed by people of many cultures; and
(4) unique opportunity for the local Chinese, Korean and broader communities to come together at the Bennelong Cup Table Tennis Test Match for an international table tennis competition against Australia. (Notice given 10 May 2012)

Time allotted—40 minutes

Speech time limits—
Mr Alexander—10 minutes.

Next Member speaking—10 minutes.
Other Members—5 minutes each.

[Minimum number of proposed Members speaking = 2 x 10 + 4 x 5 mins]

The Committee determined that consideration of this matter should continue on a future day.

5 MS SMYTH: To move:
That this House:

(1) considers that the extreme funding cuts to Victorian TAFEs announced by the Victorian Liberal Government will:
   (a) damage the opportunities of hundreds of thousands of Victorian students for a decent education and for skilled employment;
   (b) damage industry in Victoria which relies on TAFEs to provide skills and training to a local workforce; and
   (c) result in job cuts and cuts to course offerings, including cuts of up to $300 million across Victorian TAFEs and up to 2000 Victorian jobs; and

(2) calls on the Victorian Liberal Government to abandon its irresponsible cuts to TAFE funding immediately, and reinstate proper funding to the sector. (Notice given 31 May 2012)

Time allotted—30 minutes

Speech time limits—
Ms Smyth—5 minutes.
Other Members—5 minutes each.

[Minimum number of proposed Members speaking = 6 x 5 mins]

The Committee determined that consideration of this matter should continue on a future day.

6 DR LEIGH: To move:
That this House:

(1) notes:
   (a) that the 2012 London Olympics will take place from 27 July to 12 August and the Paralympics will take place from 29 August to 9 September, with London becoming the first city to host the modern Olympics on three occasions; and
   (b) the diversity of the Australian team, comprising athletes from all parts of Australia;
(2) recognises the dedication and hard work of the extraordinary athletes that make up the Australian Olympic and Paralympic teams, and their coaches, friends and family;
(3) acknowledges the unique role played by the Australian Institute of Sport in preparing athletes for the Olympics and Paralympics; and
(4) wishes our athletes well in London.

Time allotted—remaining private Members’ business time prior to 9.30 pm.

Speech time limits—
Dr Leigh—5 minutes.
Other Members—5 minutes each.

[Minimum number of proposed Members speaking = 4 x 5 mins]

The Committee determined that consideration of this matter should continue on a future day.

Items for Federation Chamber (approx 11 am to 1.30 pm)
PRIVATE MEMBERS’ BUSINESS

Notices

1 MR OAKESHOTT: To move:
That this House instructs the Attorney-General to, as soon as practicable, draft and introduce legislation to curb the facility for creditor litigation in Australia against those countries who have been deemed by the International Monetary Fund and World Bank, eligible for debt relief under the enhanced Heavily Indebted Poor Countries Initiative, with similar effect to the United Kingdom’s Debt Relief (Developing Countries) Act 2010 which received tripartite support in the United Kingdom Parliament. (Notice given 8 May 2012)

Time allotted—20 minutes

Speech time limits—
Mr Oakeshott—5 minutes.
Other Members—5 minutes each.

[Minimum number of proposed Members speaking = 4 x 5 mins]

The Committee determined that consideration of this matter should continue on a future day.

2 MR TEHAN: To move:
That this House:
(1) recognises the decision handed down by the Federal Court of Australia upholding Fair Work Australia’s decision to allow students covered by the retail award to have a minimum engagement period of 1.5 hours, which will allow students to work after school to gain independence, important workforce skills and the experience of work while still at school; and
(2) commends young aspirational Australians who will be able to start in the workforce as a result of this decision. (Notice given 22 May 2012)

Time allotted—50 minutes

Speech time limits—
Mr Tehan—10 minutes.
Next Member speaking—10 minutes.
Other Members—5 minutes each.

[Minimum number of proposed Members speaking = 2 x 10 mins + 6 x 5 mins]

The Committee determined that consideration of this matter should continue on a future day.

3 MR CHAMPION: To move:
That this House:
(1) notes the South Australian Labor Government’s proposal to extend trading hours in Adelaide with the exception of certain public holidays;
(2) acknowledges that Christmas Eve and New Year’s Eve are important occasions for families and communities to spend together; and
(3) supports the South Australian Labor Government’s policy to declare part day public holidays after 5 p.m. on Christmas Eve and New Year’s Eve. (Notice given 14 March 2012)

Time allotted—30 minutes

Speech time limits—
Mr Champion—5 minutes.
Other Members—5 minutes each.

[Minimum number of proposed Members speaking = 6 x 5 mins]

The Committee determined that consideration of this matter should continue on a future day.
Order of the day

1 MARRIAGE AMENDMENT BILL 2012
(Mr S. P. Jones): Second reading—Resumption of debate (from 18 June 2012)

Time allotted—40 minutes

Speech time limits—
  All Members—5 minutes each.

[Minimum number of proposed Members speaking = 8 x 5 mins]

The Committee determined that consideration of this matter should continue on a future day.

Notices—continued

4 MR FLETCHER: To move:
That this House:
(1) notes that:
  (a) tragically, at the 1972 Munich Olympic Games, 11 members of the Israeli team were murdered in a terrorist attack;
  (b) the impact of this event has been seared on world consciousness; and
  (c) for 40 years, the families of those murdered have asked the International Olympic Committee to observe a minute of silence, in their memory, at each Olympic Games, and this request is being made with respect to the 2012 Olympic Games to be held in London; and

(2) calls on the International Olympic Committee to observe one minute’s silence at the 2012 Olympic Games in honour of the 11 Israeli athletes murdered by terrorists at the 1972 Munich Olympics.

Time allotted—10 minutes.

Speech time limits—
  All Members—5 minutes each.

[Minimum number of proposed Members speaking = 2 x 5 mins]

The Committee determined that consideration of this matter should continue on a future day.

5 MS RISHWORTH: To move:
That this House:
(1) notes that two thirds of Australian women who have experienced domestic violence with their current partner are in paid employment;

(2) recognises the:
  (a) significant impact that domestic violence can have on the employment of women who are subjected to it, including:
    (i) lost productivity as a result of anxiety and distraction in the workplace;
    (ii) absenteeism due to sustaining physical and psychological injuries;
    (iii) disrupted work histories as victims often frequently change jobs;
    (iv) lower personal incomes and reduced hours of work; and
risks to personal safety in the workplace as well as to co-workers; and
(b) positive impact of the inclusion of domestic violence clauses in contracts of employment to ensure protections for victims, including:
   (i) additional paid leave to enable employees subjected to domestic violence to, for example, attend court hearings and medical appointments without exhausting other forms of personal leave;
   (ii) access to flexible working arrangements where possible; and
   (iii) assurance that employee details will be treated confidentially and disclosure will not lead to discriminatory treatment;
(4) acknowledges the introduction of domestic violence clauses for public sector employees in both Queensland and NSW, and congratulates organisations in the private sector that have also moved to incorporate these clauses in contracts of employment; and
(5) urges all private companies and public sectors to include domestic violence clauses in their enterprise agreements to provide victims with important protections such as access to leave in addition to existing entitlements.

Time allotted—50 minutes.

Speech time limits—
Ms Rishworth—10 minutes.
Next Member speaking—10 minutes.
Other Members—5 minutes each.

[Minimum number of proposed Members speaking = 2 x 10 + 6 x 5 mins]

The Committee determined that consideration of this matter should continue on a future day.

6 MR ENTSCH: To move:
That this House:
(1) notes the profound financial impact on graziers and associated businesses by the Government's decision to ban live cattle exports to Indonesia on 7 June 2011;
(2) acknowledges that due to Government maladministration:
   (a) the criteria outline in the Business Assistance Payments program offered to affected graziers and businesses contained ambiguous wording and was confusing for applicants;
   (b) Centrelink staff who advised on applications for the Business Assistance Payments program offered inaccurate advice to eligible applicants; and
   (c) applicants who met the criteria missed the deadline for the program because they were misinformed about their eligibility; and
(3) condemns the Minister for Agriculture, Fisheries and Forestry for:
   (a) refusing to extend the Business Assistance Payments program to assist affected farmers and businesses who experienced financial losses as a direct result of the live export ban; and
   (b) his poor handling of the issue, which has led to financial losses in the cattle industry.
(Notice given 29 May 2012)

Time allotted—50 minutes.

Speech time limits—
Mr Entsch—10 minutes.
Next Member speaking—10 minutes.
Other Members—5 minutes each.

[Minimum number of proposed Members speaking = 2 x 10 + 6 x 5 mins]

The Committee determined that consideration of this matter should continue on a future day.

7 MR GRIFFIN: To move:
That this House:
(1) acknowledges the excellent work undertaken by Australian naval forces in the Middle East Gulf Region, in particular the important tasks of:
   (a) opposition to the smuggling of arms, drugs and other contraband;
   (b) counter piracy operations; and
   (c) maritime protection; and
(2) applauds the contribution made by the Royal Australian Navy as part of the international coalition in the Middle East. (Notice given 18 June 2012)

Time allotted—30 minutes.

Speech time limits—
Mr Griffin—5 minutes.
Other Members—5 minutes each.
The Committee determined that consideration of this matter should continue on a future day.

8 DR LEIGH: To move:

That this House:

(1) recognises that:
(a) 23 June is the United Nations Public Service Day;
(b) democracy and successful governance are built on the foundation of a competent, career-based public service; and
(c) the day recognises the key values of teamwork, innovation and responsiveness to the public; and

(2) commends the Australian Public Service on continuing to be an international model of best-practice public service and providing outstanding services to the Australian community. (Notice given 22 March 2012)

Time allotted—remaining private Members’ business time prior to 9 pm.

Speech time limits—

Dr Leigh—5 minutes.

Next Member speaking—5 minutes.

[Minimum number of proposed Members speaking = 2 x 5 mins]

The Committee determined that consideration of this matter should continue on a future day.

3. The committee recommends that the following item of private Members’ business listed on the Notice Paper be voted on:

Orders of the Day—

Army Reserve Bands (Mr Ruddock)
Accountability and transparency of unions (Mr Buchholz)
Flooding of communities in the Torres Strait (Mr Entsch)
Strong Australian economy (Dr Leigh)
Australian standard for olive oil (Ms Rishworth)
Autism Spectrum Disorder (Ms Rishworth)

DOCU NENTS

Presentation

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:18): Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings and I move:

That the House take note of the following documents:


Migration Act 1958—

Section 91Y—Protection visa processing taking more than 90 days—Report for the period 1 November 2011 to 29 February 2012.

Section 440A—Conduct of Refugee Review Tribunal (RRT) reviews not completed within 90 days—Report for the period 1 November 2011 to 29 February 2012.

Section 486O—Assessment of detention arrangements—2012 Personal identifiers 707/12, 710/12, 713-14/12, 717-18/12, 721-22/12, 724-28/12, 732/12, 734/12, 736-38/12, 742/12, 747-49/12, 751-52/12, 755/12, 758/12, 760/12, 763/12, 764/12, 768-71/12, 773/12, 777/12, 781/12, 784/12, 786/12, 829/12—Government response to Ombudsman’s reports.

Question agreed to.

Debate adjourned.

COMMITTEES

Regional Australia Committee

Membership

The DEPUTY SPEAKER (Ms AE Burke) (15:19): I have received advice from the Chief Government Whip and the Chief Opposition Whip nominating members to be supplementary members of the Standing Committee on Regional Australia for the purpose of the committee’s inquiry into
certain matters relating to the proposed Murray-Darling Basin plan.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:19): by leave—I move:

That Dr Stone be appointed a supplementary member of the Standing Committee on Regional Australia for the purpose of the committee’s inquiry into certain matters relating to the proposed Murray-Darling Basin plan.

Question agreed to.

**MATTERS OF PUBLIC IMPORTANCE**

**Marine Conservation**

The DEPUTY SPEAKER (Ms AE Burke) (15:20): I have received a letter from the honourable member for Wide Bay proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The adverse impact on fishing and coastal communities of the Government’s marine reserve declarations

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 TRUSS (Wide Bay—Leader of The Nationals) (15:20): The government's unilateral decree to lock up another 1.3 million square kilometres of our seas, more than doubling the number of marine reserves from 27 to 60, has nothing to do with sustainably managing marine environments or fisheries. It is just another empty gesture for the environment; but it is certainly a cruel barb for many coastal regions. This has a lot more to do with hooking a few Greens preferences at the next election or renting the Greens support for another week in this parliament than it has to do with anything about the environment—and that is the real catch. But it has real consequences for Australian commercial and recreational fishers and the regional communities which support them.

When 'lock it up!' is the government's approach to vast areas of Australia's territorial waters, is it any wonder that our supermarkets are overflowing with imported seafood? It is a remarkable fact that Australia imports a massive 72 per cent of the seafood we eat. For a vast island nation surrounded by sea, that is simply bizarre. We control much of the area of the planet's oceans. Australia's exclusive economic zone in terms of sheer scale is third in the world behind only the United States and France, yet we are not allowed to feed ourselves with our own fish. There is no doubt, of course, that we must conserve our oceans and be conscious of the breeding grounds and the seasons so that they can be sensibly harvested. Indeed, to swim or snorkel or dive on the Great Barrier Reef is one of the truly remarkable experiences of life. The wonders of our oceans and the reefs are truly awe-inspiring and they must always be preserved. Our fishing industry understands this only too well and is at the forefront of managing sustainable fisheries. Our recreational fishers and our marine tourism industries understand that the value of their entire industry is dependent upon having a sustainable environment, but they have been ignored.

The government's claim of consultation is a sham. Nor has there been any attempt to justify these new parks on the basis of science or transparent evidence. At no stage has there been fair dinkum feedback or a willingness to listen to the communities. Rather we have seen bureaucrats descend on communities and lecture people about what to expect. They have not been genuinely engaged in taking on board industry or recreational fishers or community concerns.
In reality, the government has no appetite to negotiate on the details of its marine parks decree. The Minister for Sustainability, Environment, Water, Population and Communities has presented it to the people, the businesses and the community as a fait accompli, saying to take it or leave it. There is supposed to be a 60-day consultation period but in his media release on 14 June 2012 the minister said:

"It's too late for people to say I want this line shifted or I want this zone painted a different colour."

The question now is very straightforward: do we go ahead with the most comprehensive marine park network in the world or do we not? Minister, is there going to be a genuine consultation period or is there not? If your press release is be relied upon, then the issues are all closed, and the government is not going to even listen to the concerns of people who are affected.

The extension of Australia’s system of marine reserves according to the Pew Environment Group is a consequence:

… of a determined coalition of 15 Australian and international conservation groups …

This coalition was made up of almost half foreign groups, funded from overseas and doing very little in their own countries sometimes about creating environmental and sustainable fisheries, but seeking to impose upon Australia an enormous addition to our environmental reserves.

Between them these sorts of people are opposed to virtually every element of human existence. They want to ban wild catch fisheries, yet they oppose virtually every aquaculture application that is ever proposed. They do not want us to eat meat, they do not want us to use farmed animals and they do not want us to harvest native animals. They do not want us to grow crops because crops might use water or fertiliser or chemicals.

Well, what are we expected to live on in this country if every hectare of sea and of land is to be declared a national park?

Over the last 30 years Australia has led the way in developing management plans for the sustainable use of our fishery resources. Since the introduction of the Environment Protection and Biodiversity Conservation Act, all Commonwealth fisheries have been required not only to guarantee the sustainability of the targeted fisheries but also to ensure the sustainability of the impact of removing target stock on other species. This might be the impact of predators of that stock or the impacts of bycatch populations. A comprehensive investment by Australia in the use of bycatch reducing devices and innovative fishing practices to eliminate the interaction of iconic non-target species like sea birds, turtles and seals have now been adopted and recognised around the world as the best sustainable fishing practice.

We do not see the propaganda of the Labor government and the Greens showing images of whiting or flathead or prawns. Instead we have pictures of seals, manta rays, turtles and seahorses. No-one in the scientific community would suggest that these are being exploited by Australian fisheries or that they are at risk in any Australian jurisdiction. The reality is the Australian people were taken aback when the government chose its location for this great announcement. It was an aquarium with a backdrop of stingrays and coral and conveniently passing turtles. These species are not at threat. It will be no surprise to both coastal communities and recreational fishers that they have never targeted any of these creatures by their activities.

Mr Perrett: It is hard to get a camera through to the Coral Sea.

Mr TRUSS: If you go to the Coral Sea declaration, the eastern boundary of the
declared closure adjoins waters that are heavily finished by foreign fishing vessels. We know that the presence of Australian vessels is something of a deterrent to fleets targeting our fish in our own waters. That has to be the case because the government has so downgraded surveillance of our fisheries that there is going to be no-one there to actually supervise and ensure that other countries simply do not take up the fish that we are seeking to preserve. With the level of surveillance we have on our waters at the present time, the only vessels that will be fishing in these new marine reserves will be those who are not Australian. Other vessels will simply come in and take the fish that we have nicely fattened up for them in our reserves and they will sell them on around the world. The government cannot have a credible reserve policy unless it also has an appropriate surveillance policy.

For as long as I can remember, I have been listening to claims by environmental extremists that the Great Barrier Reef is being destroyed, it is being ruined. They claim the crown-of-thorns starfish destroyed the whole Barrier Reef at least five times a year, if you listen to the media. The coalmining is going to destroy the reef, the ships running aground have destroyed the reef—all 2,000 kilometres of it. Captain Cook ran aground there. That must have destroyed the reef as well. The farmers, of course, are always destroying the reef with chemicals and fertilisers. The tourists destroy it, the dams and the urban development destroy it. The droughts, when there is not enough water for it, destroy it. When there are floods, it gets destroyed again. If you listen to the environmental groups, the Great Barrier Reef has been destroyed every year. You know, when I visit the reef, it is just as beautiful, magnificent and awe-inspiring as it has ever been—a true wonder of the world that needs to be looked after and needs to be carefully managed. But what this government is doing is in fact damaging the capacity to manage that area rather than enhancing it.

We all know that the Coral Sea declaration is not about protecting the environment; it is about green votes. In May 2009 the former Minister for the Environment, Heritage and the Arts used emergency provisions in the EPBC Act that gave him the ability to declare a conservation zone.

The conservation zone provisions are meant to provide emergency protection over an area—protection from some sudden, unexpected, emergent threat—to give the minister some breathing space to consider what long-term protection might be needed. This move was a clear and obvious abuse of the act. There was no emerging threat. There was none. There were no applications for new fishing licences, no applications for mining. There was nothing. The minister did not even try to make one up. He just abused the act.

According to marine scientist Professor Ray Hilborn, from the School of Aquatic and Fishery Sciences at the University of Washington, the motives for non-government organisations going into denial about the fisheries management in Australia are deplorable. He recognised our fisheries management as the best in the world. I have heard the Minister for Sustainability, Environment, Water, Population and Communities proudly boast that our fisheries management is the best in the world and I agree with him. But Australia has been subject to a relentless antifishing campaign that is causing the doom and gloom myths from misrepresentations of overseas examples of inadequate fisheries management.
Hanging up a 'no-fishing' sign over so much of Australia's coastline is just another stunt so the Prime Minister can laud herself at the United Nations Rio Plus 20 conference in Brazil this week. She is now tired of lecturing Europeans on economic management. After all, with her $174 billion deficits, she does not have much to boast about. On fisheries management we do have a lot to boast about, but the Prime Minister is going to overlook that and instead look to the massive increase in areas that are being locked up around Australia's coastline.

As I said before, we import 72 per cent of the seafood we eat, despite having one of the largest fishing zones in the world. In 2009-10 Australia produced 171,000 tonnes of seafood from wild catch. These statistics are stunning. By comparison, New Zealand's catch was 441,000 tonnes, from an area half as big as Australia's. They caught three times as many fish in an area half the size. Thailand catches 14 times more fish than we do, despite having a fishing area 10 times smaller than ours. So it is not hard to see that the government's marine park declarations have nothing to do with environmental management of our seas. We are exporting our demand for seafood to countries less concerned about marine management than we are. Australia harvests fewer than 30 kilograms of fish per square kilometre of its ocean territory, compared to a global average 20 times greater than that, at around 750 kilograms per square kilometre.

So we are not raping and pillaging our fisheries. There is no-one in the world that can match our management record, but there is a human cost. About 100,000 people are still left directly employed in the Australian fishing industry and 3.4 million people engage in recreational fishing each year. Senator Conroy confirmed in the Senate on Monday that these parks will have a significant impact on the recreational fisheries. In fact, recreational fishermen, in an area inside 100 kilometres from shore, will be shut out of a staggering 63,000 square kilometres. So the reality is that this will have an effect on fishermen, their families and their communities.

Labor is penalising the wrong people. Australian fishers have been doing the right thing, going about their business in a sustainable and environmentally conscious way. Now, all they are going to be offered is some more compensation. Some of these people have already had several lots of compensation. They have been moved from place to place. I acknowledge that sometimes it was at the hands of our government. But at least under our government $250 million worth of compensation was supplied—not that that was much comfort to the families who had been so adversely affected.

But this government is now offering only about a third of that amount of compensation—we are told $100 million—and yet the area to be affected is vastly greater. It is clear that there will not be decent compensation available to all those fishermen affected, let alone to the communities around Australia which have been adversely affected.

This is a policy response that is in search of a problem. The problem is not that Australian's waters are overfished. We harvest only 30 kilograms of fish per square kilometre. The global average, as I said before, is 20 times greater. We import so much of the fish that we eat. We are now going to import it from fisheries that do not have the standards of management that we have in this country. So, please, Minister, do not respond flippantly. Many families and businesses are affected. Some have already been hurt many times. The majority of fishermen have already left the industry, but there are many who will want to continue to
work in this industry. We should certainly not be expected to continually increase our reserve areas just because environmentalists demand more and more and more.

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (15:35): It is a pleasure to be here today and have the opportunity to respond to the MPI from the member for Wide Bay. I think there are some very useful things I could do elsewhere, but it is always a pleasure to be here with you. You get about as much sunshine in the meeting room over there as I expect you do in a meeting room over here, but it is a pleasure to be here in tropical Canberra.

I want to deal with a few issues at the start that were raised by the member for Wide Bay. First of all, the claim that there is a lack of a scientific basis for the work that is being undertaken is more than a little bit silly. The member for Wide Bay, Leader of the Nationals, may well presume that the document I held up in question time, I think, two days ago with a photograph of the member for Wentworth in it is the only document underpinning the science as the basis for the decisions that are in front of us. Of course, the document that I held up was in relation to the scientific work that had been undertaken only on the south-west marine region. But similar volumes have been done, all of which are available publicly for the east marine region, the north marine region and the north-west marine region. We then had the additional drafts for consultation, which have been done across the north-west, north, south-west and temperate east regions. You cannot judge quality of science by the kilo, but it is a lot more than what the member for Wide Bay was wanting to claim in terms of scientific underpinnings.

At the core of the argument that the member for Wide Bay has put—and I think it is important for us to deal with this directly—is a presumption that this is a fisheries management decision. The member for Wide Bay knows full well and he would not have to talk to the member for Wentworth for very long to understand that this is not a fisheries management decision; it is not done for those purposes. The science underpinning it is not done that way—in the same way as the science you do when you determine where a national park will be is different from the science you do when you work out whether or not a state forest is being overharvested. It is the exact same principle. You have your overharvesting rates in a state forest, where you know how hard you can go to make it work sustainably. That is how our fisheries are managed, and our fisheries are managed under those methods very, very well.

If you do not have a policy belief that there is a value in having some areas of our land and of our oceans preserved as national parks then you would never support the sort of science on which this is based. But if you have a view, which most Australians do have, that there is actually value not in having the whole country as state forests but in having some areas reserved as national parks, in picking some areas that you reserve for nature—if you see value in that—then that is where you get the difference in the scientific underpinnings of this. You could run an argument that says, 'But the Royal National Park could be sustainably harvested,' and there would be a pace at which you could do it. But you would wreck something pristine and magnificent, and you would do something that Australians do not believe ought to happen. That is the principle. That is the basis of the decisions that have been made with respect to our oceans.
I do have to remind the Leader of the Nationals when he talks about how close in these areas are with respect to—

Mr Ian Macfarlane interjecting—

Mr BURKE: The desperation from the member for Groom really says it all. Please do not remind us how far out these areas are. If you are in Airlie Beach, to get to one of the new areas of protection you have to travel for 340 kilometres. If you are in Brisbane, you have to travel for 445 kilometres. If you are in Bundaberg, you have to travel for 492 kilometres before you get to a place where you cannot drop a line. I had a question yesterday from the member representing the area of Darwin, the member for Solomon, where the distance to get to the nearest spot where you cannot drop a line is 680 kilometres. We had photographs in the West Australian—which I am sure delighted members of the opposition—when the maps were put out which showed people casting a line from the beach, with a headline as to how people were going to be denied access to fishing. Now I know there are people who can cast a line a fair way, and I have checked: the world record goes just under 250 metres. But if you went out as far as the longest cast can go and you kept going and you kept going, after about 30 casts off the Western Australian coast, you may well get to an area where it is a problem to drop a line. On the Queensland coast, you are looking at a massively greater distance. So, please, do not pretend that for the ordinary recreational fisher they are somehow locked out of fishing. The Leader of the Nationals talked about a no-fishing sign up on our coastline—on our coastline! Unless he has some concept that when you stand on the coastline you are actually looking at something that far beyond the horizon then the argument is misleading in the extreme, and the Leader of the Nationals knows it.

There have been some issues raised. Some members of parliament who have game-fishing tourism operations in their electorates have questioned to what extent these could have an impact within the Coral Sea, because I have added a number of reefs—Osprey, Vema, Shark, Bougainville and Marion reefs—to what was originally in the draft maps. I would ask members to have a think about what sort of fish those game-boat operators go out to catch, because they do not go out travelling and powering out for more than a day in order to catch the reef fish that they could have caught in fishing zones in the Great Barrier Reef. If they are going all that way out, then they are going out for the big pelagic fish; that is what they are going out for—chasing the marlin and those sorts of tours. Have a look at the maps. With the exception of Bougainville Reef and the northernmost end of Osprey Reef, when you look at the rest of the maps you will see that the shape of the highly protected zone follows very close in, within the contours of the reef. And the recreational fishing organisations understand this. Some of the game-boat operators have been told things that are false, but if they go through the maps they will see that. Bougainville is different; Bougainville has been done in a square. But that is a much smaller reef than the others and not a particular spot where you have tourism operations. But if you actually have a look at how the maps have been drawn for those big pelagic game-fishing operations, they have not been drawn in a way that will cause any challenges for them in being able to have those fishing tours. They will not be able to go to the key dive sites where the areas are further out because, once you do get a few hundred metres away from the reef, at those points, you are much less likely to catch a big pelagic fish. But, as you get further south on Osprey and as you go through Shark, Vema and down to Marion,
you do get close enough that those tours will still be able to run. There has been a lot of misinformation given to those individual businesses. But all I would say is: for the best evidence, go and have a look at the maps themselves.

I was asked in question time today, and it is relevant to now: 'What are the views of the different organisations?' I was asked for just one. I thought Peter Lindsay was not a bad one, as someone who was as representative as somebody could be within this parliament, but I accept the criticism that the Liberal-National Party is not a representative organisation. I fully accepted the point of order that was taken.

So let us look at some of the people who actually live in those electorates. Col McKenzie, the deputy director of the Association of Marine Park Tourism Operators said:

'I am sure there are some fishing charter operators who will be concerned ... but it will actually improve tourism generally from the fact it will increase Australia’s profile overseas, particularly among high-end tourists who have high environmental awareness.

Chris Makepeace, Executive Officer of the Amateur Fishermen's Association of the Northern Territory said, 'Basically, there is virtually no impact for recreational fishermen in the Northern Territory, and that is good news.' Paul Anderson, Eurobodalla Shire Council General Manager, said the changes were not likely to have a big impact on recreational fishing in the area. Darren Kindleysides of the Australian Marine Conservation Society said: 'This is a landmark announcement for our seas and one of the most significant advances for environmental protection in Australia's history.' Daniel Gschwind, the Queensland Tourism Industry Council chief, said: 'Most concerns on better protection of reefs, dive sites and game boat access had been met and this was welcome.' Then there is Tony Lagana, manager of the Bermagui Fisherman's Co-op, and this is from the commercials. He said:

'It is a good outcome for the far south coast (of NSW). We have had a lot of discussion with the government and Tony Burke has done a great job for Bermagui.

That is my favourite of the quotes!

We are dealing with an opposition that dearly wants to run a line that you can no longer go to the end of a jetty and drop a line. The problem is that in Australia we do not have jetties that long. In Australia we do not have jetties that go for the full length of a state border. We do not have jetties in Australia that reach these sorts of waters—and most wreck fishers never get out to these waters at all. The ones who do, if they are in a commercial operation, are chasing the large pelagic fish that they will still be able to access everywhere other than at the principal dive sites.

No matter how many times the National Party try to dress this issue up as though it is something about minor parties in this parliament, make no mistake, environmental protection for more than three decades has been a cornerstone of what Labor does. We do not need to feel there is some sort of pressure from any other party in this place. The Greens, let us not forget, were critical of these proposals when they came out.

What we have here is something proudly in the Labor tradition of environmental reform. We do not need to feel that there is some sort of pressure out there. This is what Labor does—in the tradition of the party that saved the Franklin, in the tradition of the party that saved the Daintree and in the tradition of the party that protected Coronation Hill and made sure that we expanded Kakadu National Park. Every time we did one of those things, those opposite
ridiculed it and those opposite opposed it—every single time. When we said we were going to protect the environment, those opposite said: 'It will be a disaster and you can't do it.'

They have done this every time, without exception. When it was the Franklin, they said no. When it was the Daintree, they said no. When it was Kakadu, they said no. We now talk about being the world leader on protection of the oceans, and what did they say? No. That is the only way they ever respond to environmental reform. Then they will come up with some sort of plan at election time where, in a few suburbs here and there, they will go around planting a whole lot of trees—and that apparently makes them good environmental warriors!

The public is onto the con. The public realises the environmental vandalism that lies at the heart of the arguments put by those opposite. The public understands that, effectively, the view of the oceans put by those opposite is that they should do less than what happened under the Howard government. The arguments they put forward mean the member for Wentworth would never have taken action in the south east at all. It would have been done on the basis of fisheries management, which effectively means the entirety of our oceans get run as though they are nothing more than a water version of a state forest.

This side of the parliament understands there is essential value in some parts of our planet being pristine. We have an understanding that Australians—as a nation of people who not exclusively but overwhelmingly live along our coastline—share a relationship with our oceans and they value them being protected. To establish a national parks estate in our oceans is something sufficiently good that Labor stands here and does it. It is something sufficiently right that Australia has no hesitation, under a Labor government, of being the world leader. It is something which those opposite know strikes a chord with Australians—sufficiently strongly that not one of them has said they have the guts to undo it. So they are playing the same old pattern.

Did they, when they got into government, try to undo the Franklin? They made all the noises about it but when it came to it they knew that we were on the right of history. Did they end up revisiting Joh Bjelke-Petersen’s ideas to clear-fell parts of the Daintree rainforest to make it a major residential development? They railed against it for years. They are railing against it right now. Did they have the guts to write to the World Heritage Committee and ask for it to be delisted? Absolutely not. Did they then want to turn Coronation Hill back into a uranium mine and undo the work of Kakadu National Park? Not a chance.

Then we have the crocodile tears they cry right now—all backed up with a campaign trying to make people believe a lie, trying to make wreck fishers believe that there are impacts they know are not there, trying to run an argument that says there will be an impact on commercial fisheries way beyond one to two per cent of the gross value of production. They try to make up every single argument but, at the heart of it, if they believed a word, if they believed that they were on the right side of history with those sorts of mincing words, they would promise to undo it.

Listen to the next speakers. Ask why none of them have done it. Ask why, when it was so important for me to be here this week, not one frontbencher was willing to chance their own to ask a question about it. Why have they put it all off to the backbench and let them run their local stories but not one
person from the frontbench put themselves forward? It is because they know the core question to them is: Would you undo it?

Mr RAMSEY (Grey) (15:50): I rise to speak on this matter of very great importance to the public. The widespread proposals for locking up millions of square kilometres of Australia's waters by the environment minister, Tony Burke, is yet another grand-sweeping statement—one of those grand gestures from Labor. In harness with Christine Milne and the Greens, Tony Burke has decided that he, the minister, is going to single-handedly save Australian waters from the marauders.

He has a bit of form in this area. He was previously the minister for agriculture and four years ago he led a delegation to discuss Australia's southern bluefin tuna quotas, along with that other great green warrior, the now education minister, Peter Garrett. He meekly surrendered almost 30 per cent of Australia's tuna quota. He was out of step then and the science was out of step. It was later proved tuna numbers were well and truly on the increase already. Some of that quota has been returned already. This minister was on the wrong side of science then and he is on the wrong side of it again.

We do not know as much about our deep waters in Australia's care as we would like to. In fact, this grand statement has the possibility of becoming another monument to the government like the Building the Education Revolution or even perhaps the Prime Minister's own favourite, Medicare Gold—you might remember that one—or pink batts. In fact, there are many in the industry who maintain that this park declaration is the new live cattle dispute.

The focus has been on the Coral Sea, and I will briefly touch on that before I get to South Australian waters. Walter Starck, from the Townsville based Australian Environment Foundation—and, according to Keith De Lacy, the former Labor Treasurer of Queensland, one of the foremost proponents, one of the greatest experts in this area—has said:

... well-managed reefs around the world can sustain an average seafood harvest rate of 15,000kg per square kilometre per annum. The average harvest rate for the Great Barrier Reef is 9kg. That's right, 9kg, or if you like a minuscule 90g per hectare.

That is really walloping the waters, isn't it? He says further:

Australia has by far the largest per capita fishing zone in the world yet we import two-thirds of our seafood—

In fact, he is not quite correct; I think it is 72 per cent. So we are underperforming in a major way in our Australian waters. We import 72 per cent of our seafood from countries that are overpopulated and are probably overfishing their waters. If the government were really serious about saving fish in the world, they would ban seafood—but I do not see them sticking their hand up for that.

I will turn to South Australia, my home state. My electorate of Grey contains around 70 per cent of the coastline. So, consequently, we have a fair bit of the fishing. The South Australian marine industry and our aquaculture industry are centres of excellence. They are well managed by anybody's standards and, in fact, are recognised around the world for their fisheries management.

The wild catch in South Australia is worth around $300 million per annum and the aquaculture contribution is around $200 million. You might think that is not linked but it is, because the bulk of the aquaculture comes from farmed tuna; in fact, initially wild caught tuna—something I spoke about before with respect to the minister's previous decisions.
It is a very interesting industry. They steam hundreds of kilometres into the Great Australian Bight, where a very sophisticated surveillance system identifies the schools of tuna. The fishermen net them and then drag the tuna hundreds of kilometres back to Point Lincoln where they are grown out in tuna farms. That industry was developed because that fishery, during the seventies, was fished to the point of extinction. At one time fishermen were catching around 40,000 tonnes a year and then it crashed. The fishermen, the industry and the government recognised that we had a serious problem and that is when serious fisheries management was put into place, the farms were established and the industry has recovered. In fact, we have never fished any species in South Australian waters into extinction.

At the same time as the Commonwealth is planning its new parks, in a related matter, the South Australian government have been on the same boat. They have been out there declaring marine parks willy-nilly all over the place. In fact, they wanted to lock up 40 per cent of state waters in marine parks—19 marine parks, 16 of which are in my electorate of Grey. I can tell you that there has been absolute public outrage, and it is being reignited by the Commonwealth's grab for an enormous patch of water around Australia. The public outrage has forced the state government back to the renegotiation process—back to the drawing board. The Australian Marine Alliance CEO, Dean Logan, has said South Australia will be hit by a double whammy with state and federal marine parks joining up.

I told you a bit about the tuna. Let me tell you about another fishery on my patch, and that is the South Australian Spencer Gulf prawn fishers. There are 39 boats operating in this industry and they turn around about $40 million a year. They are in state waters, but this is one of the best managed fisheries in the world. I have been on board these prawn trawlers. With every drag of prawns they deliver on deck, they report back to the fleet commander on the size and the quantity they have managed to fish in that area and, as soon as the size drops, they pull out of the area; as soon as the quantity drops, they pull out of the area. This is incredibly sophisticated and well managed, and it has industry backing. This is the kind of management we see across South Australian waters, and the fishing is not under pressure at any point. The rock lobster industry is well managed and the abalone industry is well managed.

The minister was just on his feet a few minutes ago telling us that the new parks are not about fish; this is not about fisheries management. Well what on earth is it about? Once you get into these off-coast waters, no-one else goes there. It is only the commercial fishermen. These are the industries that sustain Australia.

I do not think in many cases we fully understand what is in these waters. Let me tell you another thing about the tuna industry: the tuna's food once in the fish farms is pilchards. We import most of our pilchards, for crying out loud. A pilchard industry has been established near Port Lincoln. Because of the price of imported pilchards, they can only afford to steam around 150 kilometres before they return to Port Lincoln. Going further—to 200 kilometres—it starts to become too expensive to harvest them.

Around 10 or 12 years ago we had an enormous kill-off of pilchards. They virtually disappeared from our waters. This was a great calamity. No-one knew what caused it, but there was this enormous kill-off of pilchards and we wondered how quickly stocks would recover. It recovered in
about four months. You could not find a pilchard in the water, and four months later they were back again. There is only one explanation for that: it is actually part of a far, far bigger fishery than was previously understood. That has not led to a greatly expanded pilchard fishery as yet because of the economic concerns that I outlined. But it shows us that we do not fully understand what fish species and what numbers are in these areas that the minister wants to now lock up and make sure that no-one ever even finds out. When it comes to compensation, the South Australian industry has lodged a claim against the South Australian government for $500 million worth of damage for losses due to the state marine parks. The federal minister has said, 'Well, $100 million will be enough for all of Australia.' In fact, the estimate is—this is Dean Logan again—40 times that amount, around $4 billion.

I would like to read a little bit from Brian Jeffriess, who fronts up the tuna fishermen's association, but is a good spokesman for a lot of South Australian fisheries. He said:

… The Government has acted very logically in fisheries management up until now - this was never required, … What is symbolic about this is in the minister's statement itself - all this about the biggest and best, the biggest and best in the world and you have to believe that's what it's about, beating your chest in front of the rest of the world rather than good ecosystem management.

(Time expired)

Mr PERRETT (Moreton) (16:00): It is with great enthusiasm that I rise to speak on this matter of public importance put forward by the Leader of the Nationals, Mr Truss, on the adverse impact on fishing and coastal communities of the government's marine reserve declarations. I deliberately wanted to read out the title, because anyone listening to the previous speakers from the Liberal-National Party coalition would notice that they have not actually touched on that at all. They have been spinning a yarn and trying to engage politically, but they are not actually going to the respected science in this whole process and the actual consequences.

Let us get a bit of the history on the record straightaway. This process has been underway since Prime Minister Paul Keating was in the Lodge. Since then, there was a Liberal-National Party coalition in government for 12 years. They oversaw the same process, the same regime, the same science and the same process in terms of compensation. So let's get the facts on the table right from the start.

We have had crazy suggestions in question time from, I think, the member for Dawson, that there are no collective groups that actually support this process. I just looked through my Courier Mail—I do actually read the Courier Mail, the paper of record in the great state of Queensland. It is worth having a look at it, because there is a full-page ad from 19 and 20 May—

Mr Ian Macfarlane interjecting—

Mr PERRETT: I will not take that interjection from the member for Groom. It is a full-page ad that says 'It is time to protect Australia's Coral Sea'. If you had been reading the Courier Mail, you would have seen it. This is by Gary Heilman from DeBrett seafood and on behalf of the longline fishermen in the Coral Sea. It is cosigned by Daniel Gschwind, the CEO of Queensland Tourism Industry Council, and Mike Ball from Mike Ball Dive Expeditions. So the reality is there has been a great consultation process overseen by the Keating, Howard, Rudd and Gillard governments.

Why is it important to get the facts on the table upfront? Because the reality is that, when it comes to protecting the environment—something we take very
seriously as parliamentarians—when you strip out the politics, both sides of the chamber in Australian politics respect the environment and do our bit.

Australia is a nation where most of us have come from across the sea. Our roots go across the sea; 98 per cent of Australians have roots stretching across the sea. We know that the ocean is important. Australia is responsible for 11 per cent of the world's surface—an incredible amount of the world that we look after. We are a trading nation, so we understand how important it is to make sure that we have good connections with the rest of the world but we also know how these opportunities to protect the environment only come along every now and then. We heard the environment minister, Minister Burke, talk about those great moments in history—the Franklin, and those other ones—where people made decisions. I seem to recall it was actually the environment minister, Mr Newman, the father of Campbell Newman, the Queensland Premier, who actually took on Joh Bjelke-Petersen over something called Fraser Island, and said: 'No, Joh, you've got it wrong. You don't just strip-mine the lot. We are actually going to protect this significant piece of Australia.' That is the approach to significant blocks of earth of Australia that can only have certain biodiversity. You protect it for our children. So thank goodness that the environment minister, Mr Newman, had the courage to stand up to Joh Bjelke-Petersen. This is our chance to be that brave and protect the planet.

I was up at the War Memorial yesterday laying a wreath with a veteran of the Coral Sea—Hollyoak was his name. When you have the RSL, the French government through New Caledonia, the Howard government and the Labor Party all on the same ticket, it takes a special Leader of the Opposition to break that unity ticket. When you can get the French and the RSL and the Labor Party and the Howard government all on the one page, and then get Tony Abbott, the Leader of the Opposition, the member for Warringah, to come in and break ranks with that unity ticket, that is a special knack; that really is incredible.

Why is that? Let's have a look. Let's go back to the 2010 election and Senator Boswell's duplicitous campaign in Queensland. It was a very sneaky, quick campaign that we did not have a chance to rebut. It did not get a lot of traction in Moreton; that is why I am here telling you the truth. Perhaps in Bonner it did get a little bit more traction. Thankfully Moreton is a little bit far away from the jetties where people go off into Moreton Bay, despite the name of the electorate. The reality is that Senator Boswell managed to fool some people hook, line and sinker and say that there was going to be no fishing basically because of the Labor-Greens alliance. It was disgraceful misrepresentation.

Mr Ian Macfarlane: You said there would be no carbon tax.

Mr PERRETT: We said that we would price carbon; that is what we said. The reality is that we went to the 2007 election saying that we would price carbon, and that is what we have achieved. You know, member for Groom; you were in the negotiations. I heard those negotiations in Taipei. So, remember that we did have a CPRS deal where we priced carbon and, for one vote in the coalition party room—where someone actually spoiled a ballot paper because they could not vote for Turnbull or Abbott—we would have had a CPRS. If we had had the Greens vote along with the vote of Senator Sue Boyce from Queensland, who had the courage to join Senator Troeth from Victoria, we would
have a CPRS and Tony Abbott would be consigned to the pages of history.

The protection of the Coral Sea and the seas in the rest of Australia is a great moment in the history of this parliament. We can actually protect something for our children and our grandchildren.

The reality is that we are yet to see the emails flowing into our offices from people saying, 'We can't go fishing.' The electorate of Moreton is a long way from the Coral Sea, but I am proud to say I married a North Queenslander, a Trinity Bay High girl from Cairns. All my in-laws are in Tully, Babinda and Innisfail and they have tinnies, and they go fishing. They go to the reefs. But I can tell you that they do not go 450 kilometres out. I trust my in-laws—mostly!—but I am not going 450 kilometres out in any tinny; I can tell you that.

The reality is that we will still be able to go fishing. There is a great history, going back to Lee Marvin. If you go to beach resorts you can see those photos of Lee Marvin. Back in the seventies fishing was bringing Hollywood to North Queensland. Tourists went out after these pelagic fish; they went to catch marlin. Since then North Queensland has been world famous, when it comes to bringing tourists in. And this legislation will complement it. That is why you have Mike Ball, from Mike Ball Dive Expeditions saying, proudly, 'Get this done.' We will have a great product to sell around the world.

North Queensland is suffering at the moment in terms of jobs and tourism.

Mr Christensen interjecting—

Mr PERRETT: The reality is that this is part of the product. It is niche tourism rather than the mass brand. We have to have a niche market, and North Queensland can market itself as the pristine environment. The reality is—

Mr Christensen: Very niche!

Mr PERRETT: I understand the member for Dawson's concerns that he will not be able to stand on the beach at Mackay and cast 450 kilometres out to the Coral Sea as he used to! He will have to go out with an expedition or the like.

The reality is that the Coral Sea marine reserve is important in so many ways. The scientists agree—the same scientists that advised the Howard government. It was the same process that the Howard government went through, when that crazy left-wing environment minister—

Ms Livermore: Kemp!

Mr PERRETT: David Kemp. I always get the brothers mixed up. He understood. Peter Lindsay—for heaven's sake!—recognised that this was something to be proud of and that we should be taking a step in history and doing the right thing. I would suggest that he was not exactly a crazy left-winger!

Mr Christensen: Well—

Mr PERRETT: I will take that interjection from the member for Dawson. He knows him a bit better than me, obviously. This is the right thing to do in this parliament's history and we should be signing up for it proudly.

Mr NEVILLE (Hinkler—The Nationals Deputy Whip) (16:11): As a person who lives at the southern end of the Great Barrier Reef and in close proximity to the Coral Sea, I have found this debate extraordinary. Before I got into parliament my job was in regional development—specifically, in industry and tourism. So I know a bit about the Great Barrier Reef and the coastal areas of Queensland; they were my bread and butter, so to speak. I was in on the early days of the Great Barrier Reef Marine Park. So I do not come to this debate with any sense of
ignorance and I am not speaking against science.

But I have seen the most vibrant fishing industry in Australia decimated over the last 15 years. It has been decimated by bureaucracy and government intervention. We first had a thing called the east coast trawl plan. Under the east coast trawl plan a decision by the federal and state governments took out 250 of the 750 vessels trawling along the Queensland coast. In fact, when the compensation was paid it was actually 40 more than that—290 came out. It meant a substantial decrease in effort.

Not long after that, we were told that the reef was now sustainable and that fishing could go ahead, but that GBRMPA would need another small amount—perhaps about 20 per cent. People, in good faith, said, 'Well, I suppose that's fair enough.' But when the maps came out it was not 20 per cent; it was 34 per cent. And frequently those fishing areas—the green zones that were put into the Barrier Reef Marine Park—were right over traditional fishing areas. In fact, it is alleged that the log books of the fishermen were used to some extent to plot these areas. The spanner crab industry off Bundaberg won an award as the best controlled fishery for the year before it was closed. How silly can you get?

We then had to have another reduction. It worked out in my area—the southern end of the reef: fishermen from Gladstone, Bundaberg, Harvey Bay, Tin Can Bay and perhaps some even down to Mooloolaba—that the fishing industry was reduced by 73 per cent or 74 per cent. On top of that we had the state government saying, 'We want to have complementary state zones,' which diminished still further the area available for fishing.

A lot of people, with those earlier compensations, bought vessels that could go into the Coral Sea. But now they are also going to be excluded—or, if not excluded, almost totally contained. Not that many people go there. About 20 entities go into the Coral Sea. A maximum of about 30 to 32 vessels are spread out across 1.3 million square kilometres—half the size of the state of Queensland. That is the size of the area we are talking about. As someone said earlier, there is no way in the world that the state or the Commonwealth are going to be able to control or look after this fishery, and imposing these rigid rules on ourselves is creating an absolute motza for people who want to come in on the northern side of the Coral Sea and fish the ones we have fattened up for them. What sort of idiots are we?

You might say: 'Paul, you're generalising a bit. Where's your scientific proof?'

Professor Walter Starck has had 50 years experience as a marine scientist. He has a PhD from the University of Miami. He is totally familiar with our environment. What he said about this is:

Australia's fishing industry is under threat, not from depleted fish stocks but from government-financed and sanctioned extreme environmentalism—note that, 'extreme environmentalism'—and crippling bureaucratic controls.

Interestingly, during the recent Senate estimates, a Mr Oxley from the department admitted to the Environment and Communications Legislation Committee that was questioning him on aspects of these new marine areas in respect of the Coral Sea that there was no new scientific evidence. Professor Starck has said that, for the 347,000 square kilometres of the Barrier Reef, we are allowed to take 3,061 tonnes of fish. That means the weight of fish per square kilometre per year is nine kilograms. But, across the reefs of the Pacific that Dr Starck has also studied, the figure is 7,700
kilograms per square kilometre. Note the difference: nine and 7,700. We are being bureaucratic to a ridiculous level. Even the World Resources Institute, which you might say are not totally friendly to fisherman, have said that 4,000 kilograms per square kilometre is an acceptable, sustainable amount. And what are we taking out? Nine.

You might say, 'Why are you using the Barrier Reef?' Well, I want to move from the Barrier Reef now to the Coral Sea. The Coral Sea is a vastly bigger area. We are going from 347,000 square kilometres to 1.3 million square kilometres. We have only 20 entities with about 30 or 32 vessels going in, and we are going to close it up. If they trawled over that for the next 50 years they would not do it any damage. And all those fishermen will be the first to tell you that you leave specific sensitive areas alone. All the fishermen I have known in my lifetime want to leave a resource there for Australia. They want their sons and grandsons to have the opportunity to go out and fish those areas. They are not rapists; they do not go out just to deplete the stock, and we impose all these rules and regulations on ourselves as Australians. The rest of the world must sit back and laugh. The international trawlers that will come in on the northern side of the Coral Sea, which is outside our sphere of control anyhow, will have the time of their lives. You can see how silly it is. The point is that this is not smart science. This is a terrible block.

Recently, and I told this to the party room, Margaret asked me to go out and get some seafood marinara mix. While I was in the shop, after taking my number, I had a look at the big refrigerated fish cabinet. There were nine big stainless steel trays in there. Eight of the nine had foreign fish on them. We are importing, as the Leader of the Nationals said, 72 per cent of the fish we eat. We are not providing fresh fish for Australians. What we are doing is shifting the effort somewhere else. In doing that, we are depriving ourselves of a rich and healthy resource, of export industries that could be sustainable for generations into the future.

Ms PARKE (Fremantle) (16:20): A constituent recently recounted to me a story about an encounter she had had with a resident of Albany. This person was considering the case she had heard for marine parks. She recounted that she came from a former whaling family. She said, looking back, that the experience of transitioning out of whaling in the seventies was hard for her family and they opposed it at the time but that they had come to realise that it was the right thing to do. After some consideration, this person, whose family had subsequently moved into commercial fishing, felt that the move to put in place a network of marine sanctuaries was another of those important moments—the right thing to do.

Last week, the Minister for Sustainability, Environment, Water, Population and Communities, Tony Burke, on behalf of the federal Labor government announced the single biggest conservation decision in this nation's history: the world's first comprehensive network of marine parks and the world's single largest marine park. This week, as the world's leaders, including our Prime Minister, go from the G20 meeting in Mexico to the Earth Summit in Rio, Australia's decision to protect its oceans takes centre stage. With this unprecedented decision Australia is leading a global turning point in the official understanding and recognition of not only the critical importance of the oceans to sustaining all life on earth but also the devastating impacts of damaging fishing practices, overfishing and the damage that oil and gas drilling can have,
and the need to act decisively to set aside key areas from extraction.

As the member for Fremantle I am immensely proud of the strong stand my constituents have taken in calling on the Australian government to acquit its responsibility to protect Australia's unique marine life. In particular I am humbled to have been part of their creation of a vision for the protection of one of the most intriguing and important underwater features in Australia's ocean territory: the magnificent Perth Canyon in Fremantle's very own oceanic backyard. With federal Labor's leadership the Perth Canyon and the incredible underwater ecosystem that this dynamic feature nurtures will be recognised, boosting the livelihoods of the great community of Fremantle, whose history, culture and very life force comes from the ocean.

I am particularly proud that the campaign for marine parks in WA's south-west marine region led the charge nationally in achieving a prioritisation of high-level protection for the most biologically important and threatened part of our oceans: the continental shelf. In Australia's south-west corner the marine worlds collide with the meeting of the wild Southern Ocean and the vast Indian Ocean, mixed together by the magnitude of the force of nature that is the Leeuwin Current as it races south. Our south-west, on both land and sea, is a globally recognised biodiversity hot spot, and it is this legacy of shelf protection that the people of Western Australia are creating now that delivers on the heart of the scientific imperative, and that in doing so provides a firm platform to be built on in the future.

I take the opportunity now to flag the importance of the case that the local community of the Western Australian South Coast has made, many of them long-term recreational fishers, in calling for an end to the long-term inaction by the WA state government and, in particular, the Minister for Fisheries and for Mines and Petroleum, Minister Norman Moore, over the terrible death toll of marine animals and other non-target marine life in the demersal gill nets, a gear type which is not only intolerable but also unnecessary. Hook-and-line is a far better option. This also remains the imperative in the new marine park off Jurien, the most important breeding colony for threatened Australian sea lions on WA's west coast. The community of Geographe Bay has led the way in showing this can and must be done. The next frontier for high-level protection will be the state's north-west—Shark Bay, Ningaloo, the Rowley Shoals, the Pilbara, Coral Coast and the Kimberley—areas that are increasingly at a crossroads with the expansion of resource extraction.

I pay particular tribute to the community of Margaret River, who have overcome great tragedy and challenge in recent times, maintaining control of their destinies by asserting their future as one based on a lifestyle which is the envy of the world. With the creation of a very large no-oil zone the federal government has heard their call that all extraction, like coal, has no part in the future of Margaret River. Margaret River is now flanked on the one side with the old-growth forest protected by Geoff Gallop in 2001, and on the other side with the sea, protected in 2012 by federal Labor.

Fishing is a central part of WA's lifestyle, but the decline of some important fish stocks is gravely concerning. I am excited by the possibilities that last week's announcement opens up for the important contribution it will make to the return of fish stocks to the abundant levels our forefathers knew so well. In 2005 we embraced the opportunity with the introduction of broad-scale sanctuaries in Ningaloo Marine Park, following hard on the
heels of the rezoning of the Great Barrier Reef Marine Park the year before. Great waves of science are now rolling in off the back of these measures, showing that marine sanctuaries are the most effective way to protect marine life. It is no accident that the best fishing spots in the world are on the edges of marine sanctuaries.

These marine parks will now boost the environmental credibility and marketability of an industry which is working its way towards industry-wide environmental certification, and I am pleased that this federal Labor government is contributing to their case. Like on land, national parks in the ocean are just common sense, so it is no surprise that new marine parks are being rolled out at this very moment by the state government of Western Australia in that state's waters. This week the Camden Sound Marine Park was created, including WA's largest marine sanctuary. Last week the Ngari Capes Marine Park was created in the capes region of the south-west and there are three more to come, including the greatly anticipated Greater Kimberley Marine Park. Such is the strength of support out west for these issues that the member for Curtin—the Deputy Leader of the Opposition—and Premier Colin Barnett are very welcome supporters. It is interesting and telling that there is no member of the opposition from Western Australia speaking on this MPI. This is because they know full well that marine protection is extremely popular in Western Australia.

I am disappointed, though, by the confusing messages that elements of the federal coalition are sending on this matter. Is this the same coalition that under John Howard put in place high-level protection over a third of the Great Barrier Reef; that under Robert Hill put in place some of Australia's largest marine parks at the Great Australian Bight, Macquarie Island and Heard and McDonald Islands; whose very own Liberal Senator Chris Back established one of WA's first marine sanctuaries at Kingston Reef off Rottnest Island, which has now been proven by the CSIRO to have boosted rock lobster levels by 500 per cent?

In this MPI debate today the Minister for Sustainability, Environment, Water, Population and Communities, Mr Burke, talked about the great environmental decisions that have been made by previous governments. In his publication *Thoughtlines* former New South Wales Premier and now Australia's Minister for Foreign Affairs, Senator Bob Carr, points to how the big conservation decisions have played an important role in defining leadership in Australia: 'Fraser Island, the reef, New South Wales rainforests, the Franklin River, the wet tropics of North Queensland. Every one of these decisions was tough. Every one of them was politically contested. Every one of them involved the possibility of a backlash in the regions. The Australian government has got it right, and today these great natural areas saved for all time help us define ourselves as Australians.’ But it has been a long time between drinks. There is a whole generation of Australians who would not have been born the last time Australia made a globally significant decision for our environment. Now young Australians can celebrate as well in the first-hand knowledge that history has been created.

Let us take a moment to stand back and see what has been done. We started with less than one per cent of Commonwealth waters protected and we now have a national network of marine reserves to protect our ocean environment for future generations. Where did this process start? It started with the Keating government and was continued by the Howard government and now the Rudd and Gillard governments. This is positive change that should be above politics.
It is positive change that will benefit not only Australian diving and tourism industries but also recreational and commercial fishers.

I come from a proud fishing community. I have not had one negative response since Minister Burke's announcement last week; not one. Indeed, during the extensive consultation process leading to the announcement I worked closely with Clayton Nelson from the South West Trawl Fishery which operates in a sustainable manner in waters off Fremantle. Notwithstanding some inaccurate news reports last week, the new marine network will have no impact on Clayton's fishery; indeed, he has told us that he is very happy with the result of the federal government's marine process. Australia-wide the impact of this decision on commercial fisheries averages one per cent and for recreational fishers it is negligible. As noted in an article by Paul Gamblin in today's *West Australian*—which is accompanied by a beautiful picture—interest in marine conservation in Western Australia is growing strongly, with those who have made submissions in favour of protection numbering in the tens of thousands. As Mr Gamblin notes, the real level of support this signals is much greater. And as celebrated Fremantle author Tim Winton noted in a speech in the House recently, when the bumper stickers that say 'I fish and I support marine sanctuaries' go from appearing on kombi vans to appearing on people movers, and now on tradies' utes, you know you have hit the mainstream. I am proud to be part of a federal Labor government that has made this historic decision to support our marine environment. I congratulate the minister for his vision and thank all those involved in the consultation process.

Mr ENTSCH (Leichhardt—Chief Opposition Whip) (16:31): In rising to speak on this MPI, I started to choke on some of the uninformed drivel that was coming from the other side. I was particularly concerned by a couple of speakers who made light of the fact that they are going to have to walk some distance to reach Commonwealth waters. What they do not acknowledge is the fact that most of the inshore waters of these affected areas, particularly in the Coral Sea, have already been shut down. The fishermen who worked in those areas have already been forced out into the Coral Sea to continue their operations and we are now looking at shutting down those operations as well. It just shows you how uninformed those individuals on the other side are in relation to this issue.

About 25 per cent of Australia's coastal waters is already marine park. With about 25 per cent of our fishing area—the Coral Sea and other planned extensions—our marine park areas will comprise about 50 per cent of the global total. Australia has the largest per capita fishing zone and the lowest harvest rates in the world, at about one-thirtieth of the global average. We have the most restrictive and costly marine resource management in the world. Over 70 per cent of our seafood is imported, at a cost of $1.2 billion a year, from markets such as Thailand and Vietnam, where species are far more exploited. We are ripping the guts out of Third World countries. Through our own insatiable demand we are destroying their fisheries. We have done the same thing with forestry. These are the countries that can least afford to destroy their fisheries—and we are making sure that they do, while we lock up ours in their entirety. It is estimated that Australia will need to import 850,000 tonnes by 2020 to satisfy the growing consumption rate and dietary recommendations.

The Coral Sea is one of the world's prime tuna fishing grounds. The estimated value of its production has been reduced to about $8 million from 500 tonnes of tuna. That is what
we are down to in this area that we are going to protect. Previously, Japanese fishermen who fished this area since the 1970s had sustainably produced around 30,000 tonnes annually for many, many years. Meanwhile Papua New Guinea licenses Asian fishing companies to fish the same migratory stocks—exactly the same fish—in its 2.4 million square kilometres of EEZ waters. In 2009 PNG took around 400,000 tonnes. In 2010 it grew to 700,000 tonnes—more than five times Australia's total catch of edible fish of all species combined. And PNG is expected to hit one million tonnes in 2011.

Meanwhile, because of all our restrictions and lock-ups, our national fishery only produces about 15,000 tonnes a year. Annual catches in the main commercially fished tuna species of skipjack, yellowfin, bigeye and albacore in the central and western Pacific area have increased continuously in recent decades, peaking in 2009 with the highest ever catch of 2.46 million tonnes recorded which was valued at $4.5 billion. This compares to the 15,000 tonnes that we are allowed to take nationally because of our restrictions. Yet Australia imports more canned tuna than any other seafood product—about $165 million worth. We save our fish so that all of these foreign fishermen—licensed by the PNG government in many cases—can catch them and sell them back to us. This is the intelligence of the mob that sits across from us!

Let us talk about the organisation that captured the minister and this mob over here and decided they would influence the change. It is called Pew. It was founded in 1948 by the Pew family, who made a fortune in oil and gas and have more than $5 billion in assets. Their company is known as Sunoco. It is one of the largest gasoline distribution companies in the United States, but it withdrew from the oil business in 2011. It made a squillion and decided to go out and create some mischief. So what did they do? They tried to become a false prophet. They claim to be an independent, non-profit, non-governmental, non-partisan and non-ideological organisation. How much of a joke is that!

They have got a conservation arm called the Pew Environment Group that literally owns this Labor government and certainly owns the minister. They say they are focusing on reducing what they see as the destruction of the world's oceans. They did not have the guts to take on the Americans. They will not go anywhere near the South-East Asian or European fisheries that already are absolutely trashed. No. They look around for the lowest common denominator. They look around for one of the only governments that is totally dependent on the Greens to survive. So they worm their way in here like the expanding gangrene that they are. They come in here and do a deal with this mob. They frighten the living hell out of them. They say, 'If you don't do a deal with us, the Greens will take away their support.' So this has nothing to do with the environment. It is all about politics. It is an absolute joke. They said 487,000 signatures came through in this email campaign—all nice, glossy ones. But 99.8 per cent of those submissions were bulk emails, and Senate estimates recently revealed that a very significant majority were from overseas. They did not even have a clue where this place was. It was just, 'Do you love your mother? Yes. Do you want to save the Coral Sea? Yes.' That is the way they do this, and it is an absolute farce. Whatever happened to Australians having a say in the management of their own waters?

Pew has a controversial history. In Canada it was accused of smothering grassroots environmental movements. It comes in with its six-figure salaries and the foundation funding, and it uses its influence to exercise
control over whatever issues are brought up—the same as has happened here; exercising control over this mob over on the other side, who cannot survive without the Greens. Last month the Pew Trust made headlines by contributing funding to the cash-strapped Barnes Foundation, which looks after the famed Barnes art collection. Despite the donor's will specifying that the collection must stay in Lower Merion, Pennsylvania, Pew helped fund lawyers who fought for the collection's relocation, in violation of the will. It has been reported over there as 'the art theft of the century'.

This is the grubby mob that these guys have decided to take exclusive advice from to destroy the livelihoods of so many people in our area. Bob Lamason of Great Barrier Reef Marine Tuna, who is the only one left up there, used to pay $2,000 a vessel back in 2000 for his six boats, catching about 1,200 tonnes of tuna a year. He is now paying $160,000 a year, an average of over $50,000 per vessel, and he is now only able to catch 500 tonnes of tuna. Back then there were no bycatch restrictions, no wire traces and no VMS, and he had a much wider range. But he faced much higher fuel costs in going further and further out as they pushed him out, and they put five-hook limits et cetera on him. Basically they are driving him out of business. Lyle Squire Junior, a third-generation businessman at Cairns Marine Aquarium, was decimated back when the green zones came out. They pushed him out into the Coral Sea. We look like losing him as well over this.

Minister Burke himself admitted that the scale of the lockup in the temperate zone—because it was so small—was pay-off for the lockup in the Coral Sea. In his speech here he mentioned some fisherman from the south-east saying that he was happy with it, as did the previous speaker. Of course they were, because they traded all of them off. They are not affected by it. The same goes for Chris Makepeace, the Northern Territory recreational fisherman that he mentioned. Of course, he is not affected either. The minister did mention Col McKenzie, the CEO of AMPTO. What he did not mention is that Col McKenzie is also the campaign manager for the state Labor members up in Cairns—a long-term Labor Party member.

The minister did a deal with the dive industry to divide them from the others in the hope that he might get their support. There is a bit of a problem with that, because he is now saying that they are the ones that are going to be managing the fishery; they are going to be the policemen. But Chris Eade, the president of the Cod Hole and Ribbon Reef Mooring Holders Association, which represents nine dive businesses, has already shot down the idea of the minister. He said: … I don't think you can expect us to be your policemen out there … I cannot expect the crews on my boats, who are civilians, to put themselves at risk. They work for me, not the Government. This is an absolute disgrace. We have already seen businesses starting to fold on this, and there is a hell of a lot more tragedy to come out of it. (Time expired)

The DEPUTY SPEAKER (Ms O'Neill): The discussion has concluded.

MINISTERIAL STATEMENTS

Homelessness

Mr BRENDAN O'CONNOR (Gorton—Minister for Housing, Minister for Homelessness and Minister for Small Business) (16:41): by leave—It is not acceptable in this country, a relatively wealthy one, that so many Australians are homeless. It is not acceptable that a widowed pensioner cannot find a bed or that a teenager is sleeping rough. It is not acceptable that a mother and her children are living in a car. Everyone deserves a safe and secure home. A home is the foundation on
which a person builds their life. Without a stable home, people—no matter their age—struggle to live healthily, stay in training or education, or find and keep jobs. That is not good for them, for their families, for their communities or for the country.

That is why this Labor government has made homelessness a national priority. In 2008, we released the inaugural white paper on homelessness, *The road home*. The white paper outlines how we will reduce homelessness. It will require a sustained effort by governments, business and the community. To get there, we have set clear targets. By 2020, we will halve the rate of homelessness, and we will provide supported accommodation for all rough sleepers who seek it. We do not resile from these ambitious targets, even though those opposite refused to sign up to them. In 2013 we will be in a position to measure our progress. We will draw on robust census data from the Australian Bureau of Statistics and use information collected from specialist homelessness services by the Australian Institute of Health and Welfare. This data will be supplemented by the first national longitudinal study of homelessness in Australia, *Journeys Home*.

We have also spent over $11 million on the National Homelessness Research Agenda to help drive the development and implementation of evidence-based policy. In addition to *Journeys Home*, we have supported research that, amongst other things, looks at housing and support options for older people, considers how to end rough sleeping in cities around the country, and examines how we best develop a professional workforce. Combined, these facts and figures will give us the most accurate picture of homelessness in Australia that we have ever had. We will better understand how homelessness comes about, and how we can help people get back on their feet. We are confident that, in partnership with states and territories, community organisations and philanthropists, we are reducing homelessness in Australia. Every single commitment set out in the white paper has been concluded or is underway.

**Early intervention**

We have intervened early to prevent homelessness. As a result of the community-based early intervention service, Reconnect, more than 50,000 young people are back with their families, and are in school or are in training. The Household Organisational Management Expenses Advice Program has helped over 3,600 families to stay off the streets by providing advice and assistance to people who were struggling to pay the rent or keep up with the mortgage during personal or financial crises. Further, we have prevented people with mental illness becoming homeless with the Personal Helpers and Mentors Program, which provides support for people with a mental illness to build social networks, gain employment, learn how to better manage their illness and live independently.

**Improving and expanding services:**

We have moved towards integrating mainstream and specialist homelessness services by improving the responses from ‘first to know’ agencies and providers. For example, headspace assists young people with mental health issues who are also experiencing homelessness; Job Services Australia provides tailored assistance to get homeless job seekers into employment; and Centrelink has started making weekly payments to those who are homeless or at risk of homelessness.

I also know how hard people in this sector work and the passion and commitment they have for their jobs. Attracting and maintaining the best workers possible is
essential, and was reflected in the significant pay increases proposed for community services workers by Fair Work Australia. This is a historic decision, and one which this government has rightfully supported and will continue to support by funding our share of the salary increases.

We are breaking the cycle of homelessness by providing integrated support in order to ensure that people leave homelessness permanently, not for just for temporary periods. One such example is Foyer accommodation, which provides homeless young people with stable housing and other supports on the basis they participate in education, training or employment.

Under the National Partnership Agreement on Homelessness, the Australian government, together with the states and territories, has committed $1.1 billion to provide new and better integrated accommodation and support services. The agreement is delivering over 180 new or expanded services across Australia to tackle homelessness as well as 600 homes under the A Place to Call Home initiative. What does that mean for people? It means that since the commencement of the agreement, homelessness services have provided help more than 240,000 times.

Addressing homelessness is not always just about a roof over someone's head, but a roof certainly helps. The government's investment in affordable housing recognises that it is essential, indeed critical, to preventing people becoming homeless in the first place, and it gives people somewhere to go when they come out of crisis accommodation. By increasing the stock of affordable housing we enable people to move from homelessness into stable accommodation and through social housing into the private rental market. This transition, in turn, creates space for other people to access accommodation when they are in dire need.

The Australian government has committed almost $5 billion in new funding since 2008 to provide support services and programs to assist people who are homeless or at risk of becoming homeless. It is worth remembering that whilst those opposite were in government they did not even have a housing minister, let alone a minister for homelessness. Even now they do not have a specific shadow minister for homelessness. In a time of relative economic munificence they ripped $3.1 billion out of the housing budget. Nonetheless, those opposite do have an opportunity to start to redeem themselves in this area of public policy.

Today, the government tabled its response to the Housing the Homeless report of the former House Standing Committee on Family, Community, Housing and Youth, which inquired into the proposed homelessness legislation. This committee report has provided the foundation of the Homelessness Bill 2012, which I intend to introduce in the spring sittings. In the absence of express constitutional power, the government has given careful consideration to its response to the recommendations of the legislation inquiry. The government has incorporated the recommendations into the draft bill to the extent possible within the constraints of the Australian Constitution.

An exposure draft of this bill has been released for a two-month consultation period concluding on 3 August and the government will consider the feedback of the sector before presenting the legislation to parliament. It is true that this legislation will not provide a home for anyone; however, it will ensure that the spotlight remains firmly on addressing homelessness. The introduction of legislation provides us with a
great opportunity to retain in law the important statements about homelessness; the partnerships, the effort and strategies that are needed to tackle it; and the treatment and support that vulnerable Australians deserve. We believe the Gillard government's legislative response will serve as a lasting reminder of the need homeless Australians have for support, and of the need for partnered, strategic effort between governments, community organisations and businesses.

I urge the opposition to engage with the government on the bill, and to support it when it comes to the parliament. As our white paper notes, homelessness is everyone’s responsibility. The Labor government has recognised this and remains committed to improving outcomes for people experiencing or at risk of homelessness. Ensuring that people who are experiencing homelessness receive high quality services and get every chance to move out of homelessness or avoid it all together is critical to the Gillard government’s policy agenda. Not only does it make social sense to for people to have a home but it also makes economic sense. The cost of having people cycle through hospital emergency departments and mental health services because they do not have stable accommodation outweighs the costs of providing those very same people with a place they can call home.

The welfare and safety of our fellow Australians matters. This is a great and prosperous country but I believe the real mark of a great country is how it treats and assists its most vulnerable. The Gillard government is determined to do all that it can to assist our vulnerable Australians. There can be no more worthy cause than doing all that we can to help reduce homelessness.

I present a copy of my ministerial statement and the government response to the House of Representatives Standing Committee on Family, Community, Housing and Youth report on the inquiry into homelessness legislation entitled Housing the Homeless. I move:

That the House take note of the document.

I ask leave of the House to move a motion to enable the honourable member for Menzies to speak for 10 minutes.

Leave granted.

Mr BRENDAN O’CONNOR: I move:

That so much of the standing orders be suspended as would prevent Mr K.J. Andrews speaking for a period not exceeding 10 minutes.

Question agreed to.

Mr ANDREWS (Menzies) (16:53): The ministerial statement we have just heard was one of the more curious that I have heard in this House, not because the subject is unimportant—it quite clearly is—but because it betrays a sense of talk and discussion and wishing for the future rather than actual achievements. This has become a fairly typical Labor tactic: throw up a minister with a ministerial statement and try to push a story. So today they have thrown up the Minister for Housing and Homelessness and the Minister for Small Business. This is another stunt in terms of the way ministerial statements are being used in this place, and we on this side are bracing for more failures in the homelessness area from a minister who has presided over failed programs, failed policies and other cheap stunts. For example, when Labor was watering down mutual obligation and making it easy for people to get on the dole, he was the Minister for Employment Participation. With a white flag flying high as a sign of surrender to the people smugglers, and while people were being endangered, he was the Minister for Home
Affairs. And with the Ombudsman, the National Audit Office and the DPP all noting fraud issues at the Department of Human Services, he was the Minister for Human Services.

Labor stands condemned on the important issue of homelessness. The minister professes his pride not in achievements but in setting targets that we on this side of the House knew were unattainable. At the same time, Labor has allowed five years of the 12 years until 2020 to pass without being able to actually measure any progress in this area. And the government has not committed anything in the budget to the renewal of the National Partnership Agreement on Homelessness, which is due to expire at the end of next financial year. Similarly, when I looked through the budget trying to find homelessness money elsewhere to make up for this funding stream that is finishing, guess what? I found nothing because there is no other commitment; there is no other money. That is because Labor's homelessness policy is all smoke and mirrors. There is no substance. There is no plan. There is no direction. They have got no idea.

The question the minister should have addressed today is: will those 180 new or expanded services continue to exist? The minister probably does not know, and the government does not seem to care. Labor endlessly repeats the line that it has committed almost $5 billion to homelessness since 2008, yet it cannot explain where this money comes from or, indeed, where it goes. When we look at the funding we see that almost $3 billion of the stimulus funding went to remote Indigenous housing funding, social housing funding and mental health funding. These are all are very worthy programs, but none is directly relevant to the homelessness program. Labor's approach is that any housing measures can be counted as homelessness funding.

The minister complains about the opposition not including the word 'homelessness' in the title of the shadow minister for housing, yet this is a government that has had three different ministers for homelessness in just seven months. And, of course, the current health minister served as minister for housing without any mention of homelessness in her title. So the minister's comment is nothing more than a cheap attempt to score some cheap points.

There are estimated to be 105,000 Australians who are homeless each night. In 2008-09, data indicated that 61.5 per cent of those who sought crisis accommodation, or 330 people—205 adults and 125 accompanying children—were turned away per day. Indeed, the data estimated that only one-fifth of Australia's homeless were in these services at any one time. A severe lack of affordable housing in Australia, and in Sydney more than anywhere else, is pushing families out of the rental market and onto endless public housing waiting lists.

But homelessness goes beyond whether Australians can afford to rent a roof over their heads, with domestic and family violence and family or relationship breakdown leading to the plight of around a third of Australia's homeless. Such issues obviously are not easy to address. The question is how we, as a society, can ensure that those who do slip through the cracks are taken care of.

We do not believe that there are easy answers to homelessness because almost every case is unique. Homelessness involves a set of individual circumstances for all those people who are, sadly, caught in this situation. And sadly, without wanting this to be the case, there will always be homeless people amongst us. Their presence and our
response is a test of our compassion as a society. When it comes to solutions, most of the experts in this area say that a multidisciplinary approach is required. We need to do more than give the homeless a bed for the night and a meal. We need to give them a pathway out, one step at a time, solving one problem after the other.

While we must always help those who are homeless, we should aim to address the root causes to help prevent struggling families and individuals from slipping into homelessness in the first place. A key focus is addressing Australia's structural housing shortage, which results in less homes being available for those who need them and higher prices at the lower end of the market for those who can least afford them.

The coalition went to the last election with a homelessness policy based on taking practical measures to ensure the states and territories achieve tangible results, and on helping homelessness service providers focus on the work they do rather than on the administrative burden so often attached to government funding. We are in the process of refining our policies in this area, but an overarching approach will be to address and prevent homelessness by improving housing affordability. Our approach is to solve problems. Labor's approach, it seems, is to create problems and pretend they are fixing things up when they themselves have broken some of them. Only a change of government will deliver positive change for those Australians unfortunately living rough.

Debate adjourned.

BILLS

**Tax Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2012**

*Returned from Senate*

Message received from the Senate returning the bill without amendment or request.

**Personally Controlled Electronic Health Records Bill 2011**

*Consideration of Senate Message*

Bill returned from the Senate with amendments.

Ordered that the amendments be considered at a later hour this day.

**Personally Controlled Electronic Health Records (Consequential Amendments) Bill 2011**

*Consideration of Senate Message*

Bill returned from the Senate with amendments.

Ordered that the amendments be considered at a later hour this day.

**Corporations Amendment (Future of Financial Advice) Bill 2012**

*Consideration of Senate Message*

Bill returned from the Senate with amendments.

Ordered that the amendments be considered at a later hour this day.

**Corporations Amendment (Further Future of Financial Advice Measures) Bill 2012**

*Consideration of Senate Message*

Bill returned from the Senate with amendments.

Ordered that the amendments be considered at a later hour this day.
Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011
Reference to Federation Chamber

Mr RIPOLL (Oxley—Parliamentary Secretary to the Treasurer) (17:03): by leave—I move:

That the Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011 be referred to the Federation Chamber for further consideration.

Question agreed to.

Passenger Movement Charge Amendment Bill 2012
Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr KEENAN (Stirling) (17:04): In the couple of minutes I have left to conclude my remarks, I really just want to remind the House what it is we are actually discussing here today. This bill was part of the announcements made by the Labor Party in the recent budget, brought down, astonishingly, only last month. We stand here six weeks later and today this is the second time we are going to be considering government amendments to their own budget. This is a government that holds such a tenuous grip on this parliament that they cannot actually deliver a budget for longer than six weeks. This is the most extraordinary thing. Can you imagine Peter Costello and John Howard walking in here for any of the 11 budgets that they brought down whilst we were in government, and then six weeks after the fact, saying, 'Hang on, we cannot actually deliver this. We are going to have to make amendments to our own legislation and knock out some of the revenue measures.'? This is what is happening on this particular bill and what has happened on some other measures that the parliament has been considering this morning on managed investments trusts.

This is a great indicator of everything that is wrong with minority governments, about the failed experiment that is the hung parliament and why the expectations that Labor had given the Australian people that they could govern through this mess have turned out to be absolutely hollow, like so much else of what the Labor Party have told the Australian people. Minority government is an experiment that has truly failed. You know that it has failed when six weeks after the budget has been brought down by the Treasurer the government cannot even adhere to the plan that it laid out for the Australian people.

We are very proud of the fact that we have got the government to back down on indexing this particular tax. We have saved the small businesses in the tourism industry, and the larger and medium-sized businesses for that matter as well. We have saved them from being subject to an automatic tax hike every year to pay for Labor's failures to control its spending. We are very proud of doing that. The tourism industry is a very important industry for Australia. It employs 900,000 Australians. It really need not have been subject to an attack from this increase in the passenger movement charge.

A government that cannot bring down a budget and adhere to what it has announced six weeks later is a government that has clearly lost the confidence of the House. A government that cannot adhere to a budget for more than six weeks is a government that has lost the privilege of governing the Australian people. The sooner we can put an end to the farce that is this minority government the better off the Australian nation will be.

Mr HAYES (Fowler) (17:07): I support the Passenger Movement Charge
Amendment Bill 2012 in the same way that those opposite supported changes to the passenger movement charge, not once but on two separate occasions, when they occupied the Treasury benches.

The bill amends the Passenger Movement Charge Collection Act 1978, raising the passenger movement charge from $47, as it currently stands, to $55. We are talking about an increase of $8 which will take effect from 1 July this year. The passenger movement charge is paid by individuals departing Australia for another country—clearing Customs and going abroad. This charge was introduced in 1995 and it replaced what was then installed as the departure tax. Under this arrangement, airlines and shipping companies undertook the responsibility of administering the charge as part of their ticket sales process.

It is safe to anticipate that this modest price increase will not have a deleterious impact on Australian tourism as we have had similar increases to the passenger movement charge on other occasions, as I mentioned earlier. There was a $3 increase in the passenger movement charge in 1999. Not two years later, in early 2001, those opposite, then occupying the Treasury benches, moved it again—this time by another $8. Bear in mind, inflation did not go up 100-per-cent over that particular period. The shadow minister has indicated that that was for extraneous reasons, but nevertheless when those opposite occupied the Treasury benches they also looked at adjusting that charge as a means of increasing revenue.

It is interesting to look at what did occur in 2001 and compare that to what is being said by some of the personalities that are still around this place today. When the charge was introduced in 2001 and debated before this parliament, the then Minister for Agriculture, Fisheries and Forestry—none other than the Leader of the National Party, the Hon. Warren Truss—expressed the view that a higher passenger movement charge would be a fair and sensible cost-recovery mechanism. At that stage the charge was being increased by $8.

We need to be reminded that some colleagues on Mr Truss's side of the ledger on this—and certainly the shadow minister who preceded me in this debate—want to wax lyrical about tax history under the former government. When it comes to the passenger movement charge, he said the opposition's preferred position is to get rid of it altogether. They certainly did not do that when they had a chance to do it.

They are saying they stand for a low-tax government. If you want to look at that situation in its entirety, look at tax as a percentage of GDP. That peaked at 24.2 per cent, in 2004-05, and again in the following year, 2005-06. Who was that under? That was under the Howard government. It was the highest-taxing government in this country's history. Tax as a percentage of GDP has steadily declined since Labor came in in 2007. It reached 20.2 per cent and then 20.1 per cent in 2009-10 and 2010-11 respectively. This is the lowest tax-to-GDP ratio since 1983-84. The last time that tax was lower than 21 per cent was back in 1979.

You have to put things in perspective. Today will be no exception, as we will see a gaggle of people coming through here and all will want to extol the virtues of a low-tax economy, and yet they are going to be much the same people who had opportunities to reduce tax but presided over the highest-taxing administration this country has ever seen. It should be an embarrassment to those opposite that the tax-to-GDP ratio, over the twelve budgets they managed, averaged 22.2 per cent. That is certainly something that
they cannot want to compare with the position we currently sit in of under 21 per cent.

Considering that sort of record you have to take them with a grain of salt every time they come in here and cry crocodile tears over the issue of taxation. It is a bit rich, particularly when we went to the last election and they would not have their election promises costed. When they finally did, there was $11 billion missing—a black hole in their essential costings. The auditors that provided the costings were eventually accused, and rightfully so, of professional mismanagement in their calculation of their costings for the purposes of the election. But when we sit now—and they sit in the position of the alternative government—we see not a black hole but a $70 million crater in their economic credentials. As I said previously, those opposite had an opportunity, up until 2011, to do something about the passenger movement charge and they did—they increased it. Warren Truss very conveniently told us the reason for it when he said that 'a higher passenger charge would be fair, and a sensible cost recovery mechanism.' Clearly, the Nationals still abide by that. But it is a bit rich to come out and be lectured to by those opposite. I understand that comments were made the other day by the Leader of the Opposition criticising the Prime Minister in the G20. For us, Asia remains very much our clear and present focus; however, any European crisis will certainly impact on the Asian trading market and, in turn, will have an impact on Australia. So we are right to have a voice in that forum. And we are right to indicate to people what we believe should be occurring.

What the Leader of the Opposition did not add is that it was not just Prime Minister Gillard making comments, there was the United States, the United Kingdom, Canada, France, Germany and China. As matter of fact, the Chinese even signed off on a pledge to the International Monetary Fund of another $70 billion to help protect against a global banking and financial crisis. If you just looked at the comments by the Leader of the Opposition and at those that are carried by some of the more popular tabloids around the place, you would think this was just about the Prime Minister.

Then again, the Prime Minister has something of a point to make. Our economy—I know those opposite do not like to be reminded of this—is growing at a rate of four per cent. We have a five per cent unemployment rate, we have record low interest and currently our sovereign debt ratio is 7½ per cent. Our economy is something we should be proud of. I know when the Leader of the Opposition goes travelling, he puts it in these terms: 'Australia has serious bragging rights.' For him to come out and make statements about the comments by the Prime Minister to the G20 makes me wonder what those opposite would have said if they had had half an opportunity. Certainly, the world is an ever smaller place these days. Trade is very important and so we do have a very clear interest in what occurs in the Asian markets, and that is our immediate focus, but we also acknowledge the impact of a European crisis and what it would do to the Asian markets.

The Prime Minister indicated to the Europeans what occurred in this country and how our country was protected from the worst economic shock in 60 years, and how we acted in the face of the global economic crisis. But I wonder what those opposite would have done if they had had the opportunity to be over in Mexico. They could have said what they did when we debated the various aspects of responses to the global financial crisis. The position of those opposite was very clearly laid out by the then shadow spokesperson: we should sit
and wait and see what happens. Well lo and behold—maybe they have been giving advice to Spain, Greece, Italy and a few other places around the world, because there are many of the European economies that have done exactly what those opposite were urging this government to do—that is, ‘Let us sit and wait and see what happens.’

If those opposite want to start talking about economic credentials, they need to stack that up against the health of the Australian economy at the moment. They are the ones out there on a daily basis wanting to talk this down. The last thing they want to be reminded of is the statistics. As I have said, we are an economy which is growing, we have low unemployment, we have record low interest rates and a sovereign debt which is the envy of the world. That is the basis for us having a significant focus on trade and on the trade markets as we go ahead.

I have digressed a little from the bill, Madam Deputy Speaker, and I apologise for that.

Mr Tehan: Yes, you have, and you have done nothing on trade in the last five years!

Mr HAYES: I am sure my colleague opposite is going to want to mention something about the Asian market, so I needed to put in perspective what impact the European crisis would have on the Asian market. Those opposite thought we should not have a view on that at all.

But I will get back to the bill. In the Passenger Movement Charge Amendment Bill we are very much focused on two things. Firstly, the Asian market, which I will come back to, and, secondly, the development of regional tourism. We know there are issues about tourism in this country. Australia is not a country you pass through to go and see something; Australia is a point of destination. And if you come from the Northern Hemisphere, it is a long, long way away. We are trying to attract as many tourists as we can from there, but we know that the emerging tourism markets for us are clearly in the Asian region, particularly out of China and, more recently, out of India.

As a consequence, with the passage of this legislation $48.5 million will be provided to a new fund to support tourism industry development projects in regional Australia. That is something that we do want to showcase. We do want to attract people particularly into regional Australia. That is an area of tourism that has been dealt a heavy blow, particularly with the impact of the higher dollar. We do want to drive investment and job creation in those areas and we do want to be able to deliver certainty. We have a track record for doing that and we will continue to do it, and that $48.5 million will be earmarked to do precisely that. It will give people the opportunity to plan, to develop and to market the elements of regional tourism in this country.

Ten per cent of the increased passenger movement charge will go to the Asia Marketing Fund which will be responsible for promoting Australia's image as an attractive holiday destination and business destination for a number of the lucrative markets in Asia. This contribution is in addition to the $61 million the government has already committed towards the development of the Asia Marketing Fund in this year's budget. We are strongly committed to raising our profile in that region and becoming one of the primary destinations for tourists, particularly throughout the Asian region itself. Australia's tourism industry has already greatly benefitted from the emergence of China, which is now one of the world's strongest economies. If you listen to the economic forecast for the next decade, it will take over from the United States as being the
world's strongest economy. It has also got the world's fastest growing middle class. As a consequence of that we are attracting, as quickly as possible, marketing opportunities in China, currently worth $3.5 billion. It is the third largest market of inbound visitors to this country, with 542,000 arrivals from China alone in 2011. *(Time expired)*

Mr BALDWIN (Paterson) (17:23): I rise this afternoon to speak on the Passenger Movement Charge Amendment Bill 2012. The coalition would like to have been in a position to oppose the increase in its entirety; however, faced with a government that is borrowing over $1 million every single day and is likely to bequeath a national debt expected to dwarf the $96 billion debt the ALP previously left the Howard government, the coalition will face circumstances equivalent to a financial hangover after a spending party.

The totality of Labor's economic mismanagement will still, therefore, have to be paid for. The coalition is determined not to have the financial black holes in the national accounts that this government so regularly and cavalierly delivers. If returned to government, the coalition will look to do things differently, by looking at all measures to stimulate and grow the tourism sector, rather than simply looking to use the industry as a cash cow to be plundered.

Australia is not the only country to have an international departure tax. A number of countries levy some sort of air travel tax on passenger departures or arrivals. What is striking, though, is the rate at which we are levied. The decision to raise the PMC by $8 from $47 takes Australia's departure tax to $55 per passenger. This contrasts with the Australian dollar equivalents for travel outside of the European Union of $10 in France and $34 in Germany. Outside of the EU, New Zealand has a $19 charge and the US has a $14 arrival tax.

In Australia the $27 passenger movement charge was introduced in 1994-95 to replace the departure tax. It was a measure to cover the costs of Customs, immigration and quarantine, estimated at $19 per passenger plus funding to cover the $8 cost of processing short-term visas. Two years after coming to office, the coalition, in an effort to spurt tourism growth by providing resources to cover the costs of Tourism Australia's predecessor and its See Australia campaign, increased the charge by a further $3 in 1998-99 to $30. It was not raised again until 2001-02, when the airports required additional screening due to foot-and-mouth disease, and it was increased to $38.

Under the Howard government the PMC saw only moderate increases, and only when there was a specific and valid reason to do so. Between 1996 and 2007, what to many Australians must now appear to be a golden age, the PMC rose by $11, from $27 to $38—a rise of 35 per cent over 11 years. By contrast, in just five years this government has increased the PMC by $17, from $38 to $55—a rise of almost 45 per cent, or 4.5 times the increase in the annual CPI during this period. This year alone it represents a 17 per cent annual increase, compared to an expected CPI of only 3.25 per cent.

Raising the PMC is part of Labor's need to feed its insatiable tax addiction, an addiction that forces it to cast around for reasons to justify it. They had to at least attempt to make a justification, given that on 2 March 2012 in Cairns at the Qantas national tourism awards the minister, Martin Ferguson, was participating in the National Tourism Alliance full board meeting. At the same time I was across town launching the www.staycation.org.au campaign at a press conference at the Cairns Marina, aiming to
address Australia's ballooning tourism deficit.

We have gone from a surplus of $3.5 billion in 2001 to a loss today of $8.7 billion through Australians holidaying overseas. The Minister for Resources and Energy and Minister for Tourism was, as confirmed, in the National Tourism Alliance's communique, saying that there would be no increase in the passenger movement charge. In a later discussion on passenger facilitation, he said that he had heard no proposal to raise the PMC in the upcoming budget. Those statements are in this communique and I seek leave to table it.

Leave not granted.

Mr BALDWIN: As usual, this Labor government want to hide from the facts. The communique will be available to anyone who calls my office and wants a copy of it. How can an industry have confidence when you are telling them one thing before a budget and doing something different afterwards? Minister, you went to the tourism industry and you told them that there would be no increases in the PMC and then, after the budget, they find they are getting whacked with a 17 per cent increase—plus the CPI.

We have subsequently learned that, while we were all up in North Queensland, back in Sydney at the University of New South Wales they were modelling a potential 20 per cent increase in the PMC. This research was commissioned by none other than Tourism Research Australia, a part of Minister Ferguson's department. So while he was telling tourism leaders, 'I've not heard of any potential increases to the PMC in the budget,' he ordered his department to prepare the defence for what Labor would announce two months later.

The government might wonder why there is such animosity out there in the electorate. It is because they have a habit of saying one thing and doing something else shortly after. Who can forget 'There will be no carbon tax under a government I lead' before the election? Contrast that with the python squeeze that is waiting for them in less than a fortnight from today. I want to pay tribute to my colleague Senator Humphries, who obtained these documents and revealed Labor's duplicity.

The government knows it faces a trust issue within the electorate. That is why it tried, in relation to the rise in the PMC, what I call the 'disco ball approach'. You can see it now: all the ALP spin doctors sitting around in a room not far from here, saying, 'What can we do? How can we distract the industry? We need something bright and shiny—something that glitters.' One of them shouts, 'I know! What about an Asian marketing fund? What an idea. No-one else would have thought of that. We could really sell that one.' The rise in the passenger movement charge from $47 to $55 is estimated to raise an additional $500 million over the forward estimates, but just 10 per cent of that will be given back in the form of this bright, new, shiny Asian marketing fund. Not content with milking the tourism industry for $500 million, this government thought that it would try another resource strike at the industry by seeking to index the passenger movement charge to CPI, giving the government another $156 million over the forward estimates. In 2007, the passenger movement charge raised $420 million in revenue to cover administration costs of only $231 million; this year the passenger movement charge raised $656 million in revenue to cover administration costs of only $243 million. If we take this out to 2015-16, the government's passenger movement charge—or should we call it the government's tax on tourism?—will, according to Treasury figures, raise $1.037
billion, yet the administration costs are expected to be only $239 million. If you are looking for definite proof that the government sees the tourism industry as nothing more than a cash cow, then this is the definite proof. There are $800 million in surplus costs and expenses going directly into the bottom line.

When this government came to power, the budget for Tourism Australia—the government body responsible for promoting Australia to international visitors and encouraging Australians to travel domestically—was $136,269,000. This year the proposed budget is $130,178,000, and in the forward estimates it will still only be $134,556,000 in 2015-16. This is the lowest level of funding ever for Tourism Australia—the lowest funding ever for an industry which, combined with hospitality, provides employment for almost 1,000,000 Australians. In fact, in real terms, the money lost between 2007 and 2012 is $18,949,000—16 per cent. Projected through the forward estimates, it is $22,943,000—19 per cent. This Gillard government has given the bright and shiny new Asian marketing fund with one hand and taken away from Tourism Australia's budget bottom line with the other.

The tourism industry has had enough. The Australian Accommodation Association called the PMC 'a virtual tax on tourism' which has 'a direct negative impact on visitor numbers which in turn has a detrimental effect on room occupancy and revenue per available room in tourism accommodation businesses.' The TTF was joined by AFTA and several other travel and tourism industry organisations whose advertisement in the Daily Telegraph and the Australian Financial Review stated that the taxes and increases being placed on the travel and tourism industry were 'unwelcome and overwhelming'. No-one was more surprised that the tourism industry would stand up for itself than the ALP, who saw it as a soft touch.

Surprisingly, in the face of these full-page ads and a direct marketing campaign which showed that the industry was fed up and not going to take it anymore, Labor wheeled out an unprepared Prime Minister who was not across her brief and who had to pick up the mess left behind for her by her tourism minister. In trying to defend the increases to the PMC, the Prime Minister tried and failed to argue that the cash grab was actually designed as a positive step to help the tourism industry. That is great—help tourism by taxing it more! Prime Minister Gillard tried to imply that the PMC only affects outbound Australians holidaying overseas, but the truth is that this $55 tax slug is paid by Aussies at the start of their holiday and by our international visitors at the end of theirs. The Prime Minister said that she thought that raising the PMC was a good measure to discourage Australians from travelling overseas rather than holidaying at home. Either she made this up on the spot or, when the matter came up for cabinet discussion prior to the budget, neither she nor the Treasurer nor the immigration minister—let alone the tourism minister—understood how departure tax works.

For now, it appears that the government has succumbed to the pressure and resiled from going ahead with indexing the PMC to the CPI. However, even last night, when his own colleagues had seen the writing on the wall, Minister Ferguson was still defending the indefensible by telling the tourism industry that he supported indexation despite the rest of the government acknowledging that they had gone one step too far. Indexation of the PMC would have lead to an ongoing and ever-increasing significant impost rise on the tourism industry every year. It would have been the only tax to do
so, and this would have occurred by the stroke of a pen without any future parliamentary scrutiny and regardless of the prevailing global economic conditions.

Speaking of prevailing global conditions, these are some tough times for this tourism industry, and, as I have said in many tourism forums, the industry has been doing it tough in recent years. This is due to anaemic growth in many of our largest markets for inbound visitors, exacerbated by our strong dollar; competition from new and highly competitive destinations in our region; the impact of natural disasters such as Cyclone Yasi; and short-sighted, ill-conceived and economically counterproductive policies.

So what has Labor been doing to help the industry? The record is not exactly flash. First there is the little matter of the tax that dare not speak its name—or, as I referred to it earlier, 'Labor's python squeeze'. The government did not even consider the tourism sector serious enough to undertake modelling of what the impacts would be. So, while it was shovelling out the money to the steel industry and the car industry, amongst others, all the tourism industry had to go on was private modelling undertaken by TTF which forecast that 6,400 jobs would go and that there would be a cut of 10 per cent in industry profits. With this PMC rise, the TTF is now stating that job losses could be as high as 10,000—and these would be predominantly in regional and rural Australia—yet the TTF received not one cent in targeted, tourism industry-specific assistance.

Now the government has announced that some 90 Customs staff will lose their jobs in addition to the 70 posts already cut this year. This has led to longer queues at Customs and an average wait time of 24 minutes. The government has also increased the visa label charge by $10 and passed on the $118.1 million in costs for AFP security at airports. These costs in turn will be passed on to tourists and international visitors by the airlines. People travelling to Australia will now face all these additional imposts combined with a carbon tax when they shop. When one adds to this the cuts to Customs, Labor's marketing theme for our nation should be—to borrow a line—‘Welcome to Australia, where you will pay more and where you will wait longer!'

The thing about this government is that, if you watch it for long enough, you will find that patterns begin to develop. Just as it gave the tourism sector the glittering Asian Marketing Fund and then reduced funding in real terms for Tourism Australia, the government decided to repeat this sleight of hand with the SmartGate passenger facilitation system which helps eligible travellers to use electronic information in ePassports and face recognition technology to self-process through Customs and Immigration.

First, it gave $7 million to improve the SmartGate passenger facilitation. Then it made cuts of $10 million in the overall Customs budget in addition to staff cuts. Surely the government should have waited for the high failure rate to be reduced before making anticipated compensatory staff cuts? As the backbone of our tourism industry are thousands of small business operators. Tourism expenditure is mostly a discretionary-spending item and often is in a price-point sensitive market. This budget has resulted in making it more expensive to visit Australia through 'cash grab' measures such as the increases to the PMC. I condemn this government for taxing this industry beyond its capacity and it will stand condemned by the industry.

Ms MARINO (Forrest—Opposition Whip) (17:38): The purpose of the
Passenger Movement Charge Amendment Bill 2012 is to amend the Passenger Movement Charge Act 1978 and to increase the rate of the passenger movement charge, the PMC, from $47 to $55. As we know, the government promised about two months before the budget that it would not increase this PMC which clearly became nothing more than a blatant tax grab to try to help this government move into this mythical surplus. We certainly have not seen a surplus to date and I doubt whether we will see one in the future. But worse, the government is not just increasing those costs to the industry and to passengers and tourists coming into this country; at the same time it is cutting the resources to deal with processing of tourists. This means that tourists will be paying more for the privilege of taking longer to get through the process at the airports. We do know that the government originally planned to introduce the annual indexation of the passenger movement charge from 1 July 2013 and this would have added a further cost of $156.6 million over four years to the passenger movement charge.

Visiting Australia in the current economic climate is not the cheapest of exercises for tourists. As we see the Australian dollar edge once again above parity, the cost for international visitors increases and our tourism competitiveness declines. Why would you add to that cost for tourists coming to Australia? Why would you make it harder and more expensive and discourage tourists from coming here through increases in indexation, as we saw with this government, from $47 to $55? There is no doubt that there are impacts on our tourism industry. We are seeing this and I do not understand why the government would seek to add to the problems that this industry is facing, to add to the problems of all the small businesses.

It is only the opposition putting the amendment on the table and pressure from the tourism sector making this government drop its plans to index the passenger movement charge. We know that not only is it an issue for tourists coming here, but the high value of the Australian dollar is actually encouraging Australians to holiday overseas. I see this in my electorate. Many of the small businesses in my electorate have been affected by this. Whether they are in tourism, hospitality or retail, they have all felt that exodus, even of local tourists. For some of the small businesses, the combination of the cost to come here and the exodus of Australian travellers means they have had to make some very tough commercial decisions. I have also dealt with pensioners who are trying to live in Asia but still claim their Australian pension because their pension goes so much further overseas. There is no doubt that any increase to the passenger movement charge will impact on foreign visitors to our shores. We know that it is comparatively cheaper to leave Australia to holiday than to come here for a holiday. In part, it can be due to the high cost of living compared to other nations, but at each point the government seeks to make that differential even greater.

According to Mercer Human Resourcing Consultant, Economist Intelligence Unit and ECA International cost-of-living surveys, four Australian cities are among the most expensive in the world to live. We know Sydney, Melbourne, Perth and Brisbane are ranked 14, 21, 30 and 31. Accommodation and a night out are not necessarily cheap by international standards. We do not need any additional reasons for people and tourists not to come to Australia, but that is what the government seems intent on achieving. It is not necessarily cheaper to live in regional areas than in major cities and the cost of delivering goods and services in regional
Australia can mean more expense. We know that the government's carbon tax will make both the base cost and the additional impost in regional areas even worse. Then you are going to add increases to the passenger movement charge.

A survey by Sky Scan found Australia was the 16th most expensive country to visit. Not only is this the worst time to introduce the world's largest carbon tax, but the government continues to increase costs and reduce services to the tourism sector. It is really the worst time along with these additional costs and challenges. The government should understand that this is the worst time to increase costs for tourists coming to and leaving Australia. We do not want to discourage one more person from coming to our country. You see the small business operators who have been struggling for some time, are still struggling and will struggle further. We know that that will be the case.

The tourism sector is also facing real problems because of the government's changes to the Fair Work Act. The lack of flexibility in the act is a millstone around the neck of many small tourism operations. I hear this over and over in my electorate. It is one of the reasons that a cup of coffee costs so much on a weekend, especially in Perth.

In its continual program of selling out small businesses perhaps in favour of the union movement, the Gillard government is selling out not only Australian coffee drinkers but the tourism industry around the nation. One of the great things that you can do as a tourist is eat and drink some of the best-quality food, offerings and beverages that we have in the world, as you would well know, Mr Deputy Speaker.

My south-west relies quite heavily on tourism as part of our economy. I am sure that all members here have heard of Margaret River. Margaret River, in the south-west, relies on tourism. Tourism operators do not need an additional passenger movement charge, to prevent more people from coming to Margaret River and the south-west. If you are uncertain about the tourism potential of the region, please come along to my next South West Sensations Showcase.

According to the South West Development Commission, tourism contributes almost $600 million annually to the gross regional product of the south-west. It involves over 1.4 million overnight stays. But, on current figures, only seven per cent of those are international tourists and 10 per cent are interstate tourists. Each of these figures needs to be increased.

We are looking at the provision of a larger airport, based at Busselton, capable of receiving direct flights from Sydney and Melbourne. I see that as essential to realise the greater tourism potential of the south-west. Such tourists would not be hit by increases in the passenger movement charge proposed in this bill, but they would be hit by additional costs from the carbon tax imposed on domestic transport and travel. Tourist destinations around the eastern seaboard do have direct flight capacity, which contributes enormously to their economies, and the south-west should have that same opportunity.

As we have discussed, the bill before the House today increases the passenger movement charge. It means that international visitors will pay more. International visitors who come along to the south-west will pay almost $1 million in additional Labor tax. That is what it means to my south-west. And, as they leave Australia, the extra cost will be $995,200. The extra cost to visitors to the Augusta-Margaret River shire alone will be half a million dollars. People focus on small
amounts, on a small change—no, it is not. It is not, when you look at major tourism areas such as my south-west and the Margaret River region. We do not need one more reason for tourists not to come to Australia, particularly to my part of the world. This is the worst time to be adding costs, like the carbon tax, to the industry.

Tourists going to Busselton will pay a quarter of a million dollars and, at the same time, those going to the Augusta-Margaret River shire will pay half a million dollars extra. Every increase in cost collectively impacts on people's decisions as to where they decide to spend their travel dollars. Wherever they are sitting in the world, when they are looking on the internet or at a pamphlet, they ask: 'Where are we going to go for our holiday? Let's have a look. Where do we get value for money and where can we get the greatest experiences?' There are a whole lot of drivers. They are very careful as to where they decide to spend their travel dollars. Every time the cost of travel to Australia rises, some potential visitors are priced out of the market and other destinations actually look financially more attractive.

The rush of tourists, even Australian tourists, to places such as Bali actually proves this point. Those numbers actually indicate the pressure that already exists on local tourism operators who are competing for international tourists. That is why every single incremental increase, like this one to the passenger movement charge, actually adds collectively to the reasons why more tourists will choose not to come to Australia and certainly not to my south-west. We are in a competitive market. Any government action that reduces the cost competitiveness of tourism is an issue for the industry.

In 2014 diesel will become part of the carbon tax cost. So there will be real travel issues for the industry, particularly for those travelling by bus. Of course, the further you travel, the more the compounding effect of that carbon tax will be. We need to strongly encourage, not discourage, any growth in tourists.

In an era of what is really fundamental economic decline in many western nations, it will be Asia that picks up the economic ball and runs with it. Growth in economies such as Asia is based on hard work and productivity. Therefore, for tourism in Australia to flourish, despite facing the challenge that it does, it needs to engage, as we have previously done, in the Asian marketplace. Western Australia is certainly a key destination.

Another aspect of the Passenger Movement Charge Amendment Bill 2012 is the expenditure of the moneys collected by the Commonwealth under the tax. As we know, it was first introduced in 1994 as the departure tax. It was put in place to fund Customs, Immigration and quarantine activities. It cost visitors $27.

It was increased in 1998 to fund a tourism campaign—a dedicated purpose—and, again, in 2001 to boost foot-and-mouth screening, something that, as a farmer, I well understand. The rate rose to $38. But the then newly elected Rudd government pushed that up by $9—or 24 per cent—with no explanation. 'It is not for foot-and-mouth screening, it is not for quarantine, it is not for any immigration purpose; it is just a revenue raiser, because we want to throw it away on one of our famous wasteful projects.' It could have been any project. Pick your project to throw it away on. We know the government's record on border management is absolutely appalling. It has cut funding to Customs, which is about protecting our borders, to help pay for multibillion dollar blow-outs in its people smuggler subsidy program.
masquerading as a Labor border protection policy.

We have seen the backdown, as I said earlier, on the proposed indexation. I do acknowledge the work of the shadow minister in the proposal to amend this legislation and the work of the tourism organisations. This is really a tax grab and it is there to fund the continuous waste, the mismanagement and the massive budget deficits and debt of this government.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (17:52): I move:

That the question be now put.

The DEPUTY SPEAKER (Ms AE Burke): The question is that the question be now put.

The House divided. [17:57]

(The Deputy Speaker—Ms AE Burke)

| Ayes................. | 69 | Noes................. | 69 | Majority.............. | 0 |

AYES

Adams, DGH
Bandt, AP
Bowen, CE
Brodman, G
Butler, MC
Champion, ND
Clare, JD
Combet, GI
Danby, M
Dreyfus, MA
Ellis, KM
Ferguson, MJ
Garrett, PR
Gibbons, SW
Grierson, SJ
Hall, JG (teller)
Husic, EN (teller)
Jones, SP
King, CF
Livermore, KF
Macklin, JL
McClelland, RB
Mitchell, RG
O’Connor, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Roxon, NL
Saffin, JA
Sidebottom, PS
Smyth, L
Swan, WM
Thomson, CR
Vamvakinou, M
Zappia, A

NOES

Abbott, AJ
Andrews, KJ
Baldwin, RC
Bishop, BK
Broadbelt, RE
Chester, D
Ciobo, SM
Coulton, M (teller)
Entsch, WG
Forrest, JA
Gambaro, T
Griggs, NL
Hartsuyker, L
Hockey, JB
Irons, SJ
Jones, ET
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Moylan, JE
Oakeshott, RJM
O’Dwyer, KM
Pyne, CM
Randall, DJ
Robert, SR
Ruddock, PM
Secker, PD (teller)
Smith, ADH
Stone, SN
Truss, WE
Turnbull, MB
Vasta, RX
Wyatt, KG

PAIRS

Ferguson, LDT

AYES

Parke, M
Plibersek, TJ
Rishworth, AL
Rudd, KM
Shorten, WR
Smith, SF
Snowdon, WE
Symon, MS
Thomson, KJ
Wilkie, AD

NOES

Alexander, JG
Andrews, KL
Billing, BF
Briggs, JE
Buchholz, S
Christensen, GR
Cobb, JK
Dutton, PC
Fletcher, PW
Frydenberg, JA
Gash, J
Haase, BW
Hawke, AG
Hunt, GA
Jensen, DG
Keenan, M
Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
Neville, PC
O’Dowd, KD
Prentice, J
Ramsey, RE
Robb, AJ
Roy, WB
Scott, BC
Simpkins, LXL
Somlyay, AM
Tehan, DT
Tudge, AE
Van Manen, AJ
Washer, MJ

PAIRS

Crook, AJ
The numbers for the ayes and the noes being equal, Madam Deputy Speaker Burke gave her casting vote with the noes.

Question negatived.

Mr ENTSCH (Leichhardt—Chief Opposition Whip) (18:04): In rising to speak on the Passenger Movement Charge Amendment Bill 2012 I have to say it has been quite an eventful couple of days that we have seen in this place. I am pleased to see that the government has finally come around to some semblance of sense in that, thanks to the pressure from this side of the House and from tourism industry leaders, they have backed down on the indexation of the passenger movement charge to the CPI. I have spoken to many industry representatives about this issue and I totally support their argument that it is both unreasonable and unfeasible to penalise visitors to the tune of $156.6 million on top of the $610 million over four years that the increase in the PMC will generate.

Frankly, it was a wise move by the government to introduce this amendment to its own legislation in response to coalition concerns. Otherwise, it would have had another very embarrassing defeat on the floor of the House yesterday—and I look forward to seeing how they are going to explain that one.

There are a number of issues with this aspect of the proposed legislation. Firstly, forward bookings are a major component of the tourism industry, so how can you set prices when you do not know where the CPI will be 12 or 24 months into the future, particularly in relation to the economic performance of this mob? And with the price sensitivity and inherent competitiveness in the tourism industry, how can you lock in an increase that does not consider any other economic factors or allow for the flexibility that is needed in the tourism industry in order that they can stay competitive?

This is all at the same time as the amount being collected far outweighs the actual cost of the government services that enable these passenger movements.

I would like at this time to commend the tourism bodies that have led a very concerted and well-researched campaign on this: the Tourism and Transport Forum, the Australian Federation of Travel Agents, the National Tourism Alliance and the Australian Tourism Export Council. In my electorate of Leichhardt, tourism, of course, is one of the mainstay industries that have had a very, very tough time in recent years.

No-one would argue that the tourism industry is not an industry that is exposed to factors such as the high value of the dollar and, of course, economic confidence.

I fully understand the need to pay off $140-odd billion worth of Labor debt; it is an incredible imposition on the Australian
taxpayer and impacts on our financial standing on the world stage. But it is also obvious that I understand tourism and the unfair pressure that it has been subjected to. Time and time again, I have seen this government pay tourism lip service while at the same time, whenever they need to raise some revenue, they are quite happy to take it in the form of increased taxes from the tourism industry. They are happy to offer a support package to the vehicle-manufacturing industry when they hit a bit of a rough spot, but when it comes to the tourism industry and we see problems there it is, 'Sorry, you're on your own.' Then, when they see an opportunity to recover a few dollars, straightaway they whack another tax on this industry.

It has been like a triple whammy effect that has hit our airports in the last budget, inasmuch as they will still be forced to suffer the increases in the PMC and to continue to contribute to the Australian Federal Police costs. This, of course, will have a particularly negative impact in regional airports like Cairns. Of course, small business again will suffer from the slashing of revenue streams as a result of the ban on duty-free sales of cigarette cartons on arrival in the airports. In addition, eight staff have been cut from the front-line customs services at Cairns Airport. I do not know about you, Mr Deputy Speaker, but I can tell you that after getting off a long international flight the last thing I feel like doing is standing in immigration queues that take forever to be processed. This information does tend to get back to users of that airport, and it acts again as a negative for people considering travel here.

This increase in the PMC is certainly not in line with many of our tourism goals in Far North Queensland. It certainly will not be helping to double overnight visitor expenditure to $140 million by 2020. It is not going to help to widen the geographic dispersal of tourism spending within our country. PMC will hit the most price-sensitive travellers hardest and will serve as a deterrent to overseas visitors who compare Australia with other destinations. As a flat rate, it also does not take into account the different abilities of travellers to pay. Somebody arriving in Cairns on a Jetstar flight from Auckland, for example, will pay the same as a first-class passenger arriving from London.

However, with the Treasurer saying that some of the money collected through the increased PMC will fund the establishment of an Asia Marketing Fund, that is a little bit of common sense that is coming out of this. I am pleased to see that it ties in with the need to target the high-growth Asian market. It is imperative that the Treasurer be held to his words. If people are going to be forced to pay to visit us then, as a key tourism destination, we will certainly be watching very, very closely to make sure that a significant portion of marketing is targeted towards our region, which will help to make up for some of those additional costs. With Cairns having taken a hammering in recent years, the opportunities presented by the Asian market may just be our saving grace.

For example, there has been an ongoing campaign to woo the Chinese market, and it has been reported today in the local media that Cairns Airport may be close to an agreement with China Eastern Airlines on direct flights from Shanghai. In yesterday's Cairns Post there was an article saying that Australia is poised to benefit from the growth from the cashed-up Indian middle class, and yesterday afternoon we heard a report that direct flights from Singapore are likely to resume after a six-year hiatus. Again, it is interesting that it was the new LNP state government and the new state member for Cairns, Gavin King, who are...
kicking the goals and recognising the needs of regional Australia while this Labor government continues to penalise tourism, to try to put additional taxes on this very important industry and to tax it out of existence.

Mr CLARE (Blaxland—Minister for Home Affairs, Minister for Justice and Minister for Defence Materiel) (18:13): I would like to thank members for their contributions to the debate on the Passenger Movement Charge Amendment Bill 2012. The bill amends the Passenger Movement Charge Act 1978 to increase the rate of the passenger movement charge by $8 to $55 per passenger. This will take effect from 1 July.

This week a House committee and a Senate committee tabled reports on the bill. Both recommended that the bill be passed. The House committee report raised a number of concerns that industry had raised, including indexation and regional tourism. The government has considered the report and decided to make two changes: (1) an amendment that I will be moving in committee to remove indexation and (2) the creation of a Tourism Industry Regional Development Fund. This will fund tourism development projects in regional Australia through grants of up to $100,000. This is, of course, on top of the funding allocated to a new Asia Marketing Fund. It is a very important initiative and we remain committed to it. There is good reason for that: in less than a decade it is estimated that there will be 100 million outbound travellers per annum from China alone. This fund will help promote Australia as a touring and business destination in this important and growing market. It has been endorsed by Tourism Australia Chairman and former Qantas CEO, Geoff Dixon, who said:

With this new dedicated fund, we now have an unprecedented opportunity to further drive both existing campaign activity and new marketing efforts across our fastest growing and most valuable inbound visitor markets.

There has been a bipartisan approach on this issue. We have both supported the passenger movement charge and we have both increased it in the past. John Howard introduced its predecessor, the departure tax, in 1978 and presided over the biggest ever increase to the passenger movement charge of 27 per cent in 2001. The difference between the major parties is that Labor is investing some of it in the Australian tourism industry; the Liberal Party never did. 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.

Mr CLARE (Blaxland—Minister for Home Affairs, Minister for Justice and Minister for Defence Materiel) (18:15): I present a supplementary explanatory memorandum to the bill and I move the government amendment:

(1) Schedule 1, item 1, page 3 (line 4) to page 5 (line 22), omit the item, substitute:

1 Section 6

Omit "$47", substitute "$55".

This amendment removes indexation of the passenger movement charge from the bill. The proposed increase of $8 will occur from 1 July 2012. The increase without indexation is expected to result in $485 million over the four years from 2012-13.

Mr HOCKEY (North Sydney) (18:16): This is the third strike. Isn't it of great interest to everyone that when these ministers come in to give these humiliating backdowns through an amendment to their own legislation, they have the shortest speeches? It could be a 45-second speech, which is the smallest limit on a speech in this place. But here we have the minister come
up and, in a low tone, say, 'Look, we are changing our legislation—the legislation that we introduced only a few days ago; the legislation that was again the cornerstone of the budget—and we are dumping the CPI increase'. I want you to hear this. You guys have gone through more wheels and turns on this than a rotor blade. How do you feel about that? Aren't you humiliated? Be it the passenger movement charge or be it withholding tax on managed investment schemes, who is running the shop over there? Who is running the shop? It is a simple question.

Minister, I ask you to come up and explain why you are dumping this proposal from your bill and why you have not said it in relation to the amendment. They will not say it because pride beats big time in their chests. No, the fact of the matter is the Labor Party was staring yet again at defeat on a budget measure that they got dead wrong.

For how long have we heard the Treasurer in this place talk about a patchwork economy? He rarely says it these days. He would get up here and he would bleed for the tourism industry. The shadow tourism minister would say it is outrageous the way they are treating the tourism industry. But the shadow tourism minister and all the people on this side of the House were saying that the tourism industry is doing it tough because of the high Australian dollar and because of what is happening overseas. The government says, yes, the tourism industry is doing it tough. But the government's logic—like its logic in so many other areas—is to increase taxes on the industry because taxes are good to you and good for you, according to the Labor Party. We want you to double the carbon tax, double the mining tax and double income tax. Double all those taxes is what the Labor Party should do because there is one thing about the Labor Party you know and I know: they know how to tax. They know how to hit you in the hip pockets.

Just today we had a bill on interest on withholding tax in managed investment trusts. The Labor Party announced in the budget they were cutting it from 30 per cent to 7½ per cent, which they did previously, then they were going to double it to 15 per cent. And today they excised it from the bill. What happened? After question time they said they were going to reintroduce a new bill in exactly the same way tomorrow. How does that work? Why are they doing that? Senator Penny Wong, the Minister for Finance and Deregulation, belled the cat when she said they could not get it through because of the opposition and the Greens. Then why are they re-introducing it tomorrow? If you were wondering about sovereign risk, if you were wondering about negativity then look no further than the Labor Party in relation to this. They say the industry is doing it tough, so then they hit it with an increase in the passenger movement charge. By the way, they will not just hit you in the coming budget for the coming year; they are going to hit you every year after that because that is what the Labor Party does.

How humiliating for a minister to come in here and amend his own budget bill. It is like that great scene at the end of *The Hunt for Red October* when the Russian ambassador comes in and says, 'Mr Minister, we have lost *Red October*.' The American official says, 'What? You've lost another one?' Here we have it, groundhog day: what, you have lost another budget measure? Where did that go? Is it in the dispatch box? Is it under the table? Is it hiding under the shoes of the member for Paterson? Where is it? Where is the budget measure?

The bottom line is that when it comes to tax you do not want to stand between the Labor Party and a new tax policy. When it
comes to treating the tourism industry with contempt, the Labor Party is A1. They are the best. Look no further than this bill and look no further than their humiliation on this amendment.

Mr KEENAN (Stirling) (18:21): This is the second time we have seen a minister walk into the parliament today and amend their own budget bill: for the passenger movement charge that we are now discussing and, earlier today, for managed investment trusts. The latest amendment comes on top of the fact that this minister, the Minister for Home Affairs, has just announced that they have had two more illegal boat arrivals, carrying over 120 people, at Christmas Island.

Mr Hockey: What?

Mr KEENAN: Two more illegal boat arrivals carrying 120 people. That means that since the budget and these two backdowns on the budget, they have had 1,800 people arrive illegally in Australia in the past six weeks. That is the equivalent of 300 people coming into Australia illegally per week, and the government budgeted for 450 to come per month. So we are getting 1,200 a month, the government have budgeted for 450 a month, they have already taken $400 million out of their budget bottom line today alone, plus there is the blowout we are going to get in processing charges for all the extra illegal immigrants that are coming down. When you add all of that, their $1.5 billion surplus, which nobody believes they are going to get anyway, is completely blown away.

This passenger movement charge is really the final insult for the tourism industry. The government have slashed funding for the facilitation of passenger movements in and out of Australia and that has led to increased processing times for people coming to our country and leaving our country. At the same time they are getting more money from the people who are moving through our borders. So you can wait longer and you can pay more: this is life under Julia Gillard's Labor Party.

Unfortunately, Customs is an agency that has been systematically targeted by Labor since they came to office. The $34 million cut for passenger facilitation that I have just outlined comes on top of another $10 million cut in the most recent budget. This is occurring at a time when passenger numbers are going to move from approximately 32 million to 38 million over the next four years. So this hit to Customs means that people are going to be waiting longer but they are going to be paying extra for the privilege under the Labor Party. It means that the government's target of processing people within 30 minutes when they come into Australia is just not going to be met. Indeed, the government's own KPIs show that people are waiting longer: only 92 per cent of people are going to be processed within the time frame and, because of the budget and personnel cuts, that figure is only going to get worse.

The Australian Airports Association represents people who actually know what is going on at our airports. If you talk to them they will let you know how concerned they are about these Customs cuts. They tell us that in Australia's major gateway ports—Sydney, Brisbane, Melbourne and Perth—the processing time at peak periods for passengers has gone up by 24 minutes because of these Labor Party budget cuts.

There is absolutely no correlation between the passenger movement charge and what it costs the government to process passengers. The government's own figures tell us that they are going to be spending less on processing passengers—$240 million this year and then $230 million next year—at a time when they are going to be raising about
four times that much from the passenger movement charge. The indexation was completely and utterly indefensible. It hit an industry that employs 900,000 Australians and it hit them at the worst possible time, when they are struggling from the effects of the high Australian dollar.

Don't let the minister, who came in here and gave a 10-second speech on his amendment, get away with the claim that the government are doing this willingly; that they have suddenly seen the light; that they have had a road to Damascus style conversion and realised that they cannot afford to hurt the tourism industry in this way. I have a copy of the government amendment here and we are happy to support it because it gives us the outcome we are seeking. It gives us that outcome because it is word for word, letter for letter, exactly the same as the amendment we moved yesterday.

Mr Hockey: Really?

Mr KEENAN: There is absolutely no difference between the government amendment and the amendment moved by the opposition yesterday. The budget is the most seminal document a government produces, outlining its priorities for the next 12 months. When you are in government and you cannot keep your budget alive for six weeks, you have forfeited the right to govern—and this is the second time today we have seen a minister scurrying in here to backtrack on their budget measures. (Time expired)

Mr BALDWIN (Paterson) (18:26): Mr Deputy Speaker, I wonder if it is wrong for you to put a call out for somebody who is missing in action. The person charged with responsibility for the tourism industry in this country has not spoken in this debate. When I look at the speakers list for today I see he is not listed to speak, so I can understand why the government tried to guillotine debate. What is more telling about the list of speakers is that the government only had two people prepared to stand up and talk about the tourism industry.

The problem with the government is they do not connect or communicate with the tourism industry, and that is why we have this situation where they have had to have a second humiliating backdown today on their budget measures. If they had bothered to connect with the tourism industry they would understand the impact. Taxing development opportunities for foreign investment in the hotel industry is only going to drive investors away and therefore lead to less hotels being built. Taxing tourists means less tourists come. The government do not understand business because none of them, as far as I can see, has been in business. Not one has been in the tourism industry; not one has had their own money on the line making sure their business survives. So we have seen these two humiliating backdowns where the government have no control of their own budgetary measures.

Had the minister not gone to the National Tourism Alliance and said to them, not once but twice during that meeting in Cairns, 'There will be no increase to the passenger movement charge,' they might not have mounted the campaign which led to full-page advertisements condemning this government for seeing the tourism industry as an instant cash cow that offered little resistance. They stood up because the Minister for Tourism had told them there would be no increase. It is the same as with the carbon tax promise before the election. This minister, though, had also, as I said earlier, instructed his department to do modelling on a 20 per cent increase in the PMC and to work out his defences. What we have here is a minister who has not spoken on this bill, a minister who has not defended the increases. Yet last
night at the Australian Federation of Travel Agents, Labor friends of tourism—and I was surprised that anyone turned up after putting these bills on—he told them that he was going to defend the CPI increase and the PMC increases. Well, Minister, we are prepared to allow the debate to go so that you can come into this House and defend your want to increase taxes on the tourism industry. What you do not understand, Minister, is that tax does not create jobs, only revenue for a very poor government.

The minister is not a bad bloke really, but he has just failed to connect. There was a movie once, called Failure to Launch, where somebody would not connect, would not make a commitment, and escaped at every possible opportunity. That was about marriage, but what you have got to do with the tourism industry is engage with them at least, and this minister has not. If this minister had engaged with the industry, he would have understood and listened to the fact that the PMC was bad news. He would have understood that amplifying it with a CPI increase was going to tip the industry over the edge. In fact not only does he not understand the industry, he also does not understand his own department and his own government. As I said earlier, this is the same minister who, the exact week before the budget took the flight up to Shanghai and launched a tourism investment policy to attract Asian investment into our hotel industry to build those much-needed 30,000 to 70,000 beds. The policy lasted about a week, because then they wanted to double the withholding tax. We have seen yet again another embarrassing backdown. Do know why you have to make backdowns? It is because you do not understand the industry and you do not connect. The minister for tourism is to stand condemned by this House, because he has already been condemned by the industry for failing to deliver. I welcome what is actually the amendment by the shadow minister for justice and customs, because that was put out in the marketplace and the minister has picked up on it and followed the coalition lead to protect our tourism industry. (Time expired)

Question agreed to.
Bill, as amended, agreed to.

Third Reading

Mr CLARE (Blaxland—Minister for Home Affairs, Minister for Justice and Minister for Defence Materiel) (18:32): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Appropriation Bill (No. 1) 2012-2013

Report from Federation Chamber

Bill returned from Federation Chamber without amendment; certified copy of bill presented.

Order that this bill be considered immediately.

Bill agreed to.

Third Reading

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (18:33): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Appropriation Bill (No. 2) 2012-2013

Report from Federation Chamber

Bill returned from Federation Chamber without amendment; certified copy of bill presented.

Order that this bill be considered immediately.

Bill agreed to.
Third Reading
Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (18:34): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Appropriation (Parliamentary Departments) Bill (No. 1) 2012-2013
Report from Federation Chamber
Bill returned from Federation Chamber without amendment; certified copy of bill presented.
Order that this bill be considered immediately.
Bill agreed to.

Third Reading
Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (18:35): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Appropriation Bill (No. 5) 2011-2012
Report from Federation Chamber
Bill returned from Federation Chamber without amendment; certified copy of bill presented.
Order that this bill be considered immediately.
Bill agreed to.

Third Reading
Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (18:36): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

BUSINESS
Rearrangement
Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (18:36): I move:
That business intervening before order of the day No. 11, government business, be postponed until a later hour this day.
Question agreed to.

BILLS
Broadcasting Services Amendment (Improved Access to Television Services) Bill 2012
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.
Mr TURNBULL (Wentworth) (18:37): This bill, the Broadcasting Services Amendment (Improved Access to Television Services) Bill 2012, has very broad support both in the House and in the community. It seeks to increase the level of captioning that is provided on both free-to-air television stations and subscription television services. The aim of the bill is to eventually achieve a
captioning service on 100 per cent of a commercial broadcaster's core or primary channel during the relevant viewing hours of 6 am to midnight. This is done progressively with the bill. It also seeks to incrementally increase the captioning targets for subscription television licences.

It is a fundamental matter of social justice to ensure, as far as we can, that people with disabilities are not deprived of access to those important means of communication and information, participation in which enables them to engage fully with the rest of the Australian community. We warmly support this bill. The principles enshrined in it have had the support of the coalition in government, and captioning requirements have been increased and imposed during our time in government.

There are a number of matters which we believe would enable us to improve the bill, so we have a number of amendments which we will move when we move to consideration in detail. I will not delay the House any further, Mr Deputy Speaker Oakeshott—I did not recognise you with your glasses on there for a moment. We will not delay the House any longer on the second reading given that there is a consensus that this bill should be dealt with tonight. I will come back to the amendments at the appropriate time. Both as a matter of principle and of policy the objects of this bill are worthy ones.

Mr NEUMANN (Blair) (18:40): I speak in support of this particular piece of legislation, the Broadcasting Services Amendment (Improved Access to Television Services) Bill 2012. I only want to speak for a few minutes on it. The bill amends the television captioning requirements in the Broadcasting Services Act to provide improved media access for the deaf and hearing impaired. That is a worthy bipartisan approach to take in relation to these issues. There has been consultation with stakeholders, media and other groups associated with this particular piece of legislation.

Access to electronic media is important for all members of a society which is supposed to be inclusive. It means that people regardless of their circumstances, disabilities and limitations can access film, television and the internet. It is important that we in this parliament take an approach that looks at assisting those people to enjoy an important recreation of ordinary Australians, regardless of their circumstance, their income, their geographical location or their physical capacity.

The bill increases requirements for captioning free-to-air and subscription television broadcasts. We have all had the benefit of seeing captioning on our TVs; it assists people with hearing impairment by providing a text version of speech and sound during television broadcasts. Those of us who watch other programs on SBS and the like will have had the benefit of that. In this short time I want to congratulate the government on this bill, congratulate the opposition for their bipartisan approach and support the legislation.

Mr HARTSUYKER (Cowper) (18:41): I will speak briefly on the Broadcasting Services Amendment (Improved Access to Television Services) Bill 2012. I certainly concur with my colleague, the shadow minister for communications, on the importance of providing equity in access to electronic media services. This bill, which addresses the issue of captioning, supports that principle. However, the coalition has some concerns and as my colleague has indicated he will be moving a number of amendments to reflect improvements that we believe should have been made to the bill.
One of the first issues is that it is unclear what happens if the captioning system fails due to a technical difficulty. We have the ironic situation that where a broadcast fails completely and the screen goes black a broadcaster would not necessarily be in breach of their broadcasting licence; however, if there is a failure of the captioning system, it may well be that that broadcaster is in breach of their broadcasting licence. We feel that the provisions of the bill are somewhat onerous on the broadcasters and that a more common-sense approach should apply.

The second issue I would like to address briefly is the hours of captioning. Captioning is required between 6 am and midnight, but it would be reasonable to allow a broadcaster to include the whole duration of a program that begins before midnight and may finish at perhaps 1 am in the morning as part of its contribution to captioning. This is a common-sense approach: a viewer who is dependent on captioning would not want the captioning to conclude halfway through the program. This second amendment is a very sensible measure.

The third matter I would like to reflect on is the very onerous reporting requirement imposed by this bill. A more common-sense approach of having a complaint based system, rather than burdening the network with very extensive requirements for record keeping, would be a better approach.

Finally, there is the issue of pass-through channels such as BBC, CNN, CNBC, Bloomberg and Eurosport which may have relatively small audiences. It would be appropriate to exclude their programs from the captioning regime. Because of the cost of captioning—and it is quite expensive; it can be up to $750 per hour—if they were required to caption their programs it may be that those programs, which are enjoyed by a rather small but important audience, disappear from our market. So there were a number of sensible suggestions that the opposition has made. I would hope that the government could see its way clear to support those. But we certainly do support the thrust of the bill; it is an important improvement for disabled and hearing-impaired people.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (18:45): I would like to thank members who have contributed to the debate.

Access to electronic media is important to all members of our community. This bill contains a number of measures to improve media access for the many Australians who are deaf or hearing impaired. The bill responds to the consultations with stakeholders, beginning with the Media Access Review process, which commenced in 2008. It amends the Broadcasting Services Act 1992 to implement new captioning targets and obligations on free-to-air and subscription television. Captioning is an important tool that assists people with a hearing impairment. Importantly, the bill makes provision not only for improved quantity of captioning but also for improved quality through the implementation of minimum quality standards regarding the readability, comprehensibility and accuracy of captions.

The bill also enhances the role of the regulator, the ACMA, in working with stakeholders to develop captioning standards, to monitor compliance and to respond to consumer complaints. The bill will also provide for improved access to television emergency warnings for people with a hearing or vision impairment.

The government is committed to making meaningful improvements to levels of media access, while ensuring that our actions are
practical for broadcasters and content producers. The amendments in this bill, accompanied by a regulation to be developed by the Attorney-General, will provide both viewers and broadcasters with a level of regulatory certainty through one set of clear future targets, one overarching regulatory system and a clear and cost-effective compliance and complaints mechanism. 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.

Mr TURNBULL (Wentworth) (18:47): by leave—I move opposition amendments (1) to (10) together:

(1) Schedule 1, item 2, page 7 (after line 23), at the end of section 130ZL, add:

3 For the purposes of the application of this Part to programs transmitted on or after 1 July 2014, if a captioned program begins before midnight and ends on the next day, the part of the program broadcast after midnight is taken to have been broadcast during designated viewing hours.

(2) Schedule 1, item 2, page 8 (after line 7), after subsection 130ZN, insert:

130ZNA  This Part does not apply to programming supplied by an international pass-through provider

(1) This Part does not apply to a subscription television service that consists wholly or primarily of programming provided by an international pass-through provider.

(2) An international pass-through provider, in relation to a subscription television service provided by a licensee, is a person who makes available a channel or service to that licensee where that channel or service has been compiled and played out at a location outside of Australia.

(3) Schedule 1, item 2, page 27 (after line 8), at the end of section 130ZUB, add:

(3) If:

(a) apart from this subsection, a commercial television broadcasting licensee or national broadcaster has breached a provision of this Division; and

(b) in doing so, has acted honestly and reasonably and, having regard to all the circumstances of the case, ought fairly to be excused;

then the breach is to be disregarded in determining whether the licensee or broadcaster has complied with the provision.

(4) Schedule 1, item 2, page 43 (line 35), before "If", insert "(1)".

(5) Schedule 1, item 2, page 44 (after line 8), at the end of section 130ZZAB, add:

(2) If:

(a) apart from this subsection, a subscription television licensee has breached a provision of this Division; and

(b) in doing so, has acted honestly and reasonably and, having regard to all the circumstances of the case, ought fairly to be excused;

then the breach is to be disregarded in determining whether the licensee has complied with the provision.

(6) Schedule 1, item 2, page 46 (line 30), omit ",
4".

(7) Schedule 1, item 2, page 47 (line 6), omit ",
4".

(8) Schedule 1, item 2, page 47 (line 15), omit ",
4".

(9) Schedule 1, item 2, page 49 (line 13), omit ",
4".

(10) Schedule 1, item 2, page 49 (line 17), omit ",
4"

Providing access to services for people with disabilities is one of the most important things government can do. As I said earlier in the second reading debate, we are totally committed to the object of this legislation. Having said that, getting the balance right is vital and we do not think the balance is quite right here.
This bill amends the Broadcasting Services Act 1992 and introduces new legislative requirements, and in some places increases existing requirements for the provision of captioning services for commercial, national and subscription television broadcasters. The bill also introduces new obligations on broadcasters to transmit emergency warnings in the form of text and speech, and caption where reasonably practicable.

While the broadcasters do not seek to shy away from their commitment to providing captioning services, nonetheless they have expressed concern that the increase in captioning obligations is, in certain respects, overly burdensome. The cost of captioning is substantial—$750 an hour or more—and these costs increase significantly for live captioning of programs such as sport and news.

Turning to the amendments, item 1 amends schedule 1, section 130ZL of the bill and adds a clause to allow that where a captioned program begins before midnight and ends the next day, the part of the program that is broadcast after midnight is taken to have been broadcast during designated viewing hours. Currently the bill does not allow broadcasters to include the captioning of the part of the program that finishes after midnight towards their target. Given the cost and difficulty in captioning programs, this amendment gives broadcasters a greater incentive to caption the whole of a program or sporting event that runs past midnight. It stands to reason that we should not have the law as proposed in the government's bill, which would mean that if a sporting event or some other programming was part-heard or part-viewed at midnight, the broadcaster would simply stop captioning it. There would be no point in captioning it after midnight if it does not go to help them achieve their target. This is a perfectly sensible, practical amendment, and I commend it to the House.

Item 2 amends section 130ZN by inserting an exemption for international pass-through providers. My colleague, the member for Cowper, spoke about this. Briefly, under the bill international news channels, including BBC World News, CNN International, Al Jazeera, Bloomberg, CNBC, Eurosport and Euronews, would become subject to new mandatory captioning requirements. In June 2004, the members of the Australian Subscription Television and Radio Association Inc., ASTRA, made an agreement with the Human Rights Commission to provide captioning on subscription channels with annual increases of the amount of captioning programming of up to five per cent year on year. Under this agreement these international pass-throughs, as honourable members can see from the amendment, are defined as a service that has been compiled and played out at a location outside of Australia—for example, BBC World News is played out of London.

At the moment, if these services are required to be captioned—which is the intention of the bill—it will add such a substantial cost to the subscription television service in Australia that we are advised that a number of these channels will simply no longer be able to be broadcast. That would be a lose-lose situation—that is, the service would not be captioned and the community that is not hearing impaired will be deprived of the channels altogether. So consistent with the previous agreement with the Human Rights Commission, and, we would say, consistent with common sense, these channels should be exempt from the captioning obligations on the basis that, in practical terms, the cost of doing so is unduly burdensome. It has been put to us by the government that these channels would be able to apply for an exemption or a target
reduction order under the bill. That is certainly true, but to do so annually for each channel imposes, in our submission, an onerous burden on the providers. It also confers yet more authority and discretion on the minister. There is a Conroybian tendency that we have seen in a lot of legislation from this minister to confer—

*Mr Albanese interjecting—*

**Mr Turnbull:** The Conroybian tendency is to grant more and more (Extension of time granted) discretion to the Minister for Broadband, Communications and the Digital Economy. We do not think that is good practice and, with no disrespect to the particular minister, the Conroybian tendency should be resisted. In this case, the best way to resist it is, rather than the government saying to the subscription television services, 'Trust us; we will give you an exemption,' to just exempt those international pass-through channels now in the legislation. If at some point in the future technology becomes available so that it is financially feasible to caption them in Australia then the parliament can change the law.

Amendments (3) to (5) amend clause 130ZUB. They enable certain breaches of the captioning requirements to be disregarded. Broadcasters, both subscription and free-to-air, are legitimately concerned with the current provisions in the bill under which they will be found in breach of their licence conditions if they are unable to provide a captioning service for reasons beyond their control, such as failure by a third party captioning provider to provide the service for reasons unforeseen by the broadcasters. These amendments would amend the new part 9D of the bill by inserting a new subparagraph (d) in the proposed 130ZUB, subsection (1).

The amendment is consistent with both the Competition and Consumer Act 2010 and section 226 of the Australian Consumer Law. The Competition and Consumer Act recognises that civil penalty provisions can apply in circumstances where a party is not at fault and provides a defence in relevant circumstances. The Consumer Law also provides that a defence to an action for recovery of a civil penalty applies where the person acted honestly and reasonably and, having regard to all the circumstances of the case, ought fairly to be excused. So in this case what we are proposing is language which would enable ACMA to disregard a breach in circumstances where it has found that the licensee has acted honestly and reasonably and, having regard to all the circumstances of the case, ought fairly to be excused. It is a practical amendment and it is consistent with the provisions in the Competition and Consumer Act.

I will deal briefly with the final amendments, which are (6) to (10). They address the very burdensome reporting requirements that all broadcasters will be subject to as a result of the bill. Currently they report on their captioning targets. However, the bill introduces new captioning quality standards to be determined by the ACMA which broadcasters are concerned will require them to keep very detailed records of each program captioned. There is no value in imposing these additional reporting requirements, and obviously they add cost. We are opposed to additional red tape and regulation where it adds no value.

What we propose is to delete those provisions. This would mean that the broadcasters would continue to report on their targets and, of course, they would continue to have the obligation of managing their complaints system—in other words, if they do not provide the captioning required, there will be no shortage of complaints to
which they will have to respond and to demonstrate that they have responded. Amendments (6) to (10) are a straightforward means of reducing unnecessary red tape and regulation with absolutely no loss to the overall policy objective. I commend the amendments to the House.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (18:57): The government will not be supporting these amendments. The disability commission and disability groups are supportive of the bill as proposed and are seeking its immediate passage. They strongly oppose these amendments, which would weaken the bill.

Question negatived.

Bill agreed to.

Third Reading

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (18:58): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

ADJOURNMENT

The DEPUTY SPEAKER (Ms AE Burke) (18:59): Order! It being almost 7 pm, I propose the question:

That the House do now adjourn.

Casey Electorate: Carbon Pricing

Mr TONY SMITH (Casey) (18:59): I rise tonight to talk about the damaging effect that Labor's carbon tax will have on local businesses in the Casey electorate. As has been well publicised during the debate on Labor's carbon tax, trade-exposed businesses will be particularly affected by the tax. There has been a great focus in the media on some of the larger trade-exposed manufacturers in Australia—and quite rightly so. Because, whilst they will have the cost burdens of the carbon tax built into all of their prices, they will be competing against imported products that do not have the carbon price built into their prices, and, of course, it is an escalating carbon price which goes up year after year like an escalator in a supermarket.

But there has not been as much national focus on some of the trade-exposed smaller manufacturers. Across the Casey electorate, in the outer east of Melbourne in the Yarra Valley, there are many businesses which are successful manufacturers and which do not mind competing on a level playing field. They have been doing so for some time, and they have a number of cost burdens that they have had to deal with over the years. The carbon tax will put them at a particular disadvantage, and the government's so-called compensation plans—even if everyone believes them—will have absolutely no positive effect on the companies concerned. In the time available I will explain why with just a few examples.

There is Garden City Plastics, which is Australia's premier plastic pot manufacturer; in fact, it is about the only one left. They manufacture most of the plastic pots we all see at Bunnings—or, for that matter, anywhere else—if we go to buy a plastic pot. The government would say, 'The price of these products will increase and people will be compensated, so what is the problem?'

The big problem is that everyday Australian consumers, even if they get this carbon tax compensation and it is adequate, do not get to choose to buy a Garden City plastic pot; they go into Bunnings or a wholesaler and have no choice of which brand of plastic pot they buy. The contracts for Bunnings and for the wholesalers are for 1,000, for 10,000 or—sometimes—for 50,000 units, and the competition is all foreign. So it is quite conceivable that manufacturers such as Garden City Pots will miss out on contracts...
right across the board, and no amount of compensation for the consumer will help the company concerned. Of course, the decision on whether a wholesaler buys 10,000, 20,000, 30,000 or 50,000 pots is based on price.

There are other examples of companies which are affected by the carbon tax and which might not come immediately to mind. In my electorate and in many others there is light manufacturing. I know that my friend and colleague behind me, the member for Gilmore, would certainly have kitchen cabinet manufacturers in her electorate. Increasingly such industries are, through technology and trade, becoming more trade exposed. They do not just compete against the kitchen cabinet manufacturer around the corner; they compete against a cheaper flat-packed product, and increasingly they are competing against full kitchens which are made to measure and can be imported. Those on this side of the House understand that. I took the Leader of the Opposition out to Yarra Valley Cabinet Makers just a couple of weeks ago, and that very point was made. It is a highly successful business which has been operating for 20 years and is facing the impost associated with the carbon tax. In many ways companies such as Yarra Valley Cabinet Makers are the silent victims of the tax.

There is also Crown Industries, which is a small business in my electorate producing coffee urns. It is the competition to what we would know as the Burco—coffee percolators for catering. Crown Industries is a manufacturing firm producing these percolators, and it competes— (Time expired)

**Family Payments**

Ms BRODTMANN (Canberra) (19:04): Today is a great day for 1.3 million families across Australia, for 14,000 families in the ACT and for the 6,750 families in my electorate of Canberra. Today all these families will receive the schoolkids bonus in their bank accounts. The Gillard Labor government are delivering this vital cash payment to families because we know how tough it can be for parents to pay for all their extra school costs around the start of each term. There are costs for uniforms, shoes, bags, excursions, computers, socks, runners for school sport and the hats that constantly go missing—the list of the costs associated with schooling goes on and on.

From today, all families receiving Family Tax Benefit Part A will receive $409 for each child in primary school and $818 for each child in high school. This is the full amount of the education tax refund for 2011-12. Then, from next year, the new bonus will be paid in two instalments—one prior to the start of term 1 and the other prior to the start of term 3—so that local families will continue to get the support they need when they need it: before the costs start adding up. This payment will be made straight into families’ bank accounts as part of the transition from the education tax refund to the new schoolkids bonus.

We are making this transition because we know that many families were not claiming all the money they were entitled to under the education tax refund, and that was a real tragedy. Many families simply could not wait months to get money back at tax time. We decided to make it simpler by paying the schoolkids bonus in full and upfront to all eligible families so that they get every cent they deserve.

It was a real pleasure to be out in my local community this morning in Hughes with the Deputy Prime Minister and the Minister for Families, Community Services, Indigenous Affairs and Disability Reform, speaking to the Ayres family—Elizabeth and Anthony
and their two children, Liam, who is in year 4, and Lauren, who is in year 2—about the schoolkids bonus and how much it will help them. This family is unique in many ways because Anthony is Canberra born and bred—we are starting to increase the percentage of the community that has been born and bred in Canberra—and he grew up in Hughes and went to Hughes primary like his children are doing at the moment. So he is pretty much 100 per cent Hughes!

It was a great pleasure to sit with him in Hughes in the local shops in the beautiful patisserie and have a cup of coffee and hear about his experiences of growing up in Canberra and how much they enjoy the Hughes area and Hughes Primary School and how much this schoolkids bonus is going to relieve those extra costs that are associated with putting Liam and Lauren through school. Liam was sharing the fact that the day was a big day for many reasons, not just because a schoolkids bonus was coming in and not just because he had the Deputy Prime Minister and the minister visiting but also because he was very excited about attending a school camp.

After we sat in the cafeteria and talked a bit about the schoolkids kids bonus, we went over to Hughes Primary School for a chat with the Principal Kate Smith who showed us their wonderful new library that was built with BER money. All the students and staff that we spoke to were absolutely delighted with this beautiful new library. It has become a real hub for the school—not just for reading but also for learning and taking a bit of time out—both for teachers and students. The children of the Ayres family also said how much they enjoyed just chilling out in the library.

Last Friday I went to Richardson Primary School and also Bonython Primary School to talk to families about the schoolkids bonus which was very warmly received. I got a great response from talking to Canberra families. They are very grateful for the assistance they are getting. They know that the Gillard government and I are strongly committed to education and to helping them with the cost of putting their children through education. I got a great reception there with Minister Snowdon. The schoolkids bonus has been very much welcomed by the Canberra community.

**Gilmore Electorate: Oallen Ford Bridge**

**Mrs GASH (Gilmore) (19:09):** Last year Shoalhaven City Council applied for federal RDA funding to upgrade Oallen Ford bridge. However, despite a firm, precise and unequivocal briefing that was given to the minister as to why this upgrade is vital to the future of the Shoalhaven economy, it was rejected. But the Four Winds Festival in the adjoining Labor seat of Eden-Monaro got a $1.6 million grant. This year Shoalhaven City Council tried again with another submission for funding to upgrade the single-lane bridge which was built in 1935. For a second time Shoalhaven City Council’s submission was knocked back in favour of a $5 million makeover for the Crown Street Mall in Wollongong, in another Labor electorate, and twice blessed Eden-Monaro got a second funding grant.

You can only imagine our disappointment and annoyance at being knocked back a second time for a project that costs three times more than the Oallen Ford bridge upgrade. Clearly, as far as this government is concerned we seem to be wasting our time. It is another reason why there needs to be a change in government. With that in mind, it was necessary to bring Gilmore's needs to the attention of the alternative government. So I invited the shadow minister for infrastructure and transport, the member for
Wide Bay and Leader of the Nationals to visit Gilmore late last year, which he did. I thank him for his support and interest in Gilmore.

Main Road 92's Oallen Ford bridge desperately needs an upgrade that will enable heavy vehicles to cross and lend purpose to the $98 million cost of building Main Road 92. Without that, it is a choke point against further economic expansion in the Shoalhaven and, with no rail service south of Bomaderry, the Princes Highway is our lifeline for transport tourism and commerce. I thank the New South Wales coalition government for recognising the need for funding major road projects in their budget this year. The fact that Mr Truss fully appreciated how crucial these infrastructure projects are to the working economy of the Shoalhaven was heartening.

Local bus and freight companies are desperately waiting on an upgrade of Main Road 92's Oallen Ford bridge and Shoalhaven council and the local nearby councils have already contributed significantly in an effort to expedite progress. They want the freight route between the South Coast, inland New South Wales and Victoria finally opened up. They have been waiting a long time and the project is ready. Council just needs the funds to start building. It is becoming increasingly apparent that this government is going into survival mode by trying to save the seats that they have. Gilmore and other regional areas of Australia will become collateral damage in this strategy. This Labor government has shown time after time that it is prepared to deliberately sacrifice economic growth in regional and rural Australia in favour of its inner city seats.

In Gilmore they have constantly knocked back funding for the Shell Cove marina even though the economic benefits the project would deliver were well and truly demonstrated, being a project that will create 7,000 jobs. Labor knocked it back again despite the reality of massive job losses in the Illawarra steel industry—losses in the order of 2,567 jobs, $208 million in household income and $743 million wiped off the value of the Illawarra economy according to modelling done by the University of Wollongong. It is economic negligence and I describe it as such. Doesn't this government want the Gilmore electorate to prosper? Does this government think Gilmore residents worthy of a chance at local jobs? What will it take for this government to realise that they govern the whole of Australia, not just seats they want to cling to?

Our project requires less than $1.5 million of funding and yet this Labor government cannot bring itself to make decisions objectively. But politics is the motivation and political survival the primary motivator. When the inevitable change of government comes, I will be making sure that the interests of Gilmore have been well and truly addressed as was done by the previous coalition government to the tune of $2.6 billion in infrastructure investment in Gilmore alone. The facts speak for themselves. A few weeks ago, Minister Crean was on ABC Illawarra with a message for me:

There are three more rounds. My advice to her is stop being angry and just persist. Persist sensibly and persist logically and she may be surprised.

I appreciate his sentiments, but I cannot help but think that only with a change of government will this vital road link be completed. Until then I have absolutely no doubt that all we can expect is just more lip service from Labor.
Housing Affordability

Ms PARKE (Fremantle) (19:13): I take this opportunity to make some observations about the issue of housing availability and affordability. These are critical needs across Australia and they are certainly present within my electorate of Fremantle. The housing challenge cuts across all areas of Australian society, but it particularly affects those who have the least, namely low-income earners, Indigenous people in remote communities, the disabled and the elderly. At the recent Australian Council of Social Service, ACOSS, national conference it was made clear that the lack of affordable housing has reached crisis levels. Housing experts say there is a shortfall of tens of thousands of social housing homes, a number that will only grow unless more is done to tackle the problem. The situation in Western Australia has been made worse by the resources boom, with the influx of workers, record low unemployment and high wages leading to a severe shortage in rental properties and a corresponding spike in rents. Only about four per cent of rentals in Perth are classed as affordable for someone earning less than $35,000. A recent report conducted by Anglicare WA found that, for someone earning the minimum wage, only 12 out of 3,500 listed rental properties in Perth were affordable. These conditions exist in parts of my electorate, and especially in the City of Fremantle, where the rental vacancy rate hovers around the one per cent mark.

Unfortunately this crisis in the housing sector has not been addressed with nearly enough urgency by the current WA state government. The Barnett government's Affordable Housing Strategy, released in May 2011, has done very little to turn things around, and their recent changes to the WA Building Act were followed, in the month of April, by a 47 per cent drop in building approvals. The constraints on housing supply and the lack of effective public policy action to address these problems cannot continue. While I am happy to say that I support the WA government's planning intention when it comes to achieving a significant amount of future housing as infill within the current metropolitan footprint, there is little in their policy framework that is designed to achieve this.

Anyone working in a community service role in WA encounters on a regular basis people who are almost literally falling through the cracks. Every week people approach my office because they cannot get access to social housing. The WA government's housing agency, Homes West, is virtually at a breaking point, with even its priority waiting list running at more than a one-year delay between acceptance on the list and the provision of a house. At the same time, the private rental market is priced out of the reach of low-income families.

This federal Labor government has implemented a range of initiatives to address these problems. The starting point was the reintroduction into cabinet of a dedicated minister for housing for the first time since 1996, and we followed that by commissioning a white paper on homelessness, in order to set our strategic target of halving homelessness by 2020. The National Rental Affordability Scheme was established in 2008 with the aim of increasing the supply of new affordable rental dwellings by providing incentives for properties that will be rented to eligible low- and middle-income earners at 20 per cent below market rents. This scheme is delivering an extra 5,000 affordable rentals in WA alone, including 692 new affordable rental homes in my electorate.

The government has also acted to alleviate pressure in housing with its $5.63 billion
Social Housing Initiative. This initiative funded the construction of new dwellings and also increased expenditure on the repairs and maintenance of existing housing. So far, $589 million has been spent in WA, with 1,900 projects being carried out in the Fremantle electorate. The program was designed to deliver 19,600 homes across the nation and over 17,000 have already been built, with the rest near completion.

I was particularly pleased earlier this year when the Minister for Housing and Homelessness visited my electorate to open a fantastic project that was funded under the Social Housing Initiative. The Fort Knox Match development in the heart of Fremantle provides 58 affordable one-bedroom units thanks to a $22.8 million grant by the federal government. The development, which also involved funding input from the WA government, Match and Southern Cross Housing, features 24 units that will be allocated to social housing tenants and 12 that are class C adaptable, meaning that they can be easily modified for tenants with a disability. The whole development has a six-star energy rating as a result of its incorporation of sustainable technology and environmental design principles.

Housing is a fundamental human need, and so the availability and affordability of housing within a planning and regulatory framework that is properly led by government is not some marginal issue that can be left to the vagaries of the market or the private sector. It needs leadership, especially in the areas of greatest need—like social housing and disability housing—which are never going to be taken on by a for-profit developer. This government has shown that leadership and has made clear progress in supporting and delivering an increase in affordable housing. But the problem will not be substantially addressed in my home state of WA until the state government moves decisively to take its share of responsibility and to give this issue its correct priority.

**Forrest Electorate: Harvey Primary School**

Ms MARINO (Forrest—Opposition Whip) (19:18): I wish to extend my formal congratulations to Harvey Primary School and the surrounding community for receiving one of our state's most prestigious education awards. Of the 750 schools in Western Australia, Harvey Primary School is now among only five to have been presented with an Excellence in Public Education award from the Director-General of Education. The award recognises academic performance, engagement with the community and overall commitment to students. The Department of Education's independent review group is tasked with finding schools that are shining lights. The group found that the whole education system could learn a lot from Harvey Primary School. Harvey is a standout due to its ability to capitalise on strengths, work towards challenging targets and build good working relationships with the community.

Located 150 kilometres south of Perth in the town of Harvey, the primary school has an enrolment of 307 students, many of whom have an Italian heritage, with an increasing proportion from Asian countries. Improved student learning has been the school's overriding priority. Cooperative learning programs across all year levels have seen a dramatic increase in students' reading and numeracy skills. Analysis of state and national testing for years 3, 5 and 7 has shown that the school is consistently above typical performance levels and in some cases well above expectations. Students at this school now strive to be successful and are rightly proud of their success.
In a wider sense, the school has successfully fostered a culture which promotes mutual respect, high expectations and accountability. All staff—from teachers and their support staff to the friendly faces at the front desk—have taken individual and collective responsibility for their students' learning and wellbeing. Teachers know the children's needs and have the talent and the professionalism to meet those expectations. This has created a safe and engaging environment that has seen students take great steps outside the classroom. This week the school competed at the celebrated Bunbury Eisteddfod in the dance category for the first time and placed third. Last Saturday the school won the primary division of the Bunbury Drama Festival.

The award for exemplary performance has been a direct outcome of the school's strong vision, which has become a shared understanding of what could and should be achieved. Parents and community members have become allies of the school's leadership team in their determination to deliver high-quality learning experiences. Strong collaboration has created a culture which promotes a sense of pride, belonging, care and respect.

A long-term corporate partner, Alcoa, has supported numerous programs that promote good physical and mental health, environmental awareness and first aid. Other good friends of the school include the Harvey Rotary Club and the local branch of the Business and Professional Women's Association. I have also taken an active interest in the school and am very proud to have been involved and supportive in a practical way. The school and its students have also developed a strong social conscience and have fundraised thousands of dollars for Children's Leukaemia and Cancer Research Foundation.

It is clear that there is something special about the Harvey Primary School, and the award recognises this. None of these improvements, however, happened overnight. It could not have been achieved without a determined desire for improvement. Principal Colin Brand has displayed leadership which has been characterised as strong and decisive with clear vision and direction. It has been a seven-year journey at Harvey for Colin, and the very good people who have backed his foresight and initiative.

The significance of this award for the town of Harvey is not to be underestimated. The great local primary school, which the community has invested its time and efforts in, is a source of pride for Harvey. Knowing that their children are actively engaged in a safe and happy learning environment gives great confidence to parents in our community. It provides them with great hope for their children's future, the future of education in the town and also for the town itself.

In concluding, once again I congratulate the school, its partners, the local community—all of those who are part of this wonderful success story—and acknowledge and congratulate everyone at the Harvey Primary School for their success with this award.

Education

Mr GEORGANAS (Hindmarsh) (19:23): Tonight I rise to speak about a very important issue not only in my electorate but in all electorates around Australia, and that is the issue of education. A few weeks ago a group of parents from electorates around Australia came to Canberra to see their federal members. A group of parents and teachers from my electorate visited my office here in Canberra to talk to me about providing a good education.
They came to tell me about the challenges they face as parents, as educators and as carers providing a quality education with the funding that is handed out to the education system. They do a magnificent job. I heard firsthand of the trials and tribulations of teachers, parents and all those involved in the education system.

They told me about the pressures on teachers, parents and school staff and the work they do with the resources allocated to them. They also came to tell me that their school communities overwhelmingly support the implementation of the recommendations contained in the Gonski report. We all saw the Gonski report earlier this year, and I was lucky enough to have the Prime Minister come to my electorate and speak to principals about that particular report.

With them, they brought more than 500 signatures from local parents, teachers, staff and friends of our local schools. These signatures were in support of the following statement:

We the undersigned endorse the Gonski report and call upon you as the Federal Member of Parliament to make a public commitment to the following pledge:

The pledge reads:

I pledge to support in the Commonwealth Parliament a move for the introduction during 2012 of enabling legislation for the purposes of implementing the recommendations of the Gonski report.

I am very proud to make that pledge tonight and I encourage other members of parliament to make that same pledge.

As we all know, the Gonski report on the funding of Australian schools has found that Australia lacks a logical, consistent and publicly transparent approach to funding schools. It noted that increased concentrations of disadvantaged students in certain schools is having a significant impact on education outcomes, particularly but not only in the government sector; across all sectors.

The Gonski report recommends the development of a new funding model incorporating an Australian schooling resource standard as the basis for general recurrent funding through all Australian schools. The report also says that the resource standard should include loadings for school size and location and for the proportion of students who are Indigenous or from low-socioeconomic backgrounds. Loadings are to increase in the schools where the concentration of such students is higher and where there is a higher proportion of students with limited English language proficiency.

We have all seen the Gonski report and we know the good things that are in there. We have also heard the Prime Minister talk about education and the importance of education. We know the best way out of poverty is through education. The best way to a better future, to have all those prospects of employment in your adult life, is through a very good education.

I am extremely proud tonight to make that pledge on behalf of the schools, the parents and school communities in my electorate. The signatures have come from teachers, parents and staff from all the schools in my electorate: from Henley High School, where the Australian government trade training centre is helping students to get ahead in life by providing them with real qualifications as part of school; from Thebarton Senior College, where many students are new arrivals in the country or adult entrants, and where the leadership team have built a program now considered best practice in Australia; from Glenelg Primary School, which does a wonderful job of equipping children to become lifelong learners with
inquiring minds capable of working independently and collaboratively; from West Lakes Shore Schools, which have an inclusive culture shaped by the five key values of excellence, safety, honesty, diversity and respect; from Fulham North Primary School, where the focus is on getting along, lifelong learning, persistence, organisation, communication— (Time expired)

**Veterans**

**Ms LEY** (Farrer) (19:28): As American poet Walt Whitman said:

The real war will never get in the books.

We in this place who have the sacred responsibility of sending others to war should not forget that the cheques we write for engagement, objectives, peacemaking and protecting our way of life are all too often cashed with the blood of the men and women of our defence forces in conflicts far from home. Equally, we should not shirk our responsibility to care for those who come home damaged both physically and mentally—often both.

In many ways we are failing our returned servicemen and women. Once they leave the ADF, they often find themselves completely adrift in a system not set up to care. I wish to highlight the work of a new, small but incredibly important charity called Soldier On. Soldier On was launched around the time of Australia’s Anzac Day commemorations this year, but actually began this time last year. In 2011, Cavin Wilson and John Bale decided that they wanted to give something back to their mates and colleagues who had been wounded physically or mentally on contemporary operations.

Soldier On is about bringing Australian communities together to support our wounded and ensure that this care is world’s best. They are committed to working with defence and government as a non-critical partner to make this vision a reality.

According to the ADF’s mental health prevalence and wellbeing study in 2010 an estimated eight per cent of currently serving personnel had a diagnosis of post traumatic stress disorder. There have been 219 men and women physically wounded in Afghanistan alone, and many thousands suffer from post traumatic stress.

Post traumatic stress is a physical condition as well as an emotional one. Its physiology is not completely understood, and treatments are not always successful. It has been described as ‘a moral wound against one’s humanity’. As Vietnam veteran Tim O’Brien said, ‘A true war story is never moral.’

When combat related, post traumatic stress comes from being confronted with the sights, sounds and smells of war, which terrify, sicken and damage. You do not just get better with time. Often you learn to live with it, its symptoms and the symptoms of the medications you have to take every single day as a constant companion. For many soldiers, this war never ends. While we more easily see and understand the effect of loss of sight, loss of limbs or outward scarring, no-one can readily see, know or understand the scars created inside.

Our younger returned soldiers and peacekeepers from Rwanda and other peacekeeping theatres—from East Timor, from Afghanistan—often come back to an even more significant living hell. Unable to fully comprehend what is happening inside their heads, they all too often travel the path of losing their job, family breakdown, separation from their children, addictions, loss and loneliness. One might describe it as falling out of life. They struggle every day with anger, anxiety, hypervigilance, distress,
medications that they cannot do without and worlds of pain that we cannot imagine.

They served the nation, they served each other and they laid their lives on the line. Crippled with mental anguish and the ongoing battle with depression, is it any wonder that thoughts and then actions turn to suicide? But in plain sight on the streets, sometimes homeless, they remain invisible. They are the hidden and growing toll of war. Often these returned service men and women are chewed up and spat out by systems and bureaucracies—Veteran's Affairs, Centrelink, the Child Support Agency—who in many cases apply the rules without the principles most needed, those of care and compassion.

As one returned digger said to me recently: 'The whole system is flawed. I wish I never went away. It's as if the service to my country meant nothing at all. I can't lose any more than I have lost. I'm a broken man.' Hope is like the sun, which, as we journey towards it, casts the shadow of our burden behind us. We are not doing enough as governments, parliaments or communities to support our wounded warriors. With our help, generosity and organisations such as Soldier On, we can help them survive. (Time expired)

**Rail Infrastructure**

**Mr MURPHY** (Reid) (19:33): As we well know, Australia's transport system, with the exception of the suburban and interurban electric railway systems, depends increasingly on imported oil drawn from suppliers in South-East Asia and the Middle East.

According to the Australian Bureau of Agricultural and Resource Economics, in fiscal year 2009-10, every day Australia imported about 70 megalitres of oil, which is half of the total daily consumption. Oil production in Australia peaked in 2000 at 131 megalitres per day and has been steadily declining since then. The difference between consumption and local production is increasingly made up by imports from an international market characterised by rising prices and insecurity of supply.

Australian oil production peaked and then began an unavoidable decline under the Howard government. However, instead of taking feasible measures to reduce demand for oil, that government, asleep at the wheel on so many matters of national importance, presided without concern over a growth in consumption of 15 per cent. These days, the national bill for fuel imports tops $118 million per day and is, as all motorists well know, constantly increasing.

One of the most effective means of reducing dependency on imported oil is to increase the use of energy-efficient railways, for both long-distance and local transport. Yet, under the Howard government, railway lines were torn up, locomotives and rolling stock were cut up for scrap and the volume of goods transported by road increased by almost 20 per cent. After years of scandalous neglect of vital rail infrastructure, rail freight, as a proportion of total freight, is amongst the lowest in the developed world. As the following dismal figures from 2008 show: Sydney-Melbourne, general plus intermodal, 18 per cent of total freight; Sydney-Brisbane, general plus intermodal, 14 per cent of total freight; Australian manufactured goods classified by materials, 2.1 per cent of total freight; and Australian containers, 15.9 per cent of total freight.

The hostility of the Liberal-National Party governments to public transport has a long history and reached peaks of destruction during the Kennett government in Victoria in the 1990s and, before that, during the notorious Askin government. Following the large-scale closure of branch lines in New
South Wales in the 1960s by Premier Askin, the expected savings failed to materialise because the loss of revenue from the closed branch lines, which had provided traffic for the main lines, was compounded by the continuing costs of running the resulting less-profitable mainline services. Moreover, the increased costs of greater road maintenance and other services imposed by the trucks that replaced the trains were never taken into account.

This failed outcome shows that the railways could have kept a substantial proportion of freight traffic if the conservative governments of the day had any understanding of the consequences of their ill-conceived policies. If abandoned freight services were to be re-established, rail freight could displace a considerable volume of road freight, with a proportionate reduction in consumption of imported fuel and emissions of carbon dioxide, not to mention a significant decrease in road traffic fatalities. In the United States about 40 per cent of freight is carried by railways, mainly because that country was spared the destructive closure of apparently unprofitable branch lines by economically illiterate government reformers like those who wrecked the railways in Britain and Australia in the 1960s and seventies.

More recently, the counterproductive policies of the Howard government saw over 100 relatively modern New South Wales electric locomotives, worth hundreds of millions of dollars, scrapped and cut up. That flawed decision was part of the deal that saw the New South Wales rail freight operator FreightCorp amalgamated with the Commonwealth's National Rail. Although some of the 85- and 86-class locomotives that were cut up needed major repairs, incompetence and mismanagement by the Howard government saw about one-fifth of New South Wales railway locomotives destroyed at a time when locomotives were in short supply.

Underlining this monumental policy failure, investigations in the United States following the oil shock of the 1970s showed conclusively that the cost of electrification of major routes paid for itself within six years, with reduced maintenance costs, reduced energy costs, improved capacity and higher service speeds.

Following a long interval of chronic underinvestment, the Labor government is reversing the neglect of the last lost decade and is taking important steps to rebuild the nation's vital railway infrastructure—a most necessary response to the challenges of global warming and an uncertain outlook for world fuel supplies.

**Lyne Electorate: Coastal Erosion**

Mr OAKESHOTT (Lyne) (19:38): I rise tonight to urge the Commonwealth to work with the states on a solution to a problem affecting many coastal communities. Coastal erosion is much more than an environmental story. It is a human story of homeowners desperate to save their properties from the consequences of climate change—more frequent and intense storm surges resulting in intense erosion over very short periods of time. Coastal erosion also means the loss of a great deal of public land and public infrastructure.

In the past week, the coastline in my electorate of Lyne has taken a battering and some beaches are almost unrecognisable. In Port Macquarie, Lake Cathie and Old Bar there is significant community angst about what will happen to private property, public infrastructure and the long-term outlook for entire neighbourhoods. As homeowners and businesses try to cope with the stress and distress of a natural disaster unfolding before them, there is one question in desperate need of an answer: how on earth are local
ratepayers expected to hold the line on their own?

The Old Bar Beach Sand Replenishment Group is an example of a group that has been in a desperate fight with Taree Council over possible mitigation measures for one location at Old Bar, but the simple truth is that the council does not have the wherewithal to go it alone. This is a message I have delivered time and again in this place since becoming the federal member in 2008 and yet I share my community's frustrations that despite the enormous economic, environmental and social costs attached to coastal erosion, we are no closer today to a cooperative strategy involving all three levels of government than we were four years ago.

When I started on this journey with Old Bar residents in 2008, the Commonwealth was not engaged at all on this issue. We have had cause for celebrations, albeit small ones. We have had a national report on coastal erosion, an inquiry and, back in October 2009, a commitment from the then Prime Minister to lead a national response to the impacts of climate change on coastal communities.

The WorleyParsons report, incorporating a coastline hazard definition study and management plan for the coastline between Black Head and Crowdy Head, was delivered back in 2010. In 2011, the Old Bar Beach Sand Replenishment Group undertook a feasibility study into an offshore reef to try find an answer to address the erosion problem. After 14 months with the New South Wales Office of Environment and Heritage, a draft coastal zone management plan is expected to go on public exhibition at the end of July, but in reality every one of the proposed options involving physical works is beyond the capacity of ratepayers and the council to fund.

However, despite the numerous warnings from the science community and despite the thousands of words in reports, studies and planning documents recommending action, my community, and many others, see little to no evidence of a working relationship developing between federal, state and local government on this issue. So, words aside, what has happened in the past four years? I am concerned that we have not progressed at all.

Old Bar has lost three homes and another 60 are at high risk, as is public infrastructure. The council's conservative estimate of foreshore lost to erosion at Old Bar is eight metres in just eight years. The Old Bar Beach Sand Replenishment Group—it is a community group—puts the loss at 30 to 40 metres over the same eight-year period. This is a slow-moving natural disaster.

I am told that the foreshore in front of Old Bar Public School is disappearing at a rate of 80 centimetres a month. Where the education department thought they had 50 years before their property was threatened, they now have five years. And this problem is not confined to Old Bar; it is also at Chepama Street in Lake Cathie and Lewis Street in Old Bar. There are 15 communities, including Belongil Beach, Lennox Head, Wooli and Collaroy, that have been named erosion hot spots in New South Wales.

It is a problem we know will get worse, based on predicted sea level rises of a metre plus by 2100. Without necessarily linking it to climate change the reality is that coastal erosion is real and is an enormous public policy issue for the three tiers of government. Without a coordinated strategic response we will be in court at all three tiers of government. Landowners will be without compensation, and that is the worst-case scenario for all. We can do some preventative work—some mitigation and
adaptation work—and have a coordinated strategy through the three tiers of government now if there is a level of consensus and support in recognising the problem and wanting to resolve it. I raise this issue again in the House as a plea for the Commonwealth to engage the state and local authorities in working together to get a coordinated strategy on coastal erosion.

Mornington Peninsula

Mr HUNT (Flinders) (19:44): This evening I want to set out the case for a Mornington Peninsula 2050 plan. This would be an accompaniment to the peninsula planning statement and legislation which are now currently being developed by the state government of Victoria under the leadership of David Morris, the member for Mornington, who is also the relevant parliamentary secretary. Let me proceed in three steps: firstly, some words about the Mornington Peninsula; secondly, the notion of the plan; and, thirdly, the broader vision. The Mornington Peninsula in my judgment is an oasis for Melbourne. It is a retreat, a place of calm, a sanctuary. It has been that way for well over 100 years. Residents of Melbourne would take the steamer to Mornington or to Sorrento and they would spend a long weekend or another period of time there. The notion, the culture and the identity of the peninsula were established then, have been maintained until now and will, I believe, be maintained for the next 100 years if we get the planning and the vision right at this moment. So it is an important juncture.

There are threats to the peninsula in terms of the balance between development and maintaining its character. It has been one of Australia's outstanding examples of balanced and sustainable development. Right now, we have an opportunity to get that balance right, not just for 30 years or for 50 years but for 100 years. That means creating a legacy for our children, our grandchildren and our descendants over the next 100 years. I would say that, of all of the magnificent jewels surrounding Melbourne—the Bellarine Peninsula, the You Yangs, the Macedon Ranges, Kinglake, Marysville and the Dandenongs—the peninsula is perhaps the most vulnerable to the risk of losing its fundamental character if we get things wrong.

That brings me to the second element, which is the plan going forward. My view is that we need to establish a separate peninsula planning policy through both statement and legislation. In that respect, I welcome the Victorian government's decision to embark upon just such a process. It was a program put forward at the last state election by the relevant state members, Neale Burgess, Martin Dixon and David Morris. I commend them on that process. The heart of that policy would be the long-term commitment to a 70 per cent rural and 30 per cent urban mix for the peninsula.

I am proud of the fact that my own father, who, as the relevant state member as well as the planning and local government minister, was responsible for helping to drive this proposal forward over 30 years ago. It has stood the test of time. Now it is our task to put in place a peninsula planning policy statement and legislation which will last not just for 30 years or for 50 years but for 100 years.

As part of that process, I think now is the time to develop a peninsula 2050 plan. It would stand alongside the peninsula planning statement and legislation. It is about the broader vision, and I think there are three elements to that. Firstly, we need to make sure that we protect and maintain the viability of the many rural lands across the peninsula by ensuring that they are
commercially viable, that they have additional income streams from tourism related activity such as food, wine, accommodation and outdoor adventure experiences. These are critical to maintaining the breadth of the rural lots which are currently in place. I would urge flexibility in use, precisely to maintain the rural character.

Secondly, we need to establish at Point Nepean a world-class centre for marine and coastal research which is the equal of Bodega Bay or the Woods Hole Oceanographic Institution in the United States. I simply cannot rest until that task is complete. Thirdly, and finally, in terms of the peninsula, we need to build this long-term community commitment to a 2050 vision of an ideal, balanced sanctuary—(Time expired)

Rural and Regional Health Services

Mr BRUCE SCOTT (Maranoa—Second Deputy Speaker) (19:49): I want to put on the record tonight an issue that is of great concern to me: access to rural health services for the health and wellbeing of people living in rural communities. Humphreys and Wakerman from Monash University and the Centre for Remote Health in Alice Springs, a joint centre of Flinders University and Charles Darwin University, recently published a discussion paper entitled Primary health care in rural and remote Australia: achieving equity of access and outcomes through national reform. What they found in that report is alarming. Rural and remote Australians have a life expectancy of up to seven years less than their city cousins. This is a university study. It is not me or a political party wheeling out a barrow and trying to push an agenda. This is university research in a highly recognised publication.

The population we describe as rural and remote, as described in the discussion paper, is one-third of the total population. It is seven million people, covering some 7.5 million square kilometres. They have poorer health outcomes due merely to their geographic location. This is a very pertinent issue for the people of outback and rural Australia, the people living in and west of the Great Dividing Range, the people living across the eastern states and certainly the people of the electorate of Maranoa. The electorate of Maranoa covers some 42 per cent of the landmass of Queensland.

I saw a report recently on ABC which should send alarm bells across this nation to legislators. It concerned The Outback Oral Treatment and Health, TOOTH, trial program of the Royal Flying Doctor Service out in rural New South Wales. A dentist who was part of that program was looking at the dental health of the people in north-west New South Wales. What he said should sound alarm bells in every parliamentary corridor in this nation. What he said was that the dental health that he had seen in rural Australia and where he was operating was worse than he had seen in Third World countries.

I recognise the people who are currently out there—the doctors, the nurses, the health professionals—working day to day to bring basic health services to rural Australia. I particularly note the Royal Flying Doctor Service and the great mantle of safety that it provides. The fundamental issue here is access to services and not 'one size fits all'.

In my home town of Roma a few years ago some 4,000 day surgery procedures were sent east of the town. They were funded through Medicare, so it was not a funding issue, but the procedures could not be done in Roma and they were drawing on people from around the area and from further west. The idea that a patient can be transferred to where the major populations live means that
the money goes with the patient, and that hospital is then denied that funding because it cannot provide that service. A classic example is maternity services in many parts of my electorate.

I commend the work of the new Queensland Health Minister Lawrence Springborg under the LNP government. He has just announced that the Royal Flying Doctor Service, which is flying obstetrics and gynaecology services out of Roma, is being expanded from 400 flying hours per year to 1,000 flying hours per year. This is about bringing these specialist services out into a broader area across western Queensland. He also wants to reopen obstetric and procedural services in other regional and rural areas. The LNP government under Health Minister Lawrence Springborg is starting to address this issue that has been neglected for so long under Labor governments. (Time expired)

Murray-Darling Basin

Mr McCormack (Riverina) (19:54): Using the slogan 'Open your eyes to Australia's food bowl' the Griffith Business Chamber is hosting a Murray-Darling Basin Plan rally in the heart of the Murrumbidgee irrigation area next Wednesday, 27 June. Griffith's main street, Banna Avenue, will once again come to a standstill as locals fight for their right to have a future. The rally will be held in Memorial Park from 11.30 am.

The attitude of Riverina people, so concerned about their future farming viability, has not been helped by Minister for Sustainability, Environment, Water, Population and Communities Tony Burke's recent 'I'll go it alone' approach. He might have his own blueprint for the river system without the states but Griffith people have the backing of Murray irrigators and others, too, and will not be silenced. I thank you for your indulgence, Madam Deputy Speaker.
Wednesday, 20 June 2012

The DEPUTY SPEAKER (Mr Georganas) took the chair at 09:30.

CONSTITUENCY STATEMENTS

Rural and Regional Health Services

Mr JOHN COBB (Calare) (09:30): I rise to speak about a crisis in my electorate of Calare and indeed in the greater part of regional Australia. While the carbon tax is certainly a major crisis,—in fact it is already hitting our region hard—I wish to speak about another issue of enormous importance and one which has very serious consequences for the livelihoods of the people of Calare, and that is the rural doctor shortage. I have been involved in this issue for a long time. We got the Area of Need scheme when I was in agripolitics quite a lot of years ago. I have to give credit to the former minister for health in New South Wales Craig Knowles, who had a lot to do with making that happen.

Yesterday I met with the Mayor of Bathurst Regional Council, Councillor Greg Westman, and the GM, David Sherley, to discuss the GP shortage in Bathurst. They came to discuss in particular the campaign of a local GP clinic, Loxley House, to have Bathurst considered a district of workforce shortage—which is similar to the Area of Need scheme—to have Bathurst classified as a region with a shortage of doctors so they can qualify for government assistance in attracting doctors to move to Bathurst to fill impending vacancies in their clinic.

I was stunned to learn of the problems that Bathurst is having with getting doctors, because this is a town of 40,000-odd people, 2½ hours from Sydney. Loxley House clinic has spent four years advertising within the Rural Doctors Network without success, and there currently is another practice in Bathurst also advertising without success. What chance have the smaller towns further west got when a town like Bathurst is unable to attract doctors over that time?

According to recent census data, Bathurst has a population of almost 40,000 people, with an ageing population—in other words, residents over 65 years of age—making up 12.7 per cent. According to the Central West Division of General Practice, Bathurst currently has 33 full-time or part-time GPs, or 22½ full-time equivalent, and a GP-population ratio of one doctor to every 1,743 people. Looking at the map of the areas considered for a district of workforce shortage—a shortage of doctors—most of my electorate falls into the 'yes' category, except for the local government areas of Orange and Bathurst. With Orange, which is probably the only other serious medical area west of Sydney, you can understand it, but Bathurst has almost 40,000 people and has been unable to get a doctor in four years. That is pretty terrifying. I will be talking to the Minister for Health. This is something that must be resolved, and Bathurst needs to come under that scheme.

Ipswich Jobs and Skills Expo

Mr NEUMANN (Blair) (09:33): After the success of the Jobs and Skills Expo in Ipswich in 2010, which saw 3,200 local job seekers connect with hundreds of jobs and skills training opportunities, I lobbied hard to get another Jobs and Skills Expo in Ipswich. Since September 2009, the federal Labor government has held 52 expos and seen more than 19,700 Australians being connected with jobs. The jobs and skills expos form part of this government's $3 billion Building Australia's Future Workforce package to tackle unemployment and skills gaps in areas such as Ipswich and its surrounding region. Having a jobs and skills expo in Ipswich has...
provided real opportunities for local businesses, local government, TAFEs, universities, Defence Force and the like to look for staff. The skills expo has provided a great networking opportunity for business, government and individuals. Tony Perera, a manager from the Australian government Department of Human Services in Ipswich, encouraged local job seekers to attend the expo as well. The expo was held on 13 June 2012, over 475 jobs were up for grabs and around 260 job seekers were connected with a job at the Australian Government Jobs and Skills Expo at the showgrounds in Ipswich on that day. About 2,400 people went through the gates and into the showgrounds and about 1,150 resumes were taken by over 80 exhibitors. It was a resounding success. There were about 1,000 people through the gate in the first hour. The Minister for Employment Participation, the Hon. Kate Ellis, was there—and I thank her for coming—as well as Sid Sidebottom, the Parliamentary Secretary for Agriculture, Fisheries and Forestry, who has responsibility for skills development in agriculture. He spoke with a number of educators providing rural skills in the local region.

Our region has been hit hard, not just by the patchwork economy but by the floods and natural disasters which have impacted on Ipswich and Somerset, the Lockyer Valley and Brisbane as well. I thank the exhibitors who were there from organisations, enterprises and government, like the Australian Defence Force, the University of Southern Queensland, the Bremer Institute of TAFE, the Ipswich City Council, the Department of Human Services, Bus Queensland, which offered 30 jobs in the region, Woolworths, Australia Post, EnergyX, Hayes Recruitment and Drake Recruitment. I also thank the local Ipswich base radio station, River 94.9, for broadcasting from the expo and its great promotion of the expo. I thank David Greenwood, the manager, and all of the wonderful people who contributed to this fantastic success.

Digital Television

Mr BALDWIN (Paterson) (09:36): Today I rise to bring to the attention of the House concerns in my electorate over the delivery of digital television access. In 2001 the government started the rollout of digital television throughout Australia through free-to-air digital television. It is said that by 2013 all of Australia will be covered by digital television. In September 2009, we were told to prepare ourselves for the imminent digital television transfer. This government has spent millions and millions of taxpayers' dollars on glossy brochures, newspaper ads and television ads telling people to get digital ready. The reality is that, after a week of consultation meetings in the community by the authority, my constituents are more confused than ever before. We will face the digital conversion by the end of November this year. A number of people at the moment receive analog transmissions only—no digital—and there are no plans to upgrade the towers from where they are receiving the signal. What the government does not understand is that the digital signal transmits over a shorter distance than the analog signal. Through the community meetings that have occurred, the government has advised people that unless they are in certain areas they will not have access to the government subsidy for the VAST scheme. The VAST scheme is what will deliver digital television via satellite.

Confusion reigns supreme. A number of the self-help transmitters will be upgraded, but a number will not be and the government passes the buck. Even though those were installed by the former Howard government, they will not be upgraded to digital. So those people will be left without a local digital television service. I raise the example of the Booral transmitter,
which I got referred to a committee. It will not be upgraded. This area may also not be accessible to the subsidy for the satellite transmission. This government should have spent the millions of dollars that it spent on advertising putting into place infrastructure that would have benefited the community. Bulahdelah will not receive the terrestrial digital signal; Booral will not receive it—there are a number of areas. Instead of the glossy brochures promoting this government, what people need is service and infrastructure, and the government has failed on that point.

I say to this government: rethink your proposal, cut the advertising, invest in infrastructure and deliver the services that you are meant to deliver to the whole of the community. The community is up in arms. It is the number one issue being raised with me by my constituents in the rural and regional areas of Paterson. I have made a number of speeches in this House. I have been perhaps one of the greatest correspondents with the minister over this issue and I say this: he has ignored the plight of my constituents. (Time expired)

Wallenberg, Mr Raoul

Mr DREYFUS (Isaacs—Cabinet Secretary, Parliamentary Secretary for Climate Change and Energy Efficiency and Parliamentary Secretary for Industry and Innovation) (09:39): I rise to honour the memory of Raoul Wallenberg, the Swedish diplomat whose courage, spirit and ingenuity saved the lives of over 100,000 Jews in Budapest during the Second World War. There are many memorials to Wallenberg in Melbourne and in Sydney, and there are trees planted in his memory in front of our parliament. Wallenberg has been remembered in many different ways. My father, George Dreyfus, in 1984 composed In Memoriam, Raoul Wallenberg, a suite for clarinet and piano, as a tribute to him. This year is the centenary of his birth, and his life and work are being celebrated around the world.

The Holocaust is a wound that time will not heal or diminish. Raoul Wallenberg has no grave. Arrested by Russian troops in January 1945, his fate has since remained a mystery. The lives of those he rescued are his greatest memorial—the tens of thousands of Hungarian Jews he saved from the Nazi machine. We are honoured to have survivors he rescued living in Australia today. One such survivor is Ervin Forrester, who arrived in our country in 1950. His son Ron is with us in the gallery today. Ervin's story is one of incredible personal bravery. As a young Hungarian boy he was forced by the Nazis into the 'working army' in 1944. He escaped and fled to Budapest where he was sheltered by the Red Cross. But Budapest was not an easy place in which to hide, and Ervin was recaptured and sentenced to death for his desertion. He told the Nazis he was a Swedish citizen. The authorities contacted the Swedish embassy and Raoul Wallenberg came to him in his prison cell and said, 'I'm going to save your life.' He issued Ervin with a Swedish passport and the protection of the Swedish nation.

I would also like to mention another Holocaust survivor he rescued. Professor Frank Vajda was denounced by the Nazi authorities for the simple yet symbolic act of removing the yellow star the Nazis forced him to wear. He was marched to a military barracks and lined up in front of a machine gun. At that critical moment, Raoul Wallenberg arrived, negotiated with the authorities and led him to safety. Frank became a professor of medicine in Australia and, along with Ervin Forrester, has made a large contribution to our society.

I take this moment to acknowledge the work of Judi Schiff and the Raoul Wallenberg Unit of B'nai B'rith in Melbourne in telling the story of Raoul Wallenberg. B'nai B'rith have contacted teachers and members of the clergy around the world and asked them to speak
about him with the message that, even in the face of great adversity, one person can make a
difference. Today I join with all Australians to honour his memory. Raoul Wallenberg's final
resting place is in our acts of remembrance. My father remembered him with a piece of music, and I with this speech today.

Swan Electorate: Health Services

Mr IRONS (Swan) (09:42): I rise to speak about an important local issue in my electorate
which I have been working on for the past few weeks. Recently, due to a commercial
decision, a medical centre, Healthpoint Belmont, closed its doors to local residents. This has
caused great anxiety to many of my constituents who unexpectedly lost access to their family
doctor, some of whom have been visiting that particular centre for over 17 years. As I am sure
you can understand, Mr Deputy Speaker, a doctor-patient relationship is not one that can
easily be replaced. These relationships are based on trust and understanding built up over
many years. The loss of this relationship and access to their local GP was a common concern
expressed by the many constituents who contacted me in my office and asked for my
assistance. The timing of the closure prior to winter is particularly distressing, as the clinic
primarily services an older demographic who are more susceptible to illness during the winter
months.

A potential new owner has been identified and an application for the centre has been
submitted to the City of Belmont. I am now working with Councillor Glenys Godfrey and Dr
Sri and former Healthpoint GPs to get the new centre up and running. With Dr Sri and
Councillor Glenys Godfrey, I organised a community forum on 10 June where over 60
concerned residents braved a very wet and windy day to support the reopening of the centre.
It was actually the day of the mini cyclone that hit Perth. Confirmation at the community
forum that there were plans for a centre to reopen and provide bulk-billing was received with
applause and relief. As we all know, there are fewer and fewer bulk-billing services across the
country, so to secure one for Belmont residents will be a great result.

Much hard work has been done. Plans are now before the council and I believe the
deputation to the council was done last night. They are due to vote on the plans at the meeting
of 26 June. I would like to thank the City of Belmont’s CEO Stuart Cole, the mayor Phil
Marks and councillors, in particular Councillor Glenys Godfrey, for their support and
assistance. As Stuart Cole, the CEO, said to me, there is definitely a community need for this
medical centre.

Another issue raised by the clients of Healthpoint was the removal of the medical records
without consent and now the holder of those medical records is charging the clients, most of
whom cannot afford to pay the $30, to get their records. I have written to the business and I
am waiting for a response. Hopefully, it will be a positive response because as that area is a
lower SES area, the second lowest in the state, many of those clients who are looking forward
to getting their medical records back when the centre is reopened simply cannot afford $30.

In closing, the campaign to reopen the Abernethy Road Medical Centre is a great example
of a community working together to achieve a common goal.
Mr OAKESHOTT (Lyne) (09:45): I also rise on a health need for my local electorate on the Mid-North Coast of New South Wales. I again rise to urge the government to include the Manning Valley as a Medicare-eligible region for magnetic resonance imaging, or MRI. The new process for funding of MRI services was introduced in the 2011 federal budget. In January this year, I started, along with community members concerned about this issue, a campaign for a Medicare-eligible MRI at Taree and to service the Manning Valley by writing formally to the federal health minister urging that the Manning be recognised as an area of need.

This week a more detailed and formal submission will be lodged based on the area of need criteria, and I again draw decision makers' attention to the facts of our region. Of the 5,559 patients examined at the Port Macquarie Base Hospital MRI service in the 12 months to June 30, 2011—that is over an hour by car away—more than 20 per cent or about 1,100 had to travel from the Manning Great Lakes region.

Also, the clear advice I have previously received from the Manning Rural Referral Hospital Director of Radiology, Dr Shamsie Sherif, and Mr Michael Odgers from the Mid-North Coast Diagnostic Imaging is that the best clinical outcome for the community would be having an MRI service located in the Manning Rural Referral Hospital. I understand that any alternative location would require inpatients to be transported with a nurse escort causing serious disruption to the patient and at considerable expense to the local health district. In contrast, the cost to the health district of establishing the MRI service in the public hospital would be minimal.

Mid-North Coast Diagnostic Imaging has previously advised that it would meet the costs of providing the MRI machine, doing the necessary shielding of the treatment area and staffing the service. The case for Medicare-eligible MRI services in the Manning Valley is very strong, and everyone in the Manning does look forward with much anticipation to an announcement from the government soon.

With regard to health care generally, there has been a lot of reform over the last few years. Since the former Prime Minister visited the Port Macquarie Base Hospital in 2008, within days a substantial reform around health and hospital reform was announced. We are now starting to see in the middle of this year implementation of much of that work. I look forward to that as does the medical community. An important co-benefit alongside that reform agenda would be the delivery of services such as an MRI machine in the Manning and that would be a real outcome for the local community.

Ms O’DWYER (Higgins) (09:48): This afternoon the member for Kingston and I will be hosting the inaugural function of the Parliamentary Friendship Group of Women in Science, Maths and Engineering. The aim of this friendship group is to promote with parliamentarians and the wider community the role and achievement of women in science, maths and engineering; to connect women in science, maths and engineering; to encourage more women to consider careers in science, maths and engineering; and to draw attention to any barriers for women in pursuing careers in these fields.
It is this last aim of drawing attention to any barriers to pursue careers in science in particular that I wish to speak to today with a specific focus on my constituent Dr Julia Sarant, a senior research fellow at the University of Melbourne. Dr Sarant is currently a chief investigator on grants from the Australian Research Council worth over $1 million. Her primary grant covers the research project and her staff but not her own salary. Dr Sarant therefore requires a federally funded fellowship salary grant. Both the Australian Research Council and the National Health and Medical Research Council offer grants to fund salaries for early, mid and late career researchers. Incredibly, while there are grants that can be easily converted from full time to part time, these grants cannot be applied for by those currently working in a part-time capacity.

The then Minister for Innovation, Industry, Science and Research said to me in a letter written on 9 May 2011 that one such salary grant, the Australian Research Council Future Fellowship, ‘enables researchers the flexibility to convert to part time at any time so that Future Fellows can continue to fulfil family and/or carer responsibilities’. This sounds like a sensible policy. However, a Future Fellow cannot possibly convert a fellowship to part time if they cannot apply for it in the first place. Why then does the government profess support for those working part time with family and caring responsibilities yet not allow these researchers to apply for a fellowship that can be converted to part time as soon as they commence?

Given that around 70 per cent of the part-time workforce is made up of women, it is likely that the impact of these grant conditions will largely affect female researchers. It is of particular note that, within the Group of Eight universities, only 34.5 per cent of senior research fellows or higher are women. Further, it was estimated last year by Dr Cathy Foley, then President of Science and Technology Australia, that it will take 150 years to achieve gender equity in Australian science. We should be encouraging more women to consider careers in science, but barriers such as those limiting applications for part-time grants do not assist. Women like Dr Sarant should be able to have a fulfilling career and a family life at the same time.

Australian of the Year Simon McKeon is currently chairing an expert panel undertaking a strategic review of health and medical research. The issue of grants flexibility should be addressed within this review so that there will be a track developed to retain a skilled research workforce which is capable of meeting future challenges and taking future opportunities. (Time expired)

Mr SIDEBOTTOM (Braddon—Parliamentary Secretary for Agriculture, Fisheries and Forestry) (09:52): Hear, hear! I support the project that the member for Higgins is working on with colleagues in the House. I have been really fortunate to participate in the announcement of some significant funding for my electorate. First and foremost was the $4.25 million for a wastewater filtration project at Burnie. What this is essentially going to do is allow for more industrial expansion in my region, particularly industry associated with dairy, which is absolutely exploding on the north-west coast of Tassie. Tasmanian Dairy Products up at Circular Head is expanding dramatically. Lion, in Burnie, is expanding by $142 million as well. We have also had upgrades at Fonterra at Wynyard. I congratulate Simon Crean, who is a great friend of our region, for allowing the federal government to be part and parcel of a community activity that is going to expand our economy.
And then there was the $500,000 grant awarded through the RDA Tasmania process to the Central Coast Council for the Penguin sports precinct and particularly for the all-weather running track. I congratulate the Central Coast Council on what will ultimately be a $1.25 million project. I was also very pleased to be part of the sod-turning ceremony for the Devonport Aquatic Centre. The federal government and the state government are both investing $5 million in that centre. The local community is investing $4 million for what is a much needed indoor aquatic centre.

I would also like to congratulate, along with all my colleagues in Tasmania of all persuasions, the health minister, Tanya Plibersek, and the Prime Minister for the injection of a $320 million investment into the Tasmanian health system. We were disappointed with the budgetary decisions of the Tasmanian government in relation to health, particularly on the front line. The federal government, after consultation with members in Tasmania and with people on the ground by the health minister in particular, has provided $320 million over four years to try and tackle our very long surgery waiting lists. It will also go into a lot of community based Medicare Local initiatives to deal with palliative care, transitions from hospital into home care and also primary and preventive health. I congratulate the minister and this government. It is great and positive news for a fantastic region of Tasmania.

Australian Women and Children's Foundation for Research
Music for Life
Penrith Symphony Orchestra

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (09:55): I rise to acknowledge the important contribution of some inspiring individuals and organisations in the Lindsay electorate. In recent weeks I have had the privilege of attending a number of charity fundraisers in my local community, including the annual ball of the Australian Women and Children's Foundation for Research, better known as OZWAC. OZWAC is a medical research foundation based in the Penrith region. It was established in 1998 to provide medical research into the health of women and children. OZWAC relies on the strong support of our local community, which was once again evident at this year's ball, where over $55,000 in local donations was raised. I congratulate all of the dedicated OZWAC directors and volunteers for their ongoing efforts, including the chairperson Lea Hicks, treasurer Michelle Berger, vice-chair Professor Michael Peek, scientific committee member Professor Ralph Nanan, administration officer Maree Yabsley and board members Dave O'Neil, Peter Dietz, Bruce Williams, Diane Courtman, Lois McGhee, Associate Professor George Condous and Michelle Banning. I congratulate OZWAC on a very successful ball and for their ongoing contribution to medical research in our region.

Last weekend I was pleased to attend the Music for Life annual gala ball. Established last year by Penrith residents Ann and Wayne Willmington, Music for Life is an extension of the Cure for Life Foundation, an organisation established by the world renowned neurosurgeon Dr Charlie Teo to fight against brain cancer. At last year's inaugural ball, over $33,000 was raised, which helped fund an intern for 12 months to do research into brain tumours. This year's ball was even bigger and I am sure that an even larger amount of money was raised on this occasion. Ann and Wayne Willmington have brought the vision of Dr Teo to the Western
Sydney community, inspired by Ann's own fight with brain cancer. Having fought the terrible disease around five years ago, Ann recently had to undergo another operation and is currently undergoing radiotherapy treatment. Her determination and strength has touched and inspired so many in our local community. I wish Ann all the very best for the remainder of her treatment, a speedy recovery and a return to good health.

On another note, I wish to acknowledge two individuals who have contributed significantly to the cultural life of Western Sydney. Very few regions can boast their own symphony orchestra, but Penrith is one of those fortunate regions. Since its inception in 1988, the Penrith Symphony Orchestra has been driven by the vision and dedication of Jenny Bounds OAM and her husband John Bounds OAM. After 24 years of dedicated service, Jenny and John have this month retired from the orchestra and accepted an invitation to become life patrons. Jenny served as orchestra manager and president for 22 years and John as treasurer for 10. I thank Jenny and John for their outstanding contribution to our local community and wish them all the best in retirement. (Time expired)

**Queen's Birthday Honours List**

**Mrs GRIGGS** (Solomon) (09:58): I rise today to acknowledge some outstanding members of my community who were last week acknowledged in the Queen's Birthday Honours List. Dr. Stephen Baddeley was acknowledged for his service to medicine in the Northern Territory, for his international humanitarian aid and for his service to St. John’s Ambulance. Dr. Baddeley has been an orthopaedic surgeon since 1973 and was involved in the establishment of the orthopaedic unit in the Northern Territory. Dr. Baddeley has also volunteered as a doctor overseas in Fiji, Indonesia, Western Samoa and the Cook Islands and has held various charitable community roles. Dr. Baddeley was ordered the AM, the Member of the Order of Australia, and is a very worthy recipient. Congratulations to Dr Baddeley.

Another exceptional Territorian, Mr. John Hardy, made the honours list this year for his outstanding service to aviation. John established the Northern Territory Regional Airline Association and was a member of various community organisations such as Rotary, the Darwin Symphony Orchestra, the Darwin Chorale, the Government House Foundation and the Darwin Sailing Club. John founded and managed Air North from 1978 to 1991 and in 1991 he established Hardy Aviation. He has established a lasting legacy in the Northern Territory and this was one of the reasons he was awarded a Medal of the Order of Australia. Congratulations to John, another worthy recipient.

Brett Holmes received the Australian Fire Services Medal. Brett joined the Northern Territory Fire and Rescue Service in 2000 as a recruit. His previous career was as a teacher, and I am told that he certainly never lost his enthusiasm for education. He demonstrated this by establishing many youth programs around fire education. Congratulations to Brett.

Superintendent Megan Rowe was awarded the Australian Police Medal. Superintendent Rowe joined the Northern Territory Police in 1986, working throughout the Northern Territory. In 2001 she began working on the case of the murdered British backpacker Peter Falconio. For her outstanding contribution to the Northern Territory Police, she was awarded this medal. Congratulations to Megan from me and from my husband, who is one of her colleagues.
There were also four defence based awards for the Northern Territory. Leading Seaman Deanna Maree Pringle was awarded the Conspicuous Service Medal for her efforts to assist survivors of a vessel that foundered on the rocks at Christmas Island on December 2010. Captain Brett Douglas Pates was awarded the Conspicuous Service Medal for his duty as the Regimental Sergeant Major Ceremonial (Army). Corporal Marc Gregory Danieletto has been awarded a Commendation for Distinguished Service for his actions as a sniper team leader with Mentoring Task Force Two on Operation Slipper in Afghanistan. (Time expired)

The DEPUTY SPEAKER (Mr S Georganas): Order! In accordance with standing order 193 the time for constituency statements has concluded.

BILLS

Appropriation Bill (No. 1) 2012-2013
Consideration in Detail

Education, Employment and Workplace Relations Portfolio

Proposed expenditure, $4,620,326,000.

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (10:01): The fact is that there is no clearer sign of a strong economy than a surplus. I know that the shadow minister standing opposite me would be well aware of that.

Mr Pyne: Mr Deputy Speaker, I rise on a point of order. The consideration in detail is an opportunity for the opposition to further examine the budget. If the minister is simply going to make a rhetorical statement to the chamber—

The DEPUTY SPEAKER (Mr S Georganas): I understand that the member for Sturt did jump—

Mr Pyne: I am surprised that the call was not given to me.

The DEPUTY SPEAKER: The procedure in this place is that the minister makes an opening statement and then we open up for the different calls. That is the pattern that has been happening in this place and I will—

Mr Pyne interjecting—

The DEPUTY SPEAKER: Order! The member for Sturt will sit in silence and wait for his call.

Ms Hall: Mr Deputy Speaker, I rise on a point of order. I would like to correct the record. This is also an opportunity for members, not just the opposition—

The DEPUTY SPEAKER: I will correct the record. The record is that the minister has the call to make an opening statement, and the minister has the call.

Mr GARRETT: As I was saying before I was interrupted by the shadow minister, there is no clearer sign of a strong economy than a surplus. This government delivered a surplus in the budget and, not only that, it means that we have a buffer in case the global economy gets worse. It means that we can protect jobs. It builds on the successful economic management of this government in steering the country through the global final crisis, without Australia going into recession and without the really significant and very serious job losses that many other nations have faced.
In particular in this budget we have secured our key education spending areas while making responsible savings wherever possible. The fact is that the Gillard Labor government continues to make record investments in school education and in early childhood—and my colleague Minister Kate Ellis is here as well—in comparison to the previous Howard government, of which the shadow minister was a member. The fact is that in this budget, in this financial year, the government will invest $13.6 billion in our schools compared to the $8.5 billion spent by the Howard government in its last budget. Over the next four years we will spend an estimated $59.9 billion on our schools. Nearly $60 billion will be spent by the Labor government because we recognise that substantial investment in education is absolutely central to our prospects as a nation in the future and we are prepared to show by the decisions we have made in this budget—by this financial commitment—how important education is for the Labor government. Of course, over the next four years we will spend about $22.3 billion on early childhood education and care measures as well, again highlighting the fact that this Labor government has a specific understanding of the need to invest right across the learning years from early childhood into primary school, high school and beyond.

In particular, I draw your attention to some of the commitments that were specifically made in the budget when it came through earlier this year. In Indigenous education, some $583 million will be provided in the Northern Territory’s through the Stronger Futures package—a really significant commitment on our part. There will be significant additional investments for maths and science in schools as part of an overall $54 million joint announcement that I made with Minister Evans. As well as that, there will be two other further measures which I think are particularly important: $55.7 million will be provided to expand the HIPPY program, which was a joint announcement with my colleague Minister Ellis; and, of course, we will be continuing the critical funding for literacy and numeracy schemes which we announced on 5 May. A commitment of some $243 million has been made to literacy and numeracy. This recognises that literacy and numeracy are the building blocks of any child's school education and, in particular, it recognises the existing investment that we have made in national partnerships in the states not only in literacy and numeracy but in teacher quality and low SES communities as well. There are significant commitments to education in this budget as part of our overall recognition of how central education is to the future of the nation. (Time expired)

Mr PYNE (Sturt—Manager of Opposition Business) (10:07): It is no wonder that the minister would rather talk about the nonexistent surplus—the dodgy surplus—than about education, because the government's record in education, and his as a minister in particular, is so shallow. Unfortunately, in the sector they know that education is no longer at the centre of government policy as it was when Julia Gillard, as the Deputy Prime Minister, was also the Minister for Education. Unfortunately, this minister now holds the portfolio and as a consequence education has moved to the outer reaches of the government—and doesn't it show.

In this consideration in detail stage, I would like to ask a number of questions about the budget papers. The first of those goes to the issue of computers in schools. The minister would know that, at page 58 of the 2011-2012 Budget Paper No. 3, $200 million per year was provided across the forward estimates as payments for the states for the Digital Education Revolution—the computers in schools program. The government previously advised that the
$200 million for maintenance and upgrades was to support the states maintain and upgrade the new computers. This year, Budget Paper No. 3 2012-2013 at page 55 now provides $200 million for 2012-2013 only, rather than for each year of the so-called Digital Education Revolution. So across the forward estimates there has been a significant cut to that $200 million a year that was promised last year.

Can the minister explain why the $200 million is no longer provided across the forward estimates annually after 2012-2013? Is this the end of the Commonwealth's involvement in the Digital Education Revolution program? Doesn't this mean that the program now amounts to a one-off investment in computers by the government with the states now left with the cost of maintaining the one-for-one ratio of computers in schools when we know that the states are severely cash-strapped—except for Western Australia—and therefore are highly unlikely to be able to find the resources to maintain the laptops in schools program? They have also, of course, struggled already over the last few years to find the resources necessary to install and maintain the laptops program, leading to very long delays in the computers in schools program and, of course, the significant cost blowout that we have already seen in the laptops program. Turning to the response of the government to the Gonski review, Budget Paper No. 2 also suggested the government is currently working through the reform proposals in consultation with the states and the territories and other education stakeholders. It is also understood that modelling has been released to the sector for the years 2009 and 2010. The Sydney Morning Herald reported on 22 May:

But the first year-on-year comparison—between 2009 and 2010 funding—generated by the Gonski model, shows indexation in secondary schools falling to only 2.9 per cent and 3.8 per cent for primary schools. The executive director of the association, Geoff Newcombe, said the minister's promise that no school would lose a dollar now looked 'hollow'.

Can the minister confirm that indexation levels under the new model are as low as 2.9 per cent? Have further details been released to the sector on indexations since 22 May? How can the government assure all schools that they will now not lose a dollar under this model, if adopted, when indexation is in the range of two to four per cent rather than the approximately six per cent as is the current funding model—in other words, can the minister assure schools that they will not lose dollars in real terms over the next quadrennium of funding rather than his hollow promise at the moment that they will not lose one dollar. We know it would be a $4.2 billion cut to non-government schools if the indexation is not at six per cent but as low as zero. Will the minister make the policy and technical work being undertaken publicly available to all schools?

Finally, there are other issues I would like to raise about literacy and numeracy, the Australian National Audit Office report and the paltry response of the government to the Gonski review. If I get another opportunity, Mr Deputy Speaker, I will do that. As you would know, it is a five-minute opportunity to question the minister and then others will seek to have an opportunity. Should I get another opportunity, I would like to question the minister about the Australian National Audit Office report which found that the $540 million Smarter Schools National Partnership for Literacy has been a complete failure— (Time expired)

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (10:12): I wish that the shadow spokesperson for education in the coalition was better informed about education matters and policies. In putting this question to me, he has
conveniently ignored the fact that the coalition has on the record some $2.8 billion of cuts to education funding. That $2.8 billion cut to education funding is something that the shadow minister himself has confirmed. On Meet the Press on 14 August last year he was asked by Paul Bongiorno:

To be clear, you'll look for savings in your portfolio of education?

And Mr Pyne responded:

Well, we need to have savings across the budget.

I do not think it can be any clearer that it is specifically the goal of the coalition, in order to meet their savings target of some $70 billion, that nearly $3 billion of that will come from education, and the shadow minister is now on the record on that very matter.

Mr Pyne: On a point of order: the minister is talking about cuts to the education budget, but I specifically asked him about cuts to the Computers in Schools program.

The DEPUTY SPEAKER (Mr S Georganas): The member for Sturt will resume his seat. The minister is answering the question and he will continue with his response.

Mr GARRETT: This particular issue of cuts that have been promised by the coalition is germane to the Digital Education Revolution because the coalition themselves have a commitment to cut over $600 million from that program. The government is very proud of the delivery of Computers in Schools. Not only did we set ourselves the goal of a one to one ratio of delivery for students between years 9 to 12 but we have achieved that goal. More than 950,000 devices are being supplied to students, which is well above the national target of some 786,000.

The fact is that we promised we would bring schools into the digital age by providing enough computers for every senior high school student in the country and we have delivered on that promise. The current agreements end on 30 June, as the shadow minister should know, and we have made provisions in the budget to support new arrangements following consultations with states and territories and the non-government sector. That is entirely appropriate and the right way for us to go about managing the ongoing issues of computer access for kids in schools around Australia. I think the fact is that we have achieved a historic goal. We have put a computer in the hands of every Australian senior high school student. It is important now to recognise that the scheme was not intended to replace existing investments that were made by education authorities in new technologies; it was to provide a significant funding injection to level the playing field and bring all Australian schools into the 21st century and it is up to those who run the schools to keep them there.

I have established the Digital Education Advisory Group, a group of leading education and IT experts. They will provide us with advice on the next steps towards transforming teaching and learning through technology and I expect their strategy soon.

The shadow minister asked me about the Gonski review and the government's approach to the recommendations of Mr Gonski. We have said consistently that no school will lose a single dollar as a consequence of any recommendations that emerge from Mr Gonski and also that indexation will be part of any future model. I will make just one point to the shadow minister and the opposition: they have walked away from this important review. For the first time in nearly 40 years we have had an eminent panel consider closely the extremely critical
question of funding for school education, and Mr Pyne, the shadow education spokesman, has completely walked away from it.

I am pleased to say that the remaining stakeholders in the education community have not walked away from it. We have participation by state governments and their officials, by the independent school sector and by a range of organisations with a genuine interest in the potential for funding reform in education, including the Australian Education Union, the Independent Education Union, the principals' councils and the parent councils. All of these organisations recognise it is in the best interests of our students that we have a funding model in this country that is fair, effective, transparent and does the job it is intended to do. We will continue to pursue the work that is underway on Gonski and there will be more to say about this later. (Time expired)

Mr SYMON (Deakin) (10:17): Minister, with regard to funding for education in the budget, I am interested in building on the great work that the federal Labor government has done over the last four budgets. In my electorate of Deakin and also across Australia the federal Labor government has made a significant investment in local schools. Of course, by far the bulk of this investment has been in primary schools. Every primary school has had the opportunity to add a new building or refurbish their facilities to make them better places to teach and learn.

Every single member of the opposition voted against any of our schools getting money under the Building the Education Revolution program. They did not want it to happen. But in my electorate of Deakin every single school I have been to thinks it is a fantastic program. I would invite anyone who is listening to contact those schools and come out and talk to them about what they have got from the program. And it is still going on; they are not quite finished yet; there are more to be opened next year. These are especially the ones that have taken time to consult and to argue the point and actually get what they want out of the program. We have had some fantastic results with funding for our schools locally, particularly schools that broke out of the state government template and decided they wanted to do something different—and in the end they did. They got bigger and better buildings and, in many cases, had money left over to do extra building or extra refurbishments at the end of the job. We still have some of those going on right now. Schools such as Warranwood Primary, just out of my electorate, Heathmont East Primary and Antonio Park Primary got two major projects instead of one and that is great for them.

As I said, there is still more to come on stream but many of these schools in the electorate, although they now have great buildings and are great places to teach, also need ongoing investment because there is no point in just putting money into capital and then not being able to use the new learning spaces and the new technology that comes with them. Many of these schools have not seen a new building since the 1950s and when you go out there today the contrast is huge. Throughout the process I worked closely with schools. As I said, that is the way it worked best. Rather than just having the state government direct how federal government funds were spent, the local member was involved right down to that level. And it certainly shows. I congratulate each and every member of the Labor side of the House who went out and did that during the rollout. It shows now and it will show for decades to come.

Secondary schools, of course, have been the beneficiaries of the Digital Education Revolution, which the member for Sturt does not seem impressed with. Again, I invite people
to come out to secondary schools in my electorate and ask them what they think of the 4,000 computers that have gone into secondary schools in the electorate of Deakin. They are very happy because they had nothing but they now have a lot. There are some problems getting data out of the Victorian state government with regard to this, so the best thing to do is go and talk to the schools.

Minister, I am interested in the $54 million you announced in May this year in response to the Chief Scientist's *Mathematics, engineering and science in the national interest* report. In particular, I am interested in the $16.9 million of the $54 million to deliver programs for Australian students. I note that that included $6½ million for CSIRO to expand the Scientist and Mathematicians in Schools program, taking interesting maths and science lessons to schools across Australia, particularly rural and regional schools. There was $5 million for Science Connections, to support the Science by Doing and Primary Connections projects, providing extra online teaching resources with leadership from the Australian Academy of Science. There was $3 million to fund National Support and Advice for Teachers, a new service for maths and science teachers to help them deliver stimulating and safe lessons. There was also an amount of $2.4 million to support the participation of Australia's most talented science and maths secondary students in the International Mathematics and Science Olympiad.

As I said, the important part about providing funding to schools is not only what is done on the outside but what we keep doing on the inside. Minister, can you provide me with further advice on the implementation of these programs and how they will improve the teaching of maths and science not only at schools in Deakin but right across Australia?

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (10:22): I thank the member for Deakin for his question and also for his role as chair of the caucus education and skills committee. It is a very good question because it comes about at a time when we recognise there are additional needs in education to ensure that we have enough kids at school in maths and science and enough people to teach maths and science as well. But I just want to address one matter before I answer his question. Regrettably, the coalition spokesperson for education, the member for Sturt, has now fled the Federation Chamber. He is nowhere to be seen. He came in here and asked one question and had a typical spray and now he has departed again. The best that Mr Pyne could manage was 10 minutes and one question. It reminds me of his contribution when the Gonski report was released. Within 15 minutes of the report being released, the member for Sturt had condemned it. Apparently he was able to speed read the work that Mr Gonski and his eminent panel had undertaken. There were hundreds of pages of findings and recommendations in that report—deliberations in which the public and the education community had been involved—but the shadow minister for education, the member for Sturt, spent about 15 minutes musing and then dismissed it out of hand.

I want to respond to a question that the member for Sturt put as he fled the Federation Chamber, and that concerns the Literacy and Numeracy National Partnership. The fact is that the Literacy and Numeracy National Partnership is making a difference for the students it was
intended to benefit. Yes, the ANAO report came out, but it compared the average results of all students in those schools to the average results in other schools. But the focus of this national partnership was on the students struggling in literacy and numeracy, those students who were below the national minimum standard. The fact is that we have seen improvements in moving those kids who are at that level. For example, between 2008 and 2011, 70 per cent of schools in this national partnership have reduced the proportion of their students who were below the minimum standard for year 3 reading and, between 2008 and 2011, 80 per cent of schools reduced the proportion of students who were below the minimum standard for year 5 maths. It is very important to get that on the record. It is regrettable that the member for Sturt did not hang around long enough to understand what a difference this government's investment is making in relation to this issue.

The member for Deakin asks me a very important question about the budget commitment to the specific issue of increasing the opportunity for the delivery of improved maths and science teaching in schools. What I can say is this: the chief scientist was asked to investigate this matter by the Prime Minister. When the chief scientist investigated that matter, he came to the view that it was important that we were able to provide additional support across a range of program areas that had already been underway, including the ones that the member for Deakin mentions such as Science by Doing, and we were able to bring forward additional investment of some $54 million in the budget. Around that particular commitment nearly $11 million went to improving the quality of teacher training, especially for prospective teachers. That work now to be considered and under way will lift the opportunity for young students who are interested in graduating and teaching maths and science to have additional support and input, particularly through professional development provision of teaching instruction and the like. There is $3 million for national support and advice for teachers, including a national advisory and linking service. There are online videos, which I think are a particularly useful device to illustrate new funding standards for practical activities for school science laboratories. And, of course, there is the $3 million that the member mentioned for science connections programs. This investment that the Gillard Labor government is making is an especially important one, not only for the teachers and the students in the electorate of the member for Deakin but Australia-wide. We recognise that having high levels of proficiency in maths and science is absolutely central to enabling us to lead in technological advances to continue to build prosperity in the future—something that this government is fully committed to.

Ms LEY (Farrer) (10:27): I have two questions for the minister—they are unrelated but, given the difficulties of this process, I am going to ask them both and I ask also that the minister undertakes, if he cannot answer me directly here and now, to come back to me with the answers to these two questions. Firstly, Minister, your department commissioned a number of reports from Access Economics on workforce modelling and the cost of child care. The reports I specifically refer to are Access Economics's Early childhood education and care modelling unpublished report for the Department of Education, Employment and Workplace Relations in July 2009 and Access Economics's Early childhood education and care workforce study unpublished report for the Department of Education, Employment and Workplace Relations in October 2009. Minister, I ask why these reports have not been made public and I also ask you to undertake to provide me with copies of these Access Economics
reports. Secondly, is the government considering directly subsidising the wages of child-care workers?

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (10:28): I thank the shadow spokesperson for her questions. On that first question, I am happy to take it on notice and we will provide an appropriate answer once we have sought advice from the department. On the second question, what I would say is this: again, as I was saying in response to the question of the member for Sturt before he fled the Federation Chamber having been in here for all of 10 minutes instead of the one hour that we spend in here for this important consideration in detail, the level of investment that the government has made in early childhood education and care is substantial. In fact, if we look back we can see that there has never been a time when a federal government has provided so much policy rigour, so much lift in terms of effort and so much specific support in terms of ensuring that young children get the appropriate care and sometimes instruction that best suits them before they enter the school years. This is an investment of $22 billion by this government—triple what was spent by the previous government. Attached to that is a National Quality Framework making sure that as a nation we recognise the importance of the quality components of early child care, professionalisation of the workforce and lifting of standards in childcare centres. All of these things are absolutely central to the approach that this government has taken and a great deal of the very good work that has been done by my colleague Minister Ellis.

We are also working very closely with the states in terms of the delivery of a commitment for universal access for kids in the year before school through the delivery of some $990 million to ensure that universal access, the goal we have set ourselves, can be reached.

Ms Ley: If you don't answer the question, I'll assume the answer is yes.

The DEPUTY SPEAKER (Ms AE Burke): The member for Farrer should know it is not question time. The minister has the call.

Mr GARRETT: I do wish that those opposite would let sink in the significant scope and reach of the investments that this government has been making in early child care and education. It is a case that there have been people coming into the parliament—and certainly we had United Voice and others in the parliament earlier this week—raising issues around the wages and conditions of those who work in early childhood in the early childhood centres and more broadly. We understand that that is a significant commitment that these people make. But we understand and know that the professionalisation of this workforce means that for everybody who has made a commitment to work in early childhood care and education we have provided the opportunity for them by way of HECS and HELP relief. We have provided the opportunities for them by the recognition of prior learning. We have provided opportunities for them by making sure that the National Quality Framework and those measures that are identified in that framework are fully understood and communicated to them. We acknowledge that there are issues for them and respect the fact that they are able to come into the parliament and put their views to the members on both sides of the House.

What was disappointing to me, though, I have to say, as I respond to the question of the member opposite is that I do not hear anything from the opposition about our commitment to the National Quality Framework. I do not hear anything from the opposition about providing a substantial level of support for early childhood care and education. I do not hear anything
from the opposition about encouraging their states, and particularly states that now have a coalition perspective, to get behind this reform and recognise what a profound difference it can make to the lives of kids in early childhood, particularly in that transition period as they go into school.

Minister Ellis and I are constantly visiting these centres and we recognise that these reforms are already starting to bear fruit. We can see the tremendous enthusiasm and support that many in the sector have not only for the National Quality Framework but for making sure that the young people under their care are appropriately and well looked after but additionally are provided with that level of care and some learning that equips them well as they enter school. For parents, this is one of the most significant things that their children can do. We understand how important it is and will continue with this work. (Time expired)

Ms SMYTH (La Trobe) (10:33): I am very glad to have the opportunity today to make some inquiries of the minister in relation to matters concerning education in the budget. There is a considerable amount of interest in my electorate in education and recognition of the investments made by this government which have delivered great educational outcomes through great capital investments and display the ongoing commitment of this government to education at a very local and very practical level in the electorate of La Trobe. I take this opportunity to convey to the minister something that was passed on to me with great emphasis last week at Belgrave Heights Christian College. It is pertinent in light of the comments made by the member for Sturt earlier today in relation to computers in schools. I was asked very clearly to convey the thanks of that particular school for the significant investment in computers that have assisted it in delivering education to its students. I have had the opportunity to see at that school some robotics education and other things being provided there that would not have been possible without the computers that we, the government, have committed to that one school in a very large electorate.

I should also say that they were very appreciative of the other considerable capital investments that have been made by this government in the school, not only through the BER program, which has delivered to them a really marvellous stadium, for which they are very appreciative, but also the construction of additional learning centres and a VCE study centre, through a capital grant. Also, there was a commitment to a discovery centre, which I was at the opening of last week. They are also to be the beneficiary of a trades training centre. So that one school alone demonstrates the wealth of commitments in education that we have made, and they are certainly very grateful for it.

Likewise, I was very pleased to be at one of the most recent openings of a BER building, this one in Narre Warren North Primary School. It is one of the oldest schools in my electorate. The school has not had a significant amount of capital expenditure on it in the past and certainly would not have been the beneficiary of capital expenditure had our colleagues opposite been in office. They were most appreciative of the school building, which has enabled them to come together as a school and continue on after more than a century in the local area.

Less positively, Minister—and I am sure it brings some pressure to bear in the context of the appropriations we are considering today—you will no doubt be aware of the Baillieu government's actions in education, which have seen a significant amount of money torn away from the education budget in Victoria, and it is from some of our most disadvantaged schools,
it has to be said. For instance, some schools in Victoria will lose up to around $80,000 as a result of the Baillieu government's decision to cut the education maintenance allowance, combined with the scrapping of the $300 School Start Bonus, which has contributed to a $19 million saving for Ted Baillieu and the Victorian government. It is most unfortunate that while we are contributing significant amounts to education, and have done since we came to office, as has been the tradition of Labor, in Victoria we simply see Ted Baillieu not only skimming on education but in fact cutting away at the things that have been delivered. It is a neat contrast that we have been providing a Schoolkids Bonus at the same time as the Baillieu government is pulling away money from schools and from families.

In addition to this, some of my schools have particularly raised with me the issue of the Baillieu government effectively taking away $7 million in federal funding promised to state schools under the National Literacy and Numeracy Partnerships. That has been specifically raised by Kambrya College with me. They are also very appreciative of the significant investments that this federal government has made in education. They contrast it with the actions of the state government.

A number of schools in my electorate have an interest in and a connection with remote communities and Indigenous communities, and have a particular interest in closing the gap in education, and across the board. Upwey High School, St Josephs in Ferntree Gully and Mater Christi have all expressed an interest in those issues, and I am sure there are more schools in the area that take an interest in those issues. I would be grateful, Minister, for some further information about what the budget delivers and what we have delivered overall since coming to office in relation to closing the gap in Indigenous education.

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (10:38): I thank the member for La Trobe for that question. It certainly is the case that, for Labor members of parliament, one of the most important things they do is maintain close contact with their school community, because there is such a great deal that has happened in education since we came into government. The fact is that there has never been a period of time when the level of investment by a federal government in education has been so significant and far reaching and the level of attention to policy reform has been so specific and the delivery of support into every school in the country has been so evident. I am absolutely thrilled to hear from the member for La Trobe that, for example, the trades training centre investment this government is making is appreciated in her electorate. Before the member for Sturt, the shadow minister for education, fled the Federation Chamber, having been in here for all of ten minutes and having asked one question, I was making the point that the coalition has on record cuts of $2.8 billion in education—the spirit of which was confirmed by the shadow minister in his interview with Paul Bongiorno last year—including a commitment that would have seen over a billion dollars cut out of the trades training centre program. It is extraordinary when you think about it, because those trades training centres are making an incredible difference in schools that have access to them right around the country.

I know that for members—the member for La Trobe in particular—this is even more important when you consider some of the really difficult issues that are emerging as the Baillieu government starts to make cuts in education, including cuts to TAFE training in Victoria—which, I have to say, I think has always been one of the best TAFE systems in the country. Victoria's economy in the past, under the stewardship of Premier Bracks and Premier...
Brumby, was in a position to capitalise on the need for well-trained, well-skilled people to come through the school system and into TAFE. Now, of course, that is jeopardised as well. I am particularly concerned to hear that there are threats to the investment that this Commonwealth government—this Labor government—is making across areas like the literacy and numeracy national partnership. I have always said to the states that we want to provide that extra support and investment that we think can make a difference in school systems. It is not intended that states should simply take advantage of the fact that we have a profound commitment to education and seek to defray or reduce their investment as a consequence.

The member for La Trobe asked me a question that would be of interest to her and to some of the schools and her constituents, including St Joseph's in Ferntree Gully, about the commitment to Indigenous education. This is something that I know that everybody in the House recognises as an important and ongoing issue and a challenge for governments, including for the federal government. I am extremely pleased to say that we are starting to see signs of progress in Indigenous communities, including in the areas of education. Even this morning we saw a report in the Australian about the kind of uptake that we are seeing both in employment and last week, under Minister Macklin, in terms of the provision of housing. We are genuinely making progress there, and the budget was very clear that we were going to continue to provide that level of investment.

I was particularly keen that we were able to have substantial delivery through the budget in Stronger Futures in the Northern Territory—some $3.4 billion in the 10-year package—and that goes across a range of areas: primary health care, food security, making sure that we have got access to quality education for Aboriginal kids, and nearly $20 million for 50 additional Working on Country ranger positions. I know that in my previous portfolio I was particularly keen to see that happen, and in the budget we have provided the opportunity for Indigenous ranger cadetships to be applied in pilots around the country as well, and I announced that last week.

In particular, I want to draw attention to two things of importance. Teach Remote is another investment to attract and retain high calibre teachers in remote areas—some $14 million that we have invested there. That is something that I think students and potential teachers in the member for La Trobe’s electorate would be interested in. There is more we can do, but we have already— (Time expired)

Mr COULTON (Parkes—The Nationals Chief Whip) (10:43): I will be brief so that others can have an opportunity to ask questions. My questions are regarding the BER and, specifically, the collapse of the building company Reed Construction. Minister, are you aware that the company Reed Construction went into liquidation last week and that builders across northern New South Wales are owed approximately, to my understanding, $12 million? I would like a response for my constituents, particularly Chris Catterall, a builder in Moree who is owed $642,000; Lachlan Hall from Warralda, who is owed approximately $80,000; and Bill Crawford from Moree, who is owed just over $9,000. Minister, I would like your understanding as to the fact that this was a Commonwealth-funded program and as to what response you will be making to these builders. Also, Minister, I would like you to comment on the fact that a program that was designed to stimulate the economy during the global financial crisis will ultimately lead to the financial ruination of building companies right
throughout the north-west—on top of the collapse of TCT Constructions, who were doing work for Laing O'Rourke in Dubbo a couple of years ago, which left subcontractors in Dubbo in my electorate out of pocket by about $2 million.

The DEPUTY SPEAKER (Ms AE Burke): Before I give the minister the call, is there anyone else with a short question? The member for Aston has the call and then the minister can respond to both.

Mr TUDGE (Aston) (10:45): Earlier this year the new childcare ratios for zero-to-24-month-old children were implemented. This has seen childcare fees increased by an estimated 11 per cent across the board this year, according to surveys undertaken. I know that in my electorate increases of these levels have occurred and it has put enormous strains on the budgets of local families. Over the next few years lower ratios for older children will also be introduced. My question, for either Minister Garrett or Minister Ellis, is: what do you estimate will be the further increase in the costs of operating childcare centres once these new ratios are introduced? It is a very specific question.

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (10:46): To the member for Parkes, I am aware that Reed Constructions have entered voluntary administration. I should point out to the member that in fact responsibility for the BER is in Minister Shorten's hands and I will certainly direct your question to his office for an additional answer. What I can say is that we know that Ferrier Hodgson have been appointed as the administrator. We recognise, as I know everybody here would, that it does impose significant and considerable difficulties on builders such as the builder in your electorate that you referred to when a building company of this size enters into these difficulties. We do know that any claims for subcontractors for unpaid moneys are now managed as appropriate by the insolvency practitioner.

But I would make the point in concluding this answer and before I hand over to Minister Ellis that this is a matter that Barry O'Farrell as Premier of New South Wales cannot ignore. These are issues, as I understand it, that in part go to the delivery of projects to the New South Wales government. On that basis, as the New South Wales government has effective on-ground responsibility for the delivery of those projects, it is entirely appropriate that the New South Wales government be held to account for the delivery of the investment that the Commonwealth provided, through the states, for Building the Education Revolution.

Mr Coulton interjecting—

Mr GARRETT: There is an interjection from the member opposite, but the fact of the matter is simply this: it is up to those state authorities who are in receipt of the investment that is provided by the Commonwealth to ensure that it is appropriately and properly given effect to. That is what has to happen. If there is a reason why a particular builder finds itself going into liquidation on a matter of delivery through the state entities then clearly it is a responsibility of the state government to be able to answer that question as well. I will conclude my answer there, because I think Minister Ellis is going to take up a question from the member for Aston.

Ms KATE ELLIS (Adelaide—Minister for Employment Participation and Minister for Early Childhood and Childcare) (10:48): Thank you for the question with regard to the government's national quality framework, which we have been pursuing in partnership with
every state and territory government of all different political persuasions. The member for Aston asked some questions about affordability in particular. I would like to point out that there is nobody who is more concerned about the affordability of child care than the Gillard government. We do not just talk about that; we showed that we believe it by investing some $19.9 billion over the next four years in directly assisting Australian families with the cost of their child care. That is some triple the amount that the Howard government was investing. So when we talk about affordability I think it is very important that we actually recognise that we have increased the childcare rebate from 30 per cent to 50 per cent. We have increased the cap on that rebate from $4,354 per child per year to $7,500, and that has had a very real impact on the affordability of child care. We know the analysis shows that a family in 2004 who were spending 13 per cent of their disposable income are now spending 7.5 per cent of that income. That is not to say that this is an ongoing issue. We know that Australian families are struggling with cost of living. That is exactly why we are investing this additional funding, and that is exactly why we have committed to continuing to work to ensure that child care is both affordable and quality.

I would say the figure that the member for Aston referred to, which has been in the media, is not an accurate figure in regard to increases. If we want to have a look at the figures we have, we know that the new national quality standards came into effect from 1 January this year. The only official figures that we have seen since then were the CPI figures. I would say that the CPI increase for child care for the first quarter of 2012 under the National Quality Framework was less than in the same quarter of each of the last two years of the Howard government, when they were doing absolutely nothing to improve the quality of care. So, I think we need to get the facts on the table.

The other thing that I would just like to address is why it is that we are pursuing these changes, because I know the member that asked the question has made some statements which are not accurate in the House.

Honourable members interjecting—

The DEPUTY SPEAKER (Ms AE Burke): Order! This is not question time. It is consideration in detail.

Ms KATE ELLIS: I am answering the question. The member opposite might be interested, and I think the families of Aston deserve to have the very best start for their children. The member has stood in the chamber and said that there is no discernible benefit from increasing the quality of care, which is rubbish, frankly. That is absolute rubbish. We now have a body of evidence which shows us that we have more children in care than we have ever had before in this nation’s history. We have over 1,321,00 children who will be using care in the next year. We also have all of the evidence that shows that this is when 90 per cent of brain development occurs. What happens in the critical early years will affect children right throughout the course of their lives. It will affect their educational outcomes, it will affect their social outcomes and it will affect their development outcomes. All of the research shows that the best way we can foster the best start in life for these children is by ensuring that they have well-trained and qualified staff who know how to get the best out of their learning and who have the ability to give them supervision and attention. That is why we are proud of these reforms. That is why every government, including his state Liberal
government, has signed up because we know it is important to Australia's future that we give kids the best chance.

In terms of what we believe the increase will be, we have done extensive modelling on this. We know that we expect the national average peak increase to be $8.67 per week. Of course we recognise that that varies from centre to centre and it varies from state to state, but that is the best independent economic modelling advice that we have on what the cost of these changes will be. I believe that the children of Aston are worthy of this. I believe that the government has invested triple the investment of the Howard government to ensure that child care can become more affordable. We have committed to continuing to do that, and we have been upfront about the costs of it.

There is a case in terms of child development, there is a case in terms of child safety, but there is also a case in terms of national productivity. We know that if we want the best developed workforce of the future and the best educated children coming through we need to invest early and save money later on, and we are very, very proud to be working in partnership with our states and territories to be delivering just that. I would say that it is about time the member for Aston stood up and told his electorate the truth and also stood up for the families—(Time expired)

Ms OWENS (Parramatta) (10:54): Thank you, Madam Deputy Speaker. I have become aware the longer I am the member for Parramatta that how profoundly different the experience of children can be as they approach school years and get in to school. There are almost two completely different worlds. There is the world of Westmead Public School which is one of my best schools. It is a centre for excellence, it has a great cohort of parents who are mainly double professional career families, it has a lot of skilled migrants and a strong commitment to education. You will find it is an incredibly good school with a very active P&C. The children are engaged in extracurricular activity in fine arts and high-level sport as well as their educational activities. These are kids that are in every way being given what they need to fly, regardless of what their capacity is.

There is a child I met a number of years ago when I was up at Telopea Railway Station. She first started wandering down across the train line which, at that point, did not have a gate. She would wander across that train line and across Adderton Road, which is a main road, to get a carton of milk every morning and then go back. She was about four. As the years progressed she started bringing down her younger brother, who was still in nappies, and they would wander across the train line and head down to get a carton of milk every morning. It was in a very short time that, in the only way I can describe it, they started to get the mark of poverty; that slightly grey skin and wariness in their eyes. I watched them over those two years and thought: 'This is a remarkable young girl. She has everything in her that she needs to do well in life: she's committed, she's loyal, she's making things happen, she clearly gets herself out of bed and into school uniform. She does that.' I asked her one day and she said her mum was still asleep. She was a remarkable young girl, but you know that when she reached school age she probably would not have had the parental assistance in learning to read, learning to count and all the things that parents do for you. They walk up the stairs and count and they read to you and show you, before you get to school, how to learn.

These are two completely different experiences of school, and I am well aware that we need to be working at both ends. We need to make sure that a person can stand. We also need
to make sure that person can fly if they can. There has been a considerable investment in education by this government—a doubling of investment in education and some great programs that have been rolled out in Parramatta—but I would like to hear from both ministers how we are addressing the needs of both of those groups of children.

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (10:57): I thank the member for Parramatta. She is absolutely right. One of the key things about the findings and recommendations of the Gonski review was that where we have concentrated disadvantage existing within schools then, no matter what a student's capacity might be, they will be prevented from realising their full potential unless we ensure that we are providing the necessary support to them in those school years, including early childhood, primary and secondary. I am pleased to know that when it comes to that level of investment this government has invested some $2.5 billion in the Smarter Schools National Partnerships, and that includes investing in schools which are described as having low socioeconomic communities. In particular, in Parramatta there has been a significant investment in those national partnerships that I am particularly pleased to be able to identify for the member.

It is especially pleasing for me to see that we have provided a great deal of support for schools. Catherine McAuley Westmead has received $2 million of support for learning areas and technical applied studies facilities and the like. Schools like Mother Teresa Primary School under the BER received significant investment. In low socioeconomic areas of investment we have provided investment into schools like Arthur Phillip High School, Maryland Public School and Rydalmere Public School. All of these schools have received additional support and investment for their students and over time we expect to continue to see the fruits of this investment start to emerge. We recognise that the high level of support and the great priority that the Gillard government has placed on education is intended to do just that: help these students, including the students that the member for Parramatta referred to.

Remember the context: more transparency than ever for parents in the community with the My School website; a national curriculum, with the implementation now underway around Australia in English, maths, science and history; for the first time, national professional qualifications and standards for teachers; national partnerships, including the ones I have mentioned, on teacher quality and supporting low SES communities; and a national Aboriginal and Torres Strait Islander Education Action Plan to make sure that Indigenous kids around Australia get the support that they need as well. We are absolutely committed to making sure that these students and these schools continue to get the support that they need within the context of understanding what makes a difference, including teacher quality and early intervention for students, particularly those who may have learning difficulties or a disability or who may come from a low socioeconomic background. I was so pleased to visit the Macarthur Girls High School in the member for Parramatta's electorate—we had a fantastic session at that high school—and I could see how well the Macarthur girls were doing. Yes, they have received some support from the federal government; but, when I go to the My School website and look at their NAPLAN tests, I can see that they are achieving a great deal.

I will not ask the minister to jump up for the last minute, unless she is keen to take the call—
Ms Kate Ellis: No.

Mr GARRETT: I might then provide an additional answer to a question that was put by the member for Farrer. With regard to early childhood education and childcare reports, I am advised that the Productivity Commission report and interim response is on the DEEWR website, and the Access Economics report is on the COAG website. So I think that is evidence enough of the delivery of transparency for these reports—to those who take the time to listen.

During this consideration in detail of the budget appropriation before us, the member for Sturt, the shadow spokesperson for education, came in here for all of 10 minutes, asked one question and then fled the Federation Chamber. All that he said about education was that he wants to cut $2.8 billion out of the sector. All he said about the Gonski review and the important reforms that lie within it—one of the most important and significant pieces of policy discussion that we have had before us as a parliament—was that he has ruled that out of court all together, and he has confirmed that there would be further cuts to education funding. This Labor government is fully committed to continuing its support for education, as evidenced by the appropriations in this budget. (Time expired)

The DEPUTY SPEAKER (Ms AE Burke): I thank the ministers for their assistance today.

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (11:02): The Gillard government are committed to supporting jobs, and the 2012-13 budget continues to build our investment in skills training and assistance. Last year, the government announced the Building Australia’s Future Workforce Package, and members of the House will be pleased to know it is already benefiting more than 230,000 people. Protecting jobs has been the No. 1 priority of the Gillard government from day one, and our measures reflect that commitment. Today there are more Australians in work than ever before. This budget delivers on the broader economic goals of the government, delivering on our commitment to return the budget to surplus and with surpluses growing over the forward estimates. We also want to spread the benefits of the resources boom to help families on low and middle incomes make ends meet, with the cost of living.

With regard to employment and workplace relations specifically, the 2012-13 budget delivers on a number of important measures in the Employment and Workplace Relations portfolio. And I must acknowledge the work of the Minister for Employment Participation in developing this package. We recognise that in order to maintain a strong economy we need to have highly skilled and experienced Australians in our workplaces. With a lifetime of work experience, older Australians have skills that make them extremely valuable assets to the workforce. The government will invest over $55 million over four years in additional assistance to harness the potential of mature-age workers. The jobs bonus will help challenge employers to recruit older job seekers, with corporate champions to help employers implement age-friendly work practices. The Mature Age Participation—Job Seeker Assistance Program is extending experience and career advice.

We are going to encourage parents to participate in work. We are also providing more childcare assistance, making it easier for parents of young children in receipt of income support to return to work, by extending the reach of the popular Jobs, Education and Training
Child Care Fee Assistance program. An extra $225 million over four years will enable 130,000 families to access this assistance. We have new employer initiatives for disadvantaged job seekers, including Wage Connect and the Disability Employment Broker Program. We also have employment advice services for vulnerable workers.

In conclusion, the government are committed to supporting jobs, and the 2012-13 budget continues to build on our investment in skills training and a range of assistance for Australian job seekers.

Proceedings suspended from 11:05 to 12:17

The DEPUTY SPEAKER (Dr Leigh): Proceedings will resume on consideration of expenditure in the Education, Employment and Workplace Relations portfolio. The question is that the proposed expenditure be agreed to.

Proposed expenditure agreed to.

Foreign Affairs and Trade Portfolio

Proposed expenditure, $6,378,024,000

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (12:18): I have a series of questions for the minister. I will go through those questions and those you cannot answer we will put on notice. In relation to the department's incoming government brief, the red book, it states:

The department is already badly resourced. According to the department's calculations, by what percentage is the department underfunded in the wake of the most recent cuts to the operating budget? How much additional funding will be cut in dollar terms? Did the department advise the government against further funding cuts? Which areas of departmental operations will have the largest redundancies and what will be the reduction across the various levels of seniority within the department?

On the issue of expenses, I ask the minister: what will be the impact of further funding cuts to consular services? Are more Australians travelling overseas and by what amount, and is there an increased consular case workload as a result? Is there sufficient capacity within the department to deal with a major crisis involving large numbers of Australians needing consular support overseas? Is that capacity similar to the past or less? Are Austrade officers in posts being seconded to provide consular support? If so, in which posts and what percentage of their time is being taken up by consular support?

Regarding AusAID, I have a number of questions about the independent review of aid effectiveness. Recommendation 39 of the Australian government's Independent Review of Aid Effectiveness says:

The scale–up of the aid program to 0.5 per cent of GNI should be subject to the progressive achievement of predetermined hurdles.

Have these hurdles been determined? If so, are they publicly available? If the hurdles or benchmarks have not been imposed, why not? How will AusAID be measured against these benchmarks and who will undertake the assessment?

In relation to salary supplements, does AusAID recruit nationals of the countries in which it operates? How does AusAID determine salaries for nationals so recruited? Does AusAID supplement or top up salaries for some foreign nationals who work for their governments?
Does AusAID supplement or top up salaries of public servants in other countries? If so, what measures does AusAID put in place to prevent a conflict of interest? How many public servants are in receipt of AusAID top-up payments? What is the level of the top-up payments as a percentage of their government salary? Is the government of each country notified of all employees in receipt of top-up payments?

On the question of domestic lobbying in the aid budget, how much of taxpayer funds are diverted to domestic awareness raising or lobbying activities? Are organisations in receipt of AusAID funding allowed to use taxpayer funding to lobby for increased funding from AusAID? How does this ban on lobbying for increases reconcile with the vocal and high-profile campaign for an increase in the aid budget to 0.5 per cent or 0.7 per cent of GNI, depending upon the organisation? How does AusAID prevent development organisations from using taxpayer funding to support this lobbying?

I have a number of questions on the campaigns on sexually transmitted diseases. Has Caritas been successful in winning tenders to promote awareness of STI? In particular, is Caritas actively promoting the use of condoms as part of that campaign? If not, was AusAID aware of the fact that Caritas would not promote the use of condoms and why was it awarded that tender?

What is the acceptable level of cost transfer back to headquarters of organisations involved in delivering the aid program? What percentage of a given program is attributed to offshore costs by World Vision, Oxfam and Save the Children, for example?

Is AusAID aware of reports that its funding of PNG police officers has created a virtual private security force that largely protects Malaysian logging interests? What steps has AusAID taken to ensure that its funding is not being used for such purposes?

How much money has been spent to date on the Australian Civilian Corps? How many people have been deployed? How many people have registered to be part of the Civilian Corps? How many of these are Australian public servants? How many people are involved in managing the program in Canberra? What is the cost of administering the program compared with the cost of deployment?

Dr EMERSON (Rankin—Minister for Trade and Competitiveness) (12:23): In respect of the first set of questions relating to the resourcing of the Department of Foreign Affairs and Trade, I will seek to provide answers where we reasonably can. But a number of these matters may well be cabinet-in-confidence and we, like all governments of whatever political persuasion, will not breach that confidentiality. Yes, efficiency dividends have been applied to agencies and the Department of Foreign Affairs and Trade is not exempt from those efficiency dividends, nor would it expect to be. In the context of bringing the budget back to surplus, the Department of Foreign Affairs and Trade was able to announce the establishment of a consulate in Chengdu in western China, a city of some eight million people. The establishment of this consulate is a very important part of the Australia in the Asia Century white paper endeavour. We want to increase our presence in China. We already have a presence in Beijing, Shanghai and Guangzhou. Here is a fourth presence. We will continue to look at our consular presence around the world. But we need to do so understanding the budget constraints that apply as we return the budget to surplus. I can also confirm that we are establishing a presence in Senegal in French-speaking Africa. A lot of Australian mining companies have interests and prospective interests in that part of the world. Even in the...
context of what is a tough budgetary situation for all, we are able to announce meaningful new policies in that area.

Are more Australians travelling overseas? Yes, they are. That is a reflection, in part, of the strength of the Australian dollar, which is a vote of confidence in the management of this economy. Armed with valuable Australian dollars more people are travelling overseas; therefore, on occasions extra consular assistance is sought. I know in Phuket, Thailand, for example, a lot of work is done by our post to provide consular assistance to tourists there. I will seek to provide information, where we possibly can, to satisfy the questioning of the Deputy Leader of the Opposition.

In relation to AusAID and recommendation 39 of the review about predetermined hurdles and GNI, it is now well known that we have pushed out by one year the achievement of 0.5 per cent of GNI. I understood that this did have the support of the coalition. I am able to give the assurance that, where we are reasonably able to do so, we will provide further information to the Deputy Leader of the Opposition.

In relation to domestic lobbying by non-government organisations, I make the general point that any expenditure by AusAID in order to qualify as overseas development assistance must be what is called 'ODA-able'. You cannot simply generate spending proposals and then expect that to qualify, otherwise we would be in the situation where all sorts of activities are lumped into the foreign aid budget, and we want to avoid that where it is not warranted. But, again, I will get information. In relation to the broader issue of lobbying for increases in ODA as a proportion of gross national income, of course, non-government organisations have done that and will continue to do so.

On Caritas, yes, we will get information about any contracts with them and the issue of sexually transmitted diseases and the use of condoms. I must say the suggestions or implications by the Deputy Leader of the Opposition that AusAID is funding the PNG Police Force in order to protect the illegal lobbying is a long way out there, just the other side of the Milky Way. I will seek to get information on that, but I think that there is a pretty serious allegation there. We will seek to do the right thing and provide information where we reasonably can but within the context of both reasonableness when it come to the burdens of the department and cabinet confidentiality.

Mr MELHAM (Banks) (12:28): My question to the minister is: can the minister update the House on the progress of the China FTA and on any new developments in the negotiations? What steps is the minister taking to try and bring the negotiations to a successful conclusion? Is the minister aware of any risks to the negotiations, and what would this mean for the negotiations?

Dr EMERSON (Rankin—Minister for Trade and Competitiveness) (12:28): I thank the member for Banks for the questions. This is a negotiation that was initiated by the previous government in 2005. Having come to the portfolio of trade in September or so of 2010, it came to my attention that no progress had been made during the period of the previous government from 2005 through to November 2007. A whole series of negotiations or meetings had occurred, but, in fact, no progress had been made.

We have continued to press China on this. There are some terribly vexed issues in any negotiation of this sort between countries such as Australia and China, which has 1.32 billion
people. Frankly, in order for this to be progressed successfully it would need a level of bipartisanship, and it does not enjoy that. This is a fundamental problem because the coalition, having initiated these negotiations, is now saying in respect of foreign investment by China in agricultural land that it wants to drop the threshold for private foreign investment from $244 million to as little as $30 million. That would be the end of any discussion on a free trade agreement between Australia and China because China would see that as very discriminatory against it. The Deputy Leader of the Opposition, on 19 October last year, had urged that we accelerate negotiations for the successful completion of an Australia-China free trade agreement and the very next day her leader said no, that it should be put on the backburner and Japan should be prioritised. In order for this agreement ever to materialise we cannot have Senator Barnaby Joyce and others running around with anti-China rants and then, with the prospect of a discussion paper coming out, suggesting that we drop that threshold, which I am quite sure from discussions with my Chinese counterparts would mean the end of any possibility of a free trade agreement.

What the Chinese have done is approached us about a free trade agreement but with a real emphasis on agriculture. Again, you would think that the coalition would support that, at least the National Party side, because China did give access to New Zealand to the agricultural demand of a massive country and have said to us, 'We would contemplate giving you New Zealand style access.' That would be a huge boost to Australian farmers, particularly beef and dairy farmers.

There are great prospects here, but then we have part of the coalition actually working in the opposite direction. To the credit of the Deputy Leader of the Opposition, she has been quite consistent on this, saying, 'Let's do it. It's an important deal.' But other parts of the coalition to which the Leader of the Opposition listens every day—and that includes Senator Barnaby Joyce—are saying, 'We're not very happy about China. We're very anxious about it. We don't necessarily think bringing a free trade agreement to a successful conclusion is a good idea.' So that bipartisanship is lost.

It is not lost upon the Chinese, I must say. They know that there is an alternative government in Australia that is saying that they are not sure about the wisdom of completing free trade negotiations. It would not just be in agriculture, I say to the member for Banks. It would be the diversification that we are seeking in services. We have so many Australian companies looking to diversify. A hundred of them accompanied me to China in August of last year on the biggest delegation to leave Australia's shores, I think. There is no better time, I say to the member for Banks, who has a very great fondness for Gough Whitlam, than the 40th anniversary of the official recognition of the People's Republic of China. It was one of the first steps that Gough Whitlam took when he was elected. He was elected in early December and by 21 December we had recognised officially the People's Republic of China.

Mr Melham interjecting—

Dr Emerson: That is right. There is now this sense that we should use this opportunity. Let's use the fondness that exists between our two countries to complete those negotiations. But I have to say it would be very difficult to complete them when we have a divided coalition. I would urge the Deputy Leader of the Opposition to use her authority within the coalition to bring to heel the Barnaby Joyces, the anti-China rants, and see if we cannot actually get a true level of bipartisanship instead of people of good intent, such as the Deputy
Leader of the Opposition, saying the right thing but her leader and the aspiring Prime Minister of Australia saying exactly the opposite.

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (12:33): Minister, I now turn to the issue of the United Nations Security Council campaign for a temporary seat for 2013-14. What has been the total expenditure on the campaign, including staff seconded to the UNSC campaign? How many staff are working on the campaign? How many countries have pledged their votes in writing to Australia and how many have given verbal pledges? How many have indicated that they will not be voting for Australia? How many have said that they are undecided? Has there been an increase in the number of invitations to Australia to the leaders of other nations? What is the average cost of each visit? Typically what costs are borne by the Australian taxpayer of each visit? Has the department assessed the level of additional resources that will be needed if Australia is successful in its bid for a temporary seat? If so, how much will be required?

I refer the minister to Australia's promotion of its candidature for the UN Security Council. Has the department updated this big booklet or website to reflect the government's revised time frame for expanding overseas development aid? It still says that you are going to deliver five per cent of GNI by 2015. I also note that the member for Griffith is still described as the foreign minister in the booklet. Has this been updated? If not, why not? How much did it cost to produce the booklets? How many booklets were produced? How much would it cost to reprint all the booklets, if that has been done? Will the department remove the booklets with the factual errors from website and from broader circulation?

Was the foreign minister advised by the department to threaten Papua New Guinea that Australia would organise the world to isolate and condemn Papua New Guinea and impose sanctions if elections in Papua New Guinea were delayed?

Has the live cattle trade to Indonesia recovered to its pre-suspension levels? What has been the cost to Australia's cattle industry from the lesser demand from Indonesia for our livestock? Was there any understanding between the Australian government and the Indonesian government to secure a reduction in Schapelle Corby's sentence after the release of Indonesian minors from Australian jails? Was the possibility of juvenile detention for the Indonesian minors considered? Was the Prime Minister advised by the Department of Foreign Affairs and Trade to personally telephone the so-called Bali boy after his arrest?

I note that the minister made mention of the new consulate in China. Did the department recommend a number of possible locations for a new consulate in China? What was the department's preferred location? Did the former foreign minister ever express his preference for the new consulate to be situated in Chongqing? If so, what were his reasons for selecting Chongqing as opposed to Chengdu or other locations?

Has the Australian government implemented all United Nations sanctions on Iran? Are the Australian government's actions in relation to the implementation of UN sanctions consistent with the actions of, for example, the United States and the European Union? What is the Australian government's official position towards Iran? Does the government believe that military action should be 'taken off the table'?
Has the United States embassy or the United States government and its officials raised the question of cuts to the Australian defence budget? If so, when and where did this take place and at what level did this representation occur?

Going to the minister's own portfolio, could the minister provide the current status of the Australia-Gulf Cooperation Council Free Trade Agreement negotiations and the Indonesia-Australia Comprehensive Economic Partnership Agreement? When was the last pre-negotiation consultation with Indonesia held? Have any pre-negotiation consultations been held since the Australian government announced its ban on live cattle exports to Indonesia? Could the minister also provide details of the Australia-Japan Free Trade Agreement, the Australia-South Korea Free Trade Agreement, PACER Plus and the Trans-Pacific Partnership Agreement? What positions has Australia taken during trade negotiations in relation to tariff reductions? Has Australia sought tariff reductions? What are the scale of those reductions? Has Australia sought zero tariffs during some negotiations? If so, for which commodities, and which countries have been asked to consider zero tariffs on Australian exports?

Dr EMERSON (Rankin—Minister for Trade and Competitiveness) (12:39): In relation to the UN Security Council bid, within the bounds of reasonableness we will seek to provide relevant information. I am not by any means persuaded that it is in Australia's national interest to start articulating to the opposition and, through that process, to the Australian people and the public more generally exactly who has pledged what to whom. I am not sure that those countries would necessarily think that was a good idea. If you want to prejudice the Security Council bid—and maybe the coalition does—that would be a pretty good way of going about it. I imagine that some of these consultations and discussions about arrangements would be fairly confidential. So I am not going to commit that we will provide information about conversations that have been held with each and every country in relation to the UN Security Council bid. I would be interested—I have not caught up with the latest—in knowing whether the coalition has an official position of opposing that bid. Certainly, the request for information that is being sought seems to me to be designed to prejudice it.

I was asked whether Australia issues invitations to leaders of other nations to come to this country. Yes, things have moved on; Fortress Australia has been dismantled. That was through the fifties and sixties, when we in this country were very fearful of foreigners. People like Pauline Hanson still are, but I would hope that the coalition is not. Of course, we invite people from other countries to come to Australia.

Ms Julie Bishop: You're better than this, Craig.

Dr EMERSON: The deputy opposition leader says, 'You are better than this, Craig.' It is fascinating, when we are in the second decade of the 21st century, that the best question she is able to think up is: 'Do we invite leaders of other countries to this country?'

Ms Julie Bishop: Mr Deputy Speaker, I seek to intervene. I asked if there had been an increase in the number of invitations and, if so, a whole series of things.

The DEPUTY SPEAKER (Hon. BC Scott): The minister will allow the question and the member for Curtin will resume her seat.

Dr EMERSON: I am not sure that we keep records of the number of people we have asked to visit Australia over the last 20 or 30 years as a basis for providing this information. But I can tell you that if there were an increase it would be a good thing. I actually think it is
great that we engage with countries. The coalition seems to have the view that international trade is fine, so long as it does not involve foreigners. We are actually quite keen to continue the internationalisation of the Australian economy.

Ms Julie Bishop: Mr Deputy Speaker, I seek to intervene. I find that an offensive point by the minister. I am asking a very serious question about whether over the last 12 months there has been an increase in invitations to leaders of other nations. I am asking about the cost of each visit and what costs are borne by the Australian taxpayer. That is a perfectly respectable question to ask. The minister should take it seriously and not be so offensive.

The DEPUTY SPEAKER: The minister has the call and I ask him, in the spirit of this chamber, that he take the question, which is part of the standing orders of the Federation Chamber.

Dr Emerson: I accept the question, and I am responding to it in the spirit in which it was asked. I find it one of the most extraordinary questions that I would expect to hear from a Deputy Leader of the Opposition; as if inviting leaders of other countries to this country is a bad thing and that somehow it will be exposed that, yes, we have been at it again—inviting leaders of other countries to this country and then paying some of their expenses. I am quite happy to provide the information wherever we can. I look forward to the comments of the coalition as to whether they think is a good idea of a bad idea to invite leaders, one by one, to this country.

I will now move on. In relation to Papua New Guinea, I cannot cover all of the questions that were raised. Obviously, there are going to be elections—I think they start next week and they will continue for some time—and that is a good thing. That is what Senator Carr wanted; he wanted those elections and they going to happen. I see that as an achievement rather than as a basis of criticism. On the live cattle trade, we are constantly in touch with the Indonesian authorities—(Time expired)

Mr Melham (Banks) (12:44): Can the minister update the House on the progress of the Trans-Pacific Partnership negotiations? What will the admission of Canada and Mexico mean for the negotiations?

Dr Emerson (Rankin—Minister for Trade and Competitiveness) (12:44): We now have the capacity for me to be able to give a full answer on this, rather than jam it in with numerous questions. The answer is that, in the last couple of days, two new countries have been admitted into the Trans-Pacific Partnership Agreement negotiations: they are Mexico and Canada. With the addition of Mexico and Canada, there are now 11 parties to the Trans-Pacific Partnership Agreement negotiations.

The concept here, I say to the member for Banks, is a very worthy one. The Asia-Pacific Economic Cooperation forum was established by Australia on the initiative of, originally, Bob Hawke at the ministerial level, and then Paul Keating elevated it to the leadership level. It has been a very successful forum for trade liberalisation and economic policy cooperation across the Asia-Pacific. The aspiration is a free-trade area for Asia and the Pacific at some stage. Each of the nine parties to the trans-Pacific partnership negotiations is a member of APEC. So nine of the 21 economies are now involved in negotiation, which obviously is going to be a tough one in some areas, as every country has sensitive issues. If we can land this Trans-Pacific Partnership Agreement, we then have a very solid stepping stone towards a free-trade
area for Asia and the Pacific. The addition of Canada and Mexico means that between them the TPP parties constitute 30 per cent of the world's gross domestic product, which is a big number.

The negotiations are going well in relation to what is called the text—that is, all of the legal work that needs to go in. But there will be very challenging negotiations about increased market access to each other's countries. I might even add, as the Deputy Leader of the Opposition asked if we were requesting duty-free access to markets, that we ask for duty-free access to markets wherever we can possibly achieve it. My view is that, even if that involves phasing down tariffs over time, getting to zero is a very worthy objective. That is set out in the trade ministers' trans-Pacific partnership declaration that was issued in Honolulu last year: we are looking for duty-free access to markets.

We are pragmatic about phasing down tariffs. Why wouldn't we be? In Australia that is exactly what we did previously. We had very high tariffs in the mid- to late-1980s which were inherited from previous coalition governments. Instead of going cold turkey and taking auto industry tariffs, for example, from 57.5 per cent to zero in one fell swoop, we phased them down. Whenever we have been involved in negotiations, such as in the ASEAN-Australia-New Zealand Free Trade Agreement, we have offered duty-free access to the Australian market. In the Australia-United States Free Trade Agreement we offered duty-free access to the Australian market. We also have done it with other free trade agreements.

Our tariffs generally are around zero or five per cent. It is something we have done unilaterally over the years. Other countries have reduced their tariffs, and APEC has been a very effective forum, not so much for negotiations but for a sense of kindred spirit—that we know this is a community whose future path to prosperity and to a more decent society for people in poverty, so that they can be liberated from poverty, is to give them jobs through market access. Over the years, what has happened in APEC is that countries have voluntarily reduced their tariffs, not through negotiations but in the knowledge that other countries in the region were doing the same thing. So in regard to the Bogor goals, which were set out in 1994—there was a review recently—it is true that we not quite at zero, but tariffs have come down and, as a result, a lot of people who would not otherwise have jobs, including on the land, now have jobs. It has been a great success story. The Trans-Pacific Partnership Agreement can take that further by providing this important stepping stone to a free-trade area for Asia and the Pacific.

Ms GAMBARO (Brisbane) (12:49): Minister, it has been well documented that the government is proposing to save $2.9 billion by deferring by one year the foreign aid target of 0.5 per cent of GNI. Can the minister advise the Committee of the process or criteria that were used to determine which regions or program line items that were previously projected across have been reduced or deferred? The reason I ask this is that it is not an across-the-board deferral of aid spending on countries and regions; some have been deferred but some have actually had an increase in the appropriation above what was projected in last year's budget. In the context of deferring increases in aid spending, why has this year been chosen as the year in which we need to join the Asia Development Bank?

I want to also refer to scholarships, particularly those scholarships funded by AusAID that are offered to overseas students in developing countries to study. Can the minister advise whether there is a requirement that these students have to study at Australian universities or
educational institutions? If not, why not? Is there a requirement for the students to return and work in their country of origin once they have finished their degree or their qualification? The minister may have to take this on notice, but can he provide a breakdown of intended countries of origin by student for these programs in 2012-13 and the degree courses and a breakdown of the Australian universities and institutions that they attend? Can he also explain the process that AusAID uses for determining which countries and students will be selected? What will the level of scholarships provided to the Palestinian authority be in 2012 and 2013?

On general aid, what will be the total amount of foreign aid funding provided to Libya for 2012-13? Minister Carr recently announced on his trip to Burma that there would be an increase in foreign aid spending in Burma. Will there also be an increase in the current staffing levels in the foreign aid area and, if so, what will those levels be?

Moving onto the $5 million donation that AusAID has given to the Queen's Diamond Jubilee Trust, can the minister advise what measures AusAID will take to ensure that all funds are administered to the trust and that they will be spent according to the AusAID charter?

On the ongoing issue of AusAID funding going to organisations with links to terrorists, even though it appears that nothing illegal has occurred, AusAID admitted during evidence that it is undisputed fact that persons on the board of the UWAC, which receives funding through an NGO from AusAID, are formerly convicted terrorists who have served time in jail for terrorism and have links to the PFLP, which is a well-known terror group. There are also other persons with links to terrorism on the UWAC board. Can the minister advise whether it is the Australian government's view that this situation is acceptable? Has the minister had any concerns raised with him by Labor backbenchers on this specific issue, in particular the member for Melbourne Ports? What does the government consider to be a link to a terrorist organisation? Just because it might be legal does not mean that there is not a link.

I want to also ask about an article that appeared in the Australian yesterday. It refers to an independent review obtained under FOI commissioned by AusAID—and I have that report with me now—into the child protection policy that was implemented in 2008. The article alleges that there has been a surge in abuse complaints. There were 11 last year compared to only four in the first year and authorities expect this trend to continue. Minister, can you advise whether this is correct? The article also states that of the 20 complaints made over the last four years, eight were substantiated—all last year—involving staff of a non-government organisation working with AusAID in another country while five were found to be outside the scope of the policy. Minister, can you advise whether all of the eight complaints were about one single NGO and what investigations the department has initiated? The article alleges that the report also questions why the department appears to put concerns of negative publicity ahead of concerns for alleged victims. This is a very serious allegation, Minister. Can you indicate whether you will release the report publicly? Will you commit to implementing all of the recommendations of the review and indicate a time frame? Will the government be providing an official response to the report and, if so, when?

Dr EMERSON (Rankin—Minister for Trade and Competitiveness) (12:53): It is important that I respond to the last set of questions first. Then I will see if I can get to the others within the five minutes that I have. Without wishing to be unduly combative, the suggestion that the Department of Foreign Affairs and Trade might put concerns about negative publicity ahead of ensuring that it does everything to wipe out child abuse is an
appalling suggestion. I am not saying that the member for Brisbane is making that allegation. I have hardworking and decent departmental officials here, as are AusAID people more generally, who would be mortified at such a suggestion. They are not in a position to answer these questions, so I will answer them on their behalf. It is an appalling question. There is no circumstance in which—

**Ms Gambaro:** Mr Deputy Speaker, I was just asking the minister to respond to the report. I was not casting any aspersions on the hardworking members of the department, whom I have had great privilege to work with in the past.

**Dr Emerson:** I understand that, but it is most unfortunate that in the time that is available the member for Brisbane has decided to transmit that allegation into the chamber. There is every discretion on the part of the member for Brisbane to simply not repeat that allegation or that suggestion. You have not done that. I am not suggesting that you are making it, but I would have put a red line through it, if I were you.

In relation to AusAID more generally, of course, this organisation has zero tolerance for child abuse. It is a pervasive problem—there is no doubt about it—and AusAID is tackling it proactively in setting the international benchmarks for accountability and transparency here. Indeed, Australia was the first international donor government and Commonwealth agency to implement a policy to protect children from abuse. The aid program has no higher priority than the protection of children from any form of abuse. The aid program works every day to promote and protect children's rights, in particular, by increasing children's access to education and to health services.

The 2011 Independent Child Protection Policy Review, commissioned by this government, describes AusAID's commitment to child protection and the work done to date to develop, implement, support and resource the policy as impressive. AusAID agrees with the 23 substantive recommendations, with four already implemented and the remainder are underway. AusAID's partners are responding and appropriately managing child protection notifications better than ever before. Since the policy was introduced, all complaints made related to personnel of organisations funded by AusAID, not AusAID staff. The increase in notifications is evidence that the policy is working. It required mandatory reporting. Mandatory child protection standards have created safer organisations and awareness of the policy has increased through training NGOs, contractors and AusAID staff.

There is strong evidence that supports the fact that, when mandatory compliance is introduced and awareness increases, there will be an increase in notifications.

Going directly to the question, AusAID has received a total of 20 child protection notifications in the three years between March 2008 and December 2011. Of the total reports, eight were substantiated or resulted in dismissal, seven were unsubstantiated and five were outside the scope of the policy—that is, they were not related to Australian aid programs—and each of these cases were referred to the relevant authorities. Since the policy commenced, AusAID has not received any child protection notifications against any of its staff. I will seek to get back to the member for Brisbane on other questions where, again, we reasonably can within the resources of the department in relation to the decisions made on overseas development, assistance and the various scholarships. I am quite sure that AusAID and this government do not go around funding terrorist organisations legally or illegally. That is not
the sort of thing that we see as a priority. I think that both sides of the parliament have a policy of doing everything they can to combat terrorism.

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (12:59): The minister has been asked a number of questions and I would ask that the minister take them on notice and respond, as he has indicated he would, with answers to those questions as best as he is able. I ask whether he would be able to do that by the end of this parliamentary sitting period—that is, by the winter break. I also have a couple of questions on the Australia Network. Have any department officials been interviewed by the Australian Federal Police in its investigation of the leaks related to the Australia Network tender? Has the department undertaken any market research on, or surveys of, the Australia Network as to its coverage? If so, does the department know how many people are actually watching the network; how many are Australian citizens and how many are foreign nationals, and have those watching the network been asked to rate the quality of the current service delivery? And, if this information is not available, why not?

Dr EMERSON (Rankin—Minister for Trade and Competitiveness) (13:00): I cannot reasonably give a commitment that, by the end of this parliamentary session, answers to all questions will be provided. There are constraints here on the available resources of the department. I have said in good faith that we would seek to provide answers where it is reasonable. Where there are questions that involve matters of cabinet-in-confidence or that cannot be answered for reasons of national security and such, answers will not be provided—and that would be the response that I would get if the coalition were in government.

In relation to the Australia Network, again, I will seek to provide some information on that. I would be surprised if the Australia Network were spending a lot of money working out how many people watch the network, but if they happen to have that information I will provide it to you.

There are some other unanswered questions that I would like to deal with. The Deputy Leader of the Opposition, in the previous bracket of questions, asked about trade negotiations with Japan, Indonesia and so on. What is happening in Indonesia—and I think it is quite a good idea—is that they are, to use their term, 'socialising the idea'. So we have the business communities of both Indonesia and Australia working collaboratively, identifying the opportunities through the negotiations and going to other stakeholders, including members of parliament in Indonesia of all political persuasions, to argue directly to them that this is a good idea. Rather than us negotiating an agreement and then unveiling it to the business community, we actually have the business communities of both countries being champions of the agreement. I think that is a model that is worth considering for the development of trade agreements between countries.

In relation to Japan, the most recent document that our trade relations are based on is the 1957 Australia-Japan Agreement on Commerce—and I give credit to the coalition at that time; Menzies and McEwen negotiated that agreement. But it is now a little dated! I think we can do better than that. The Japanese have shown renewed interest in a free trade agreement with Australia and, obviously, we have been pushing that for a long time. They have a lot on their plate, including the reopening of nuclear power stations and trying to get an increase in the consumption tax through the parliament. However, during my recent visit—and I thank the Deputy Leader of the Opposition, with whom I was paired—the Japanese themselves,
voluntarily, before I could even begin to speak about the desirability of completing negotiations for a free trade deal, said that to me. So that is a good development. They see that there is real merit in their engaging more in the region, looking outward. Again, Australia is a top priority for Japan, as it is for China.

So we continue to work hard and to invest in these agreements. The earlier part of the visit to seven countries over 19 days that I just completed included the actual signing of our free trade agreement with Malaysia. We got very strong support from industry generally and—of interest to you, Mr Deputy Speaker Scott—from rural industries in particular.

We are in the business of opening up markets. The 'Asian century' can provide enormous opportunities not only to our traditional minerals and energy exports; I think we can also make agriculture a new economy. With an expansion in the number of people on earth from seven billion to nine billion by 2030 and the rising middle classes of Asia, I think our beef producers, our dairy producers and our horticultural producers have great prospects.

I can also confirm that, just yesterday, it was announced that Australian horticultural produce will continue to flow through Tanjung Priok, which is the main port in Jakarta. There was an announcement of a suspension and a termination that would come into effect on 19 June; that does not apply to Australia because we negotiated hard and well with the Indonesian government. We have a country recognition agreement in place and as a result Australia will be exempt from that suspension, which is good news for our horticultural producers. It is an example of the good personal relationships between ministers and a good, warm relationship between Indonesia and Australia.

Proposed expenditure agreed to.

Sitting suspended from 13:05 to 16:00

Finance and Deregulation Portfolio

Proposed expenditure, $655,902,000

Mr GRAY (Brand—Special Minister of State and Minister for the Public Service and Integrity) (16:00): Before making remarks specifically on this appropriation bill, I think it is worth reflecting in general on a budget that returns to surplus at a time when global markets are in a doubtful condition and a time when caution and prudence in our budget management are important parts and hallmarks of the Australian way of managing budgets. But it is also important that we look at our budget in detail and see that spending as a share of GDP falls to 23.5 per cent in 2012-13 and remains below 24 per cent over the forward estimates. It is the longest sustained period below 24 per cent since the 1980s. The tax to GDP ratio in 2012-13 is 22.1 per cent and forecast to remain below 23 per cent across the forward estimates—again, sustainably low and substantially below the rates of the former government.

You cannot achieve this without a fantastic finance department. I thank the Department of Finance and Deregulation and in particular Secretary David Tune for the outstanding work that they have done in helping to support ministers and to frame this budget.

In 2012-13, the Finance and Deregulation portfolio will receive appropriations of $655.9 million from Appropriation Bill (No. 1) for the ordinary annual services of the government. This will include departmental capital budget funding of $18.9 million, $7.6 million in departmental supplementation and administered capital funding of $3.2 million. A number of new measures were announced in the 2012-13 budget for the finance portfolio. Further
information on these is, of course, contained in Budget Paper No. 2. The government will provide $4 million over two years for finance to develop a second-pass business case for the remediation of sections 32, 34 and 41 of the Cox Peninsula in the Northern Territory and, in so doing, assist the Northern Territory in the resolution of a long-outstanding land claim and provide a fantastic business opportunity for the Larrakia people in developing that land outside of Darwin.

The government will also provide $6.9 million over four years to support the government's deregulation agenda, including oversight of the Seamless National Economy reforms and establishing and supporting COAG cross-jurisdictional task forces. Importantly, the government is delivering again on cross-jurisdictional issues, making life simpler, making cross-jurisdictional accreditations simpler and, of course, dealing with complex matters such as occupational health and safety.

The government will provide savings from a reduction to the fire services levy payments made to state and territory governments. Savings from this measure will be directed to support substantial other government priorities. The government will also find an additional $8 million over two years to undertake work related to the transfer of parts of the Malabar Headland to the government of New South Wales for the creation of a permanent national park in Malabar Head for the benefit of the people of Sydney, New South Wales and Australia. The government will provide $7.4 million in 2011-12 to meet legal and other costs associated with the Commonwealth's legislation against the stamp duty assessment issued by the New South Wales Office of State Revenue on the sale of the Commonwealth share of Sydney Airport Corporation Ltd.

The Commonwealth will provide $26.4 over five years to allow the Moorebank Project Office to progress the development of the Moorebank site as an intermodal terminal. This is a particularly substantial measure, as it will provide a logistics hub at Moorebank for container traffic flow from Port Botany through Sydney, creating an interstate connection but also better managing traffic and container flows through the greater Sydney area, benefiting the East Coast in general, Sydney specifically and delivering substantial productivity benefits for Australia.

The government will provide $559.4 million over four years to the Department of Finance and Deregulation for the relocation of the Department of Defence facilities at the Moorebank site to a modern and purpose-built facility through the development of the Holsworthy Barracks site. That is important to creating the land opportunity at Moorebank in order to create the terminal for the intermodal capacity at Moorebank. The government will also provide $339 million over seven years to construct a new Commonwealth operated post-entry quarantine facility.

The government will also provide nearly $1 million over four years to establish a whole-of-Australian government information management system for parliamentary workflow. I know the shadow minister appreciates the complexity that comes from differential systems operating across different ministers' offices and portfolios. This workflow program is designed to improve that. (Time expired)

Mr ROBB (Goldstein) (16:06): I think both sides of the House agree that productivity improvements are critical in realising opportunities in the years ahead and in weatherproofing the Australian economy as best we can against overseas events over which we have no
control. Within this budget there are many measures which go to the issue of productivity. One that the minister himself referred to in his opening comments is the intermodal terminal at Moorebank in western Sydney. Given the importance of living within our means and ensuring the productivity opportunities are realised from this intermodal terminal—and the opposition supports this initiative—I would like to refer the minister to the Department of Finance and Deregulation capital measures outlined in Budget Paper No. 2 on pages 301 and 302.

I have a number of questions and I would be very grateful if the minister could shed some light on these issues. Firstly, what is the rationale for establishing a GBE to develop the Moorebank site, considering that there is a strong private sector willingness, through Qube Logistics which has undoubted capability in this area, to deliver the same outcome on adjacent privately owned land? The land is currently owned by the Sydney Intermodal Terminal Alliance and developing that site would be at no cost to taxpayers. The land has open access, a port shuttle and an interstate rail terminal, as is planned by the government. As I understand it, the process will cost the Commonwealth nearly $1 billion, as spelt out in the budget papers: $559.4 million outlined on pages 302 as well as $332 million from the defence department.

Secondly, Minister, how pressing is the need for the relocation of the defence engineering facilities at Moorebank to Holsworthy? Thirdly, can you confirm that the interstate rail component may not be required until 2029? Would it be possible to spend a more modest sum of money on upgrading the defence facilities, which we do accept are in poor shape? Finally, considering the Commonwealth's very tight fiscal position, can you advise whether this proposal has been subjected to a cost-benefit study? Has comparative analysis been conducted between the government proposal and the private sector options, especially considering the very strong support from many quarters for the private sector proposal—the New South Wales government, the Business Council of Australia and many other groups, and financial reporters including editorials in the *Australian Financial Review*? Has it been assessed by Infrastructure Australia as a key priority? Is it true that the private sector proposal could be up and running three years sooner than the government proposal?

**Mr GRAY** (Brand—Special Minister of State and Minister for the Public Service and Integrity) (16:10): I thank the shadow minister for his question and his focus on this critical issue. This is not simply a matter of an alternative use for a Commonwealth site; this is a matter of the construction of a significant piece of east coast infrastructure whose impact will be felt throughout the greater Sydney area and New South Wales as well as in freight movements into, around and out of our country.

The government formed the view that its broader national policy objectives can be best achieved through the development of an intermodal terminal on the site at Moorebank. It did that through a long consideration. It did seek the advice, the support and the constructive contribution of Infrastructure Australia, and there was a detailed business case which has been reviewed by Greenhill Caliburn. They advised the government that there was a significant uncertainty about the capacity of SIMTA to deliver the first stage of its intermodal terminal in 2014 as published as well as about its capacity to deliver the full intermodal terminal within its published time limits.
I think that all sides of our parliament, and certainly the government of New South Wales, share the concern that we all have to make freight movements in Sydney and New South Wales as efficient as possible. I think it is reasonable to say that everyone has a focus on the specific time lines that are established in the government's proposal. But in coming to the conclusion to spend the very large amounts of money that have been alluded to and enumerated by the shadow minister—the $559 million for the relocation of the defence units to Holsworthy, $332 million for major capital facilities, an additional $2 million for lease and land management and then $26 million to the project development office—we know that we are committing very substantial amounts of money to deliver what the analysis shows to be a very substantial productivity dividend to the people of Australia.

That productivity dividend manifests itself both in more efficient transport movements and more efficient transit movements of containers through the Moorebank facility. Importantly, the judgement on the private sector involvement is that it will be optimised through the financing development operation of the project through an open tender process run by a commercially-operated government business enterprise. This is a matter that was announced, from recollection, on 23 April—just before Anzac Day. It was announced in the context of the substantial infrastructure investment which the Commonwealth believes needs to be made in a full holistic consideration of the use of the site at Moorebank and then the consequent movement of defence assets and facilities out to Holsworthy. I am very happy to take on notice those questions from the shadow minister that I may not have dealt with in sufficient detail and to come back to him in detail with specific answers. But, in general, the reason we concluded as we did is that we believe that it is the most efficient use of Commonwealth funds to create the most efficient terminal to produce the best possible dividends for the people of New South Wales, Sydney and Australia.

Mr ZAPPIA (Makin) (16:13): My electorate office is located alongside the Australian Electoral Commission office for the division of Makin, and has been for as long as I can recall. I say from the outset that my office certainly over the years that I have been the member for Makin, has had considerable interaction with that office. In saying that I place on record my gratitude to the staff of that office, who I believe, done an exceptional job in looking after the needs, inquiries and interests of the people in the general area. My experience with that office, in fact, goes back to before I was the member for Makin, when I was the mayor of the City of Salisbury. Even in that period in public life, the office oversaw some of the local government elections and, again, I had some interaction with the office. I can say that the service from the staff over all of that time was exemplary.

Almost on a daily basis we go into that office for one reason or another. The office is also particularly well used by elderly people who might be leaving the area for several months at a time and make inquiries about the processes they need to put in place in respect of their absence should an election be called. Those are legitimate queries which we all confront on a regular basis. Most importantly, the office is used during election periods when I can say without a doubt it is inundated with inquiries from people seeking information about how they should enrol in order to vote or how they should vote if they happen to be out of the electorate at the time of the election. I know they are inundated because many of the inquiries initially come through my office and we redirect them next door.
I understand the office will be closing in the near future. Can you advise what arrangements are being put in place to assist people who have relied on the services of the office, being located in the north-eastern suburbs for so long, and in particular what arrangements are being put in place to help people during those critical times when an election is being held?

Mr GRAY (Brand—Special Minister of State and Minister for the Public Service and Integrity) (16:16): I thank the member for Makin for his question. The Australian Electoral Commission has nearly for 20 years worked on a program of amalgamating regional AEC offices where it sees fit and it is appropriate, in order to create more efficient work environments and to carry out its work, most importantly, as effectively as it can to enrol people and to maintain the roll. With that in mind, in particular in South Australia and with the coincidental timing of leases in the number of AEC offices in individual electorates, the commissioner saw an opportunity to amalgamate the offices in South Australia to create one substantial superoffice in the CBD, one office in the northern regional part of South Australia at Port Augusta and one in the south-eastern regional part of South Australia at Mt Gambier. The purpose of doing this was to create a more efficient and effective AEC, getting people on the roll and managing the roll. It is certainly a requirement that, come an election, the AEC will have a physical presence in every federal division. That physical presence will allow for ballot draws, for nominations and for voting support advice and activity within the division.

I know the member will realise that in a seat like Makin internal transport routes and the capacity to get to a physical location are much easier than, say, in the electorate of Gray, which includes areas as remote as Port Augusta, Port Lincoln and Ceduna. An office in Port Augusta would struggle to support people in Ceduna.

As a consequence of these sorts of practicalities, the commissioner has seen fit to continue a process of electoral office rationalisation in order to create a more efficient and effective Electoral Commission. I stress the commission is independent and comes to these decisions based on his view of what an efficient structure can best look like for all states and all jurisdictions. The new office in South Australia, I can inform the member for Makin, is due to be opened in coming weeks. And I can inform the member for Makin that it is absolutely the intention of the government, and the stated intention of the Electoral Commission, to carry out these amalgamations in a way that produces the best jobs and the best work environment to create the most productive Electoral Commission to do the fundamental work which that commission needs to do.

It is necessarily the case that your constituents, if they wish to talk face to face with an official of the Australian Electoral Commission, will need to travel into the CBD to do that. I believe the new office is in King William Street. I believe that that is an accessible location. The commission themselves have worked particularly hard in recent years to make themselves accessible both through telephonic communication and, importantly, through the internet for enrolment purposes and for enrolment advice updates. So I am confident both that the servicing of the needs of your constituents and those of South Australia and all other states where these amalgamations are taking place will be improved and that the jobs and retention of skilled staff at the AEC will be improved as we build an AEC that can better cope with the challenges that a changing society will throw at them in future years.
**Mrs BRONWYN BISHOP** (Mackellar) (16:21): My questions are to the Special Minister of State. I want to ask a few questions concerning the appropriations for the Australian Electoral Commission. I note that the additional sum of $58 million over four years has the stated purpose of maintaining operating capacity and supporting electoral participation. The first question I ask is: would you confirm that the words 'supporting electoral participation' mean that the extra funding is to support the Labor-Greens policy of automatic enrolment? I say it is their policy because we have opposed it very strenuously as corrupting the integrity of the roll. Could you also tell me how many electors the AEC expect to enrol under this program of automatic enrolment and how long the process is likely to take? Is it true that the AEC has begun in the marginal seat of Petrie, currently held by the Labor Party? What is the estimated total cost of enrolling people from these extraneous rolls?

Does the AEC have a preference for which data sources it uses outside the ones that have been stated already, those mainly being the equivalent of the RTA, school leaver rolls and one other? It is a completely unfettered power that the AEC has—it can choose anything it likes? What safeguards—this is very important—if any, has the government put in place, or the AEC put in place for that matter, to ensure that people are not added to the roll who are not entitled to be there? The reason I ask that question so specifically is that in New South Wales the result of automatic enrolment was that, whereas the normal turnout rate for properly enrolled electors is 92 per cent, from the people added from the automatic enrolment it was only 64 per cent. Also, we had advice in evidence at JSCEM that, of those who were added to the New South Wales roll, the AEC's success rate in getting them to transfer to the federal roll under the old law—not automatic enrolment—was only 20 per cent. That tends to make me think that there were people there who ought not to be there.

Also, having made those comments, I also ask whether or not the AEC has estimated what the error rate will be, what mechanism they have used to measure what they think that error rate will be and whether or not they can at any time hope that they could give a guarantee that 100 per cent of people added to the roll are actually entitled to be there—that the system they put in place would guarantee 100 per cent?

**Mr GRAY** (Brand—Special Minister of State and Minister for the Public Service and Integrity) (16:24): I thank the shadow minister for her many questions—and, if there are any questions that I do not deal with here, I will deal with them in detail in writing and get back to you.

The first point is that the bills are currently before the Senate and I would expect their passage to occur some time in the current session. The second point to make is that the bills form part of the advice given to the government through the Joint Standing Committee on Electoral Matters, advice which accepts the ABS statistics that there are 15.7 million eligible voters, or Australians eligible to be enrolled, in our country but only 14.2 million are on the electoral roll.

**Mrs Bronwyn Bishop:** That was the government majority report. The dissenting report does not accept that.

**Mr GRAY:** I understand that. I understand that the JSCEM report on the 2007 election also contained a number of recommendations to which there were a number of objections. I am not aware of any objection by the coalition at that time to these electoral roll measures.
Importantly, the shadow minister made the suggestion that perhaps the additional funding to the AEC is in order to support this particular policy. The short answer is: no, it is not. The long version is that these particular measures are designed to harmonise the Commonwealth roll with the rolls of the most populous states. The most populous states now have enrolment technologies being actively deployed which, if we do not match them at the Commonwealth level, will create a serious mismatch between our Commonwealth roll and our state rolls. These measures will bring onto the Commonwealth roll about 100,000 electors in New South Wales but only about 10,000 in Victoria because of a differential system operating there which has also been operating over a different time line.

The sources to which we would expect the AEC to turn—bearing in mind, of course, that the AEC is independent and will independently determine the appropriate lists to go to—are the Australian Taxation Office and, yes, RTAs, and some school-leaver rolls have been considered. But, importantly, it will look to rolls that have integrity and that are approved by state electoral commissions. So we are not simply going out to any old list of people. In order to add to the integrity of the roll, the commission is creating a system to track and to support voter enrolments that is consistent with those used in the largest jurisdictions.

Mrs Bronwyn Bishop: But the legislation does not say that, Minister.

Mr GRAY: The Electoral Commissioner has made clear his intention to pursue this enrolment methodology in a way that is consistent with best possible practice and the highest integrity of the roll. We all agree with that. We all agree that, at those times when our country is required to elect a parliament that is representative of the people, we need an electoral roll that is as accurate as possible. We have to concede, in a modern world, that increasing numbers of Australians are not enrolling, and as a parliament we believe we need to respond to that challenge. We need to make our roll as complete as possible so that we have a situation where, as much as possible, a person from Sydney who believes that they are enrolled and entitled to vote in New South Wales ought to be able to reasonably assume that they are eligible to vote in a federal election—and likewise for people in Victoria, Queensland, the Northern Territory, Tasmania, South Australia and my home state of Western Australia. Where that is not the case, we ought to be putting in place the best possible systems to harmonise our rolls.

You had substantial additional questions, Shadow Minister, which I know I have not responded to in my commentary here. I will get back to you in writing on the specific details of those questions you asked.

Mrs Bronwyn Bishop: Thank you.

Mr NEUMANN (Blair) (16:29): My question also relates to the Australian Electoral Commission. I note the comment you made, Minister Gray, that there are about 1.5 million Australians who are not enrolled to vote. With 150 members in the House of Representatives, we are talking about 10,000 people per electorate, on average, who are not eligible to vote. All of us would have experienced checking the enrolment of people who contact us. Often the people who contact us, particularly if they are transient or if they have to come into a job or who recently have not bothered to vote, are not registered.

My electorate is named after Harold Blair, who was an Aboriginal activist and tenor. He is a very famous person. He grew up in the Purga Mission south of Ipswich. There are a number
of important Indigenous institutions in Ipswich. There is an Indigenous school called Hymba Yumba in Springfield. Just before the census, I urged the people there to make sure that their mums, dads and carers fill out census forms. The biggest high school in Ipswich, Bremer State High School, has about 1,500 students. About 30 per cent of those are Indigenous or Polynesian, with most of that 30 per cent being Indigenous. One of the busiest medical centres in Ipswich is Kambu Medical Centre. It has tens of thousands of patients. It is an Indigenous centre.

There are about 86,500 people on the electoral roll in Blair. We are celebrating this year 50 years since Indigenous people achieved the right to vote in federal elections. I understand that it was not compulsory to enrol but once you were enrolled it was compulsory to vote. In 1967, the Constitution was changed to give power to count Indigenous people in the census and for the Commonwealth to be given the power to make special laws for their benefit.

My question relates to the Electoral Commission. I have stood at polling booths in Ipswich for about 30 years handing out Labor Party pamphlets—the opposition side would call them pamphlets—encouraging people to vote for the Australian Labor Party candidate. I recently stood all day at Raceview State School—the biggest state primary school in my electorate in Ipswich—and one of the things that struck me about this suburb, which is fairly typical of Ipswich, was how few Indigenous people came to the polling booth to cast a vote. What steps are the AEC taking to encourage Indigenous people to vote? What are the budgetary implications? Does the AEC require any additional funding to get all Australians, Indigenous and non-Indigenous, to participate in the political process?

Mr Gray (Brand—Special Minister of State and Minister for the Public Service and Integrity) (16:32): I think the member for Blair for his question. He has a great commitment to ensuring that the rights of Indigenous Australians are translated effectively into electoral action. Indigenous Australians are significantly less likely to enrol to vote than any other Australians. They are less likely to vote and they are more likely to vote informally than non-Indigenous Australians. The AEC has long-established programs to try to deal with this challenge. In 2009-10, to close the gap in Indigenous disadvantage in electoral participation the commission was allocated an additional $13.2 million to establish its Indigenous electoral participation program. There are 25 field officers across the country, with 18 of them being Indigenous Australians. I have one operating out of Mandurah. They particularly operate around schools to ensure that Indigenous people become enrolled. But it is not as easy as that.

Some of the measures that the shadow minister has interrogated me upon in a previous question are measures that become troublesome in terms of encouraging and maintaining Indigenous voters. Among the lists that will be considered are road transport department lists—lists of people with drivers' licences. Indigenous people are less likely to have a driver's licence and so are less likely to be accurately identified through that mechanism. Then there is the ATO system. To be in the ATO system, it is likely that you will need to be in a period of full-time employment. As such, some of the lists that we will try to use to maintain enrolments will not work effectively in Indigenous communities. The AEC needs to continually apply itself to the task of ensuring that Indigenous electoral participation is what we as a parliament and we as a country aspire to.

There was a fantastic effort when the AEC sponsored its National Indigenous Youth Parliament to be in Canberra over the weekend of the last sitting. Members from all sides of
the parliament attended a fantastic lunch and a series of events attached to the youth parliament. It was an event put on by the AEC designed to encourage real time, real life, active participation in our political process in order to get a willing and supporting cadre of Indigenous people who understand the importance of getting members of their community on the roll and getting them out to vote.

We see through our IEPP processes the continuing growth of enrolments of Indigenous citizens—but it is not happening quickly enough. We are seeing the strengthening of the integrity of the roll particularly in remote communities, but we can do a lot more. We are seeing an increase in the number of Indigenous people working as polling officials on mobile and static polling facilities in Indigenous communities, but we can always do better. We are seeing an increased number in requests for fee-for-service elections by Indigenous organisations. That is building a strong culture of familiarity with our electoral processes—processes of getting on the roll and getting out to vote.

Can we do more? Yes, we can. Should we do more? Yes, we should. Is it expensive? Yes, it is. I will get back to the member for Blair with a specific set of answers from the electoral commission to those issues that he has raised which I have not addressed in my answer.

Mr ROBB (Goldstein) (16:36): I have a series of further questions if the minister would please respond. The government took a step yesterday on one of the measures—that is, the departure tax, which is now known as the people movement charge for some reason—in the budget. The government chose to remove the proposed indexation of the people movement charge at a cost to the budget over four years of an estimated $157 million. In addition to that, this morning we saw the government withdraw a major bill which had proposed to increase the tax on proceeds of investments in managed investment funds from 7½ per cent to 15 per cent. This measure was estimated in the budget papers to deliver savings of around $256 million.

I ask the minister: how does the government intend to meet its budget commitment to a budget surplus of $1.5 billion by 30 June 2013 given that these two measures alone over the last 24 hours come at a total cost of $413 million? Or has the government, alternatively, decided to revise downwards its budget surplus forecast to $1 billion and $77 million?

The second area of questioning concerns the Clean Energy Finance Corporation. Currently the government plans to allocate $2 billion per year over five years commencing in the 2013-14 financial year. Minister, can you guarantee that under no circumstances this funding profile will change? For example, will we possibly find that as an election approaches these borrowed funds are not brought forward to enable costly contracts to be locked in prior to the next election? Can you explain why there is a funding program almost identical in purpose to the CEFC which is both outlined as a budget measure and factored into the budget bottom line where, as you know, the Clean Energy Finance Corporation is off-budget and the expenditure associated with it does not go to the bottom line?

That existing program, the Renewable Energy Venture Capital Fund, is in the 2011-12 budget, page 304, budget paper No. 2. In explaining it, the paper says:

The Government will provide $108.7 million over 14 years to support the development and commercialisation of renewable energy technologies by making early-stage equity investments that leverage private funds.
Minister, this would seem to us to provide a clear precedent and I ask you: does it not provide a clear precedent as to why the CEFC and its $10 billion in funding should be treated on budget. I cannot distinguish any feature between the Renewable Energy Venture Capital Fund and the Clean Energy Finance Corporation which separates the purpose, in many ways the execution, and one is treated on budget and the other one is treated off budget. Finally can you provide any information about planned staffing arrangements for the CEFC, and can you confirm that key senior appointments will not be made by multiple-year contract, whether they be two, three or four? Finally, can the minister may please explain a matter in today's Financial Review report of the RBA minutes. One of the key claims of the government has been that its budget management, including its commitment to bring back the budget to surplus, has somehow been a factor in interest rate reductions, yet we have seen in the paper today the minutes of the RBA. I ask the Minister how can they be reconciled with what the RBA have said at their recent board meeting? (Time expired)

Mr GRAY (Brand—Special Minister of State and Minister for the Public Service and Integrity) (16:42): I thank the shadow minister for his question. He has asked me questions about the departure tax and about the management of investment funds. I will seek advice from my department and get back to the shadow minister with answers. He has asked me about the staffing of the Clean Energy Finance Corporation. Again, I will come back to him specifically on those measures. He has asked me about minutes of the last RBA meeting and the references made to budget surpluses and the necessary interaction between budget surpluses and interest rate levels. It is undeniably the case that prudent budget management, as we see from the Commonwealth government, will deliver a budget surplus not in the current financial year, for which this budget is constructed, but in out years as well. There is no doubt that, in taking pressure off financial markets by delivering a budget surplus, the government is more than doing its part in helping deliver an environment conducive to low interest rates, conducive to supporting families who are under their own domestic budget pressures, but also, importantly, continuing to deliver a budget and a fiscal environment envied by the world, supported by good public policy.

I say this about the conversations around the departure tax and the managed investment funds measures. The Commonwealth put in place a budget which had been carefully thought through, supported by expert advice and consideration from the Department of Finance and Deregulation. One of the fundamental things that an opposition can do at a time of global financial market uncertainty is to support the Commonwealth budget and to support the government in its measures, both on the revenue side and on the expenditure side. But we are realists; we operate in the real world. I will come back to the shadow minister with specific answers to the questions he has asked which I have not answered specifically here now.

Mr MELHAM (Banks) (16:44): My questions to the minister involve the earlier question I asked him in the parliament today in question time—how amendments to the Commonwealth Electoral Act, which are currently before the Senate, would improve participation by Australians in our electoral system. I note the member for Warringah earlier labelled them as Labor-Green amendments, as if there was a conspiracy by the Labor and the Greens in relation to the legislation. In his earlier answer, he indicated that part of the mindset of the Commonwealth was to have uniform systems and that these systems currently operate in New South Wales and Victoria. Can the minister confirm that the Liberal administrations
of New South Wales and Victoria have not moved towards repealing automatic enrolment legislation that currently exists in their states, that they have accepted it? Indeed, that is the basis upon which the Commonwealth is proceeding, that in effect they are going to be long-term provisions in those states? The nub of it is that Liberal administrations in those two states are not seeking to wind back automatic enrolment that currently exists.

In relation to the Electoral Commission's financial position, I understand there has been an additional $58 million over four years to maintain the commission's operating capacity in support of electoral participation. In terms of departmental resourcing over forward estimates, it goes from $125.1 million in 2012-13 to $239.6 million in 2013-14, which I assume is as a result of an anticipated electoral event occurring in that year. Can the minister outline to the House strategies that he is aware of that the commission is undertaking in relation to improving electoral participation as a result of funding that has been provided? Are there any figures that he can enlighten the parliament on and are there any targets that have been set or any benchmarking?

Finally, Senator Carol Brown and I met with representatives from Blind Citizens Australia and Vision Australia yesterday. That was a very fruitful meeting. As I understand it, there has been collaboration with those groups and the Australian Electoral Commission to build on improvements to the electoral system that would assist those groups. I understand that there are some differences of opinion. I am interested as to the cost, because in their submission to me they say that the iVote system that was used in the last New South Wales election is one that they were very happy with. They are not particularly happy with going back to a human call centre operation. I wonder what the funding implications would be, if the minister has figures, in relation to that, if the Commonwealth were to adopt an iVote system, which would pick up blind and visually impaired but I assume could be extended to other people.

Mr GRAY (Brand—Special Minister of State and Minister for the Public Service and Integrity) (16:48): I thank the member for Banks for his question. I will answer the last part first which is in the context of the blind voting and initiatives that were in place for the last federal election and are being considered for the future. It is the case that the Electoral Commissioner is substantially of the view that the Commonwealth systems can be improved and that support for people with disabilities can be extended. One of the great values of the extension of that voting facility for blind or visually impaired voters is that it can also be used to assist mobility impaired voters. That agenda of encouraging and supporting people with disabilities to exercise their rights in our electoral process is alive and is being considered.

In the context of the particular New South Wales iVote initiative, I will need to get advice from the commissioner. I am aware of the iVote system. I think Linda Hornsey from the particular association involved is in the building this week. I look forward to catching up with her, I think tomorrow, to discuss this matter further. But I look forward to getting back to the member on the detail of the commissioner's view of iVote and the extension of those measures which are designed to improve voter participation amongst people with disabilities. The additional funding for the Electoral Commission is, of course, funding that presuming an electoral event in 2013. It presumes an electoral event at some point in the third quarter of 2013, but the funding is not created explicitly in the expectation that that is the only time at which an electoral event can take place. So prudent measures have been put in place by the
commission to ensure that it can support the needs of our parliamentary democracy should that be required at any time.

The Commonwealth Electoral Act amendments that are currently before the Senate effectively work to harmonise elector data management systems in the Commonwealth roll with those of our two most popular states. I cannot understated the importance of harmonising the Commonwealth roll with the state jurisdictions. The member for Banks specifically asked the view of the New South Wales government on these measures. The New South Wales government and the New South Wales Electoral Commission are significantly in advance of the rest of the country on these measures. That commission has, we believe, in the order of 100,000 New South Wales electors alone that it can bring into the Commonwealth roll as a consequence of these measures. To simply try to extrapolate that across the rest of the country with the successful operation of these techniques might mean that we could be looking at repairing the enrolments of up to half a million people. What a fantastic thing that would be. But, importantly, I am not aware of any moves by either the New South Wales government, the New South Wales commission, the New South Wales parliament or the Victorian commission, government or parliament to wind back those measures which are directed towards electoral roll maintenance.

In our Commonwealth system we, of course, do not refer to it as 'automatic enrolment'. This is an automated system of maintaining enrolment. We maintain the integrity of the system by requiring that new enrollees properly complete documentation, properly sign documentation and properly lodge that documentation. The methodologies that we seek to introduce through these amendments are methodologies to better track individuals as they become mobile through the course of their life cycle and allow them to exercise their right and their obligation to vote wherever they are domiciled, where we can confirm through high-integrity sources and data matches that that is the person who has been identified as owning the enrolment.

Mrs BRONWYN BISHOP (Mackellar) (16:52): I want to revert for a moment to the answers that the minister gave me previously relating to automatic enrolment. I confirm the opposition's opposition as it was expressed in the dissenting report. It was a very political report. It was a bit down party lines, with Labor and Greens on one side and opposition members on the other. I just wanted to mention specifically the minister's reference to the AEC using ATO information.

I think it is relevant to go back and look at various reports. For instance, a 1999 report of the House of Representatives Standing Committee on Economics, Finance and Public Administration found that tax file numbers that had been issued were 3.2 million more than there were people in Australia. I do not think those records are very good for utilising to put people on the roll. It found that there were 185,000 potential duplicate tax records of individuals and it found that 62 per cent of deceased clients were not recorded as deceased in a sample match.

A further report on the integrity of Medicare enrolment data found that up to half a million active Medicare enrolment records were probably for people who were deceased. In other words, rolls that are created for another purpose are not a valid or safe source of information for the electoral roll. The fact that it is so vital that the integrity of the roll is maintained is highlighted by the judgment in the case of Perkins v Cusack, where the judge refused to go
behind the roll, saying that the roll is a total acceptance that those people who are on the roll are entitled to vote. Quite clearly, by utilising lists from sources other than people who are honouring their obligation under the Electoral Act, it is the obligation of every citizen, once they turn 18 or become a citizen, to enrol to vote. That is compulsory, it is strict liability and there is a fine, yet the Electoral Commission have not imposed or attempted to have imposed one fine—not one. They do not pursue people for multiple voting. They send out letters to people saying, 'It appears there was multiple voting in your name. Did you do it?' The people say, 'No,' and that is the end of it. In other words, there is not too much scrutiny going on with the Electoral Commission, so I am doubly concerned about the carte blanche that the commission has been given to choose any list it likes. I know you said in your answer that there is an undertaking that they will stick only to these three, but there is nothing in the law, anywhere, to prevent any list being chosen at any time. I know you said that you are trying to harmonise the biggest states, Victoria and New South Wales. The information to me is that the commission has started in the electorate of Petrie. I would like you to answer that question.

Also, harmonising state rolls with the federal roll is a major target that has been formed. I do not think it should be; I think the integrity of the roll must always take precedence. Secondly, it is not a very sensible argument because there is no harmonisation between the states and the Commonwealth as to the method of voting. The reason we get such a high percentage of informal votes is that in Queensland and New South Wales we have first-past-the-post voting or, rather, optional preferential voting, which is the closest thing we have to that, whereas in other states it is full preferential voting. That does not follow either.

The last point I would like you to respond to is on the legislation which allows the Auditor-General to automatically audit private contractors with the Commonwealth and yet will protect the NBN from the Auditor-General's automatic right to audit government business enterprises. I ask: was it simply done because the original legislation was to give the Auditor-General that power? It was taken away at the last moment. Mr Oakeshott, the person who introduced it, said he was given no good reason but, as is his wont, he simply agreed with the government at the time. Was it done deliberately to protect the NBN or is there some other reason?

Mr GRAY (Brand—Special Minister of State and Minister for the Public Service and Integrity) (16:57): I can assure the shadow minister that those questions which I do not answer in my remarks to follow will be answered directly to her in a documentary form. Specifically, you asked about the use of the electoral roll update mechanisms in Petrie. I am not aware of that. The bills are yet to go through the Senate and may not pass through the Senate, so I cannot see how the Electoral Commission would have done that, but I am certainly prepared to seek that advice because, as I say, I expect that debate to be brought on this evening and dealt with in the course of the next few days of Senate sitting time.

Specifically, you asked about the integrity of lists and referred to the tax file numbers. The issue which the Electoral Commissioner grapples with is the identified fact that there are, we believe, 1.5 million or thereabouts Australians not on the roll who should be on the roll. We would have a simple difference of opinion, I believe. My view and, I hope, the parliament's view is an inclusive view that means we should use all of those methods available to us as a parliament to support people getting onto the roll. I accept the view which the coalition has

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that those people who are on the roll should be those who enrol specifically by electorate and at the time when they reach the qualifying points. It is a simple difference of opinion. But the philosophical difference which the government has is a difference which is fundamentally about inclusion and fundamentally about ensuring that our roll best represents those Australians who are eligible to vote. That difference of opinion will play itself out in the parliament in the course of the next few days and weeks.

We are, of course, hoping for a system that will deliver as best it can a harmonised enrolment system across our two most populous states, and encourage the smaller states to opt into that better, more developed system. We hope that will place our Electoral Commission on a track to deal with the 1.5 million, although I accept that that task is more complex than the measures that we put in place—if we do get them in place through the parliament in the course of the next few days.

Proposed expenditure agreed to.

Prime Minister and Cabinet Portfolio

Proposed expenditure, $313,473,000

Mr DREYFUS (Isaacs—Cabinet Secretary, Parliamentary Secretary for Climate Change and Energy Efficiency and Parliamentary Secretary for Industry and Innovation) (17:01): The government is returning the budget to surplus in 2012-13, and we will build growing surpluses over the forward estimates while also spreading the benefits of the mining boom to help families on lower and middle incomes and small business.

A return to surplus, which will be achieved ahead of any major advanced economy, will sustain confidence in the strength of Australia's public finances by demonstrating the government's commitment to fiscal discipline and by providing a buffer at a time when the global economy remains fragile. A return to surplus is appropriate, given domestic economic conditions, and will provide ongoing scope for monetary policy to respond to economic developments. The economy is forecast to grow around trend over the next two years, with low unemployment, contained inflation and record levels of mining investment.

The Australian economy continues to be affected by the fragile and changing nature of the global economy. However, Australia's success in supporting the economy and jobs during the global financial crisis means that the economy faces these transitions from a position of strength. Strong growth in the resources sector will directly and indirectly support growth in other parts of the economy. However, conditions in some parts of the economy are likely to remain challenging, with unsettled global conditions, a high Australian dollar, ongoing consumer caution and changes in expenditure patterns all expected to weigh heavily on some sectors. While these forces are placing considerable pressures on some businesses, many are successfully adapting to the changing economic landscape and identifying and exploiting opportunities to grow and to prosper.

I now turn to some of the key initiatives of the 2012-13 budget. This budget spreads the benefits of the mining boom to help families on low and middle incomes with the cost of living, and provides much-needed help to small business while still returning the budget to surplus, as is appropriate given domestic and global economic conditions. Support to families on low and middle incomes is being provided through measures including increases to family
payments, more timely and accessible education payments and a new supplementary allowance for eligible income support recipients.

Key initiatives announced in this year's budget include returning the budget to surplus on time and as promised; spreading the benefits of the mining boom; the first steps towards a National Disability Insurance Scheme; helping business to invest by allowing companies to carry back tax losses and delivering tax breaks for small business; investing in key health services; building an aged care system for the future; building a more productive workforce by investing in jobs, education and training; and building productivity by investing in nation-building infrastructure—by investing in roads, rail and ports.

The government's fiscal strategy is designed to ensure fiscal sustainability while providing the necessary flexibility for the budget position to vary in line with economic conditions. The medium-term fiscal strategy, which has remained unchanged since the government's first budget in 2008-09, is to achieve budget surpluses on average over the medium term; to keep taxation as a share of GDP on average below the level for 2007-08—that was 23.7 per cent; and to improve the government's net financial worth over the medium term.

To ensure a timely return to surplus and recovery in the fiscal position, since the beginning of the global financial crisis the government has further committed to allowing the level of tax receipts to recover naturally as the economy improves, while maintaining the government's commitment to keep taxation as a share of GDP below the 2007-08 level on average and building growing surpluses by holding real growth in spending to two per cent a year on average until the budget surplus is at least one per cent of GDP and while the economy is growing at or above trend.

Returning the budget to surplus in 2012-13 remains appropriate given domestic economic conditions. The economy is forecast to grow around trend over the next two years, the unemployment rate is expected to remain low and mining investment is expected to reach record highs. A return to surplus also recognises that fiscal policy should be set in a medium-term framework. In normal circumstances, monetary policy should play the primary role in managing demand to keep the economy growing at close to capacity, consistent with achieving its medium-term inflation target.

Mrs BRONWYN BISHOP (Mackellar) (17:06): I have some questions following up questions I asked you on the last occasion concerning the appointment and work program of Dr Ken Henry. I notice that since you and I had questions and answers that there has been information given to the Senate estimates committee. Mr Leon said that at the moment—

Mr Dreyfus: Sorry to interrupt; it is Ms Leon. That might be of assistance.

Mrs BRONWYN BISHOP: In that case Ms Leon has informed the Senate that Dr Henry is now employed on the basis of 2½ days a week, but it has not been 2½ days a week for the entire time since he commenced work. I think I flagged with you at the last estimates that it was expected that the nature of the Asian century task force would have some ebbs and flows, with peak periods in the middle and probably slower periods at the end. And this has been the experience. Could the parliamentary secretary provide the Federation Chamber with a complete week-by-week breakdown of the number of days worked by Dr Ken Henry, showing which weeks if he ever worked 40 hours a week whereby he would be paid at the full rate. I do not think I have ever met a departmental secretary who has only worked 40 hours a
week. But if Dr Henry works 40 hours a week, he gets paid at the full rate. I also notice that since we last met in this chamber there has been about $100,000 increase for the position of head of Treasury. It is now up to some $615,000 a year—the rate that Dr Henry is to be paid—and it will go up a further $100,000, I think. Dr Henry under the terms under which he was appointed will enjoy those rises. I am sorry; it goes up to $653,000 on 1 July 2012.

We would like to know for that sort of money precisely what Dr Henry is doing. I know he has been doing the Asian paper, which is due to be delivered in the middle of the year, and that Dr de Brouwer has confirmed that there are discussions with Dr Henry that he will be continuing after that, but he describes that as a ‘live’ discussion. I wonder if the parliamentary secretary could tell us what precisely Dr Henry might be doing for either the full amount of $615,000 a year or pro rata on whatever number of days he is doing and what that work might be. I think we need to know a little more than it being a ‘live’ discussion. It was confirmed again that Dr Henry will continue as a special adviser, but there has been a project to which there has not been an agreement yet. Could you confirm that to date there is no agreement as to what his future work might be?

Mr DREYFUS (Isaacs—Cabinet Secretary, Parliamentary Secretary for Climate Change and Energy Efficiency and Parliamentary Secretary for Industry and Innovation) (17:09): There were a lot of questions last year in the consideration in detail of the appropriations for the Department of the Prime Minister and Cabinet about Dr Henry’s work for the Commonwealth. I am pleased that since last year some information has been provided to the member for Mackellar. It is apparent from the material that the member for Mackellar just read that this matter has been raised in Senate estimates and that a range of further information has been provided about some of the excellent work that Dr Henry has been carrying out on behalf of the Commonwealth since this was raised in this very place in this same session in relation to the appropriations for the Department of the Prime Minister and Cabinet last year.

I can confirm that Dr Henry has been working on the Australia in the Asian century white paper, providing advice in that context and assisting with the drafting of that white paper. Indeed, he has travelled to consult with people and governments in a range of our Asian neighbouring countries, as is appropriate. As the member for Mackellar has indicated, the Australia in the Asian century white paper is going to be published in the middle of 2012.

Her further questioning went to what further projects Dr Henry may be working on after the work on the Australia in the Asian century white paper is completed. I am happy to take on notice the request. I obviously do not have with me the details of Dr Henry’s employment—I do not mean by that the salary rates, which were canvassed last year. Rather, these questions go to the actual work that has been performed by Dr Henry since last year, since his appointment and since the commencement of the Australia in the Asian century white paper process. We will provide such details as are possible in due course.

Mrs BRONWYN BISHOP (Mackellar) (17:12): The parliamentary secretary did not confirm that he would provide the House with the details of precisely how many days or hours Dr Henry has worked each week since 5 January 2012, which was confirmed in the Senate as the day on which he began to be paid as a special adviser. We are entitled to know precisely how many days he has worked each week and whether or not at any time he has worked 40 hours. I would also like to know what safeguards have been put in place to prevent
there being a conflict of interest between Dr Henry's position as special adviser to the Prime Minister on these matters and his position as a director of the NAB. This is a matter which is of grave concern to many people and I would like to know what provisions have been taken—what Chinese walls have been erected—to prevent those conflict of interest situations arising.

Mr DREYFUS (Isaacs—Cabinet Secretary, Parliamentary Secretary for Climate Change and Energy Efficiency and Parliamentary Secretary for Industry and Innovation) (17:13): The first matter would seem to be a request for confirmation of the level of detail that we will be able to provide. I can confirm to the member for Mackellar that we will provide such detail as is available. I cannot not say exactly what the precise terms and the fine details of the arrangement with Dr Henry are. I can say as Cabinet Secretary that I know of his work on the Australia in the Asian century white paper process. He had quite a gruelling schedule of travel in the two-week period that he travelled to a number of Asian countries. Then there was the work that he did on the discussion paper, which was published early in the process for this white paper. I do not think the member for Mackellar would be surprised to hear that Dr Henry, as one might expect from one of Australia's more eminent economists and longstanding, hardworking public servants, has worked exceptionally hard and put in some very long hours on the Australia in the Asian Century white paper process, but we will endeavour to provide detail of the hours worked, if indeed that detail is available—because that is what is being sought—or at least some detail that gives the member for Mackellar some indication of the work that is being done not just in general sense but in a detailed sense by Dr Henry.

The other point raised by the member for Mackellar went to the suggestion that there might be some conflict of interest between Dr Henry's position as a director of the National Australia Bank and the work that he is doing for the Commonwealth of Australia. As the member for Mackellar would be aware, it is quite common for service to be provided to the Commonwealth by people who hold directorships, who hold a range of positions with other bodies. They are not of course in the same position as ministers; nor are they in the same position as secretaries of departments or full-time Australian public servants. I think the nation would be the poorer if it were decided that the mere holding of a directorship in a listed corporation meant that such a person could not provide services to the Commonwealth.

In general terms, conflicts of interest are very often dealt with in Australia by declaration—by the disclosure of an apprehended conflict. That gets over a large part of the problem, in so far as there are particular arrangements that parties have come to. In the case of Dr Henry, formal arrangements have been struck in relation to the conflict that could arise, potentially, between his work as a director of the National Australia Bank and the work that he is doing for the Commonwealth. I am happy to provide that also to the member for Mackellar.

Mrs BRONWYN BISHOP (Mackellar) (17:16): Perhaps I can assist the Parliamentary Secretary by reading to him the terms of Dr Henry's employment as Special Adviser. Of course, it is the most unusual appointment under section 67 of the Constitution—by Her Excellency's command, signed by the Governor-General and the Prime Minister—and I do not accept that it is usual practice to have directors of public companies, who are also appointed under section 67 of the Constitution, working directly to the Prime Minister. It says in this agreement, under clause (c):
iii. for any period that the Special Adviser performs the duties of that office on a full-time basis (40 hours per week), the remuneration and other terms and conditions of employment for the Special Adviser be the same as those that apply to the person who holds the position of Secretary of the Department of the Treasury at the relevant time—

—who, I am sure, works more than 40 hours a week. It continues:

iv. the Prime Minister may agree that the duties of the Special Adviser are to be performed on a part-time basis …

We have never seen any evidence that the Prime Minister has so agreed. Finally, it says:

v. for any period that the Special Adviser performs the duties on a part-time basis, the remuneration referred to in clause (c)(iii) above be payable, and other entitlements accrue, on a pro-rata basis.

However, I take it from the answer that you previously gave me that, if Dr Henry is travelling overseas and is away for a week, then that presumably will be deemed to be 40 hours a week and he will be paid a week's salary from the $615,000 a year that is attracted by this agreement because that is now the salary paid. I would like those things confirmed.

You mentioned that you thought the conflict-of-interest situation could be dealt with by declaration. I would like you to inform the parliament whether or not there have been any such declarations made or, indeed, any such declarations sought.

I go back to the question of the actual time that Dr Henry has spent on the white paper. I do not think it is unreasonable, when dealing with the amounts of money we are talking about, to ask that the parliament be informed of precisely the number of days per week that have been worked by Dr Henry since 5 January.

I also note from other answers given that work on the white paper was only one of a number of vague discussions that took place, and then suddenly this was the job of work. But I am really quite alarmed that we are now coming up to 30 June—the reporting time for the Asian century white paper is the middle of the year—but there has been confirmation that Dr Henry's position will continue at this hugely expensive salary, yet there is no apparent work for him. So, I again ask the parliamentary secretary if he could tell the House precisely what discussions have taken place on what work he may or may not be doing and whether there is a break in the period between finishing this job and beginning a next assignment, and will he continue to be paid? It would seem that under this agreement he will be. But I would think that the people of Australia would think that was totally unreasonable.

Thirdly—I do not know the answer to this—does a section 67 appointment affect Dr Henry's entitlement to draw his pension, which from memory I think would be two-thirds of his previous salary, or of the current salary? If it is not affected, that means he would be getting his retirement pay, a pension, plus his entitlement to whatever proportion of $615,000, plus his NAB director's salary. He is indeed a very well-endowed former public servant. I would be pleased if you would answer the specific question: does an appointment under section 67 disqualify him from taking his pension that is payable under the defined scheme?

Mr DREYFUS (Isaacs—Cabinet Secretary, Parliamentary Secretary for Climate Change and Energy Efficiency and Parliamentary Secretary for Industry and Innovation) (17:21): I am happy to take that fairly technical question on notice, but I would resist the suggestion that seems to be being made by the member for Mackellar, at least by implication, that there is anything in the slightest out of the ordinary about this appointment under section 67 of the
Constitution. The member for Mackellar would be well aware that all governments since Federation have used section 67 of the Constitution, perhaps sparingly—

Mrs Bronwyn Bishop: Not for this purpose.

Mr DREYFUS: Well, there we have it: the implication from the member for Mackellar that there is something unusual about the use of section 67.

Mrs Bronwyn Bishop: Correct.

Mr DREYFUS: I would invite her to examine the history of section 67 appointments by both the former government, which used the provision quite frequently, and previous governments since Federation that have also used this as an appropriate method of providing services, often at a very high level, to the Commonwealth. There is nothing inappropriate about the way in which section 67 is being used to secure the continuing services to the Commonwealth, to the great benefit of the Commonwealth, of Dr Henry.

I can make it clear to the member for Mackellar that we will provide such details of the work done by Dr Henry under the terms of this employment arrangement under section 67. I and the government accept wholly that the parliament is entitled to some details, as it is entitled to the details of work done by other servants on behalf of the Commonwealth. But I will have to take on notice the particular question, which probably turns on Dr Henry's individual circumstances—that is, as to the question of whether or not the appointment under 67 has some bearing on such retirement benefits as he is receiving from the Commonwealth. I do not accept the correctness of the characterisation of what are Dr Henry's superannuation, pension or retirement benefits from the Commonwealth. The suggestion has been made by the member for Mackellar, but I do not know what basis there is for it and I certainly would not want to be taken to be confirming in any way that the member for Mackellar has correctly described Dr Henry's retirement benefits from the Commonwealth.

Mrs BRONWYN BISHOP (Mackellar) (17:23): To assist the parliament secretary, Dr Henry is under the scheme, which has been a closed scheme for some years, where if he retires at under 54 years and 11 months of age he maximises that pension entitlement under the scheme, which has now closed. I think it is very important to know what the implications of that section 67 appointment are on his pension entitlements to be paid now.

Also, to assist the parliamentary secretary, believe me, I have done a thorough analysis of all appointments made pursuant to section 67 and there are none—not one—that is analogous to this one. It is one that is extraordinarily generous, it is one that is unique, and it is one concerning someone who obviously the government regarded as a valued servant to the government of the day. He has had a very successful appointment for him, and I think we are entitled to know the details.

Mr DREYFUS (Isaacs—Cabinet Secretary, Parliamentary Secretary for Climate Change and Energy Efficiency and Parliamentary Secretary for Industry and Innovation) (17:25): And I have undertaken to provide such details as are available.

Mrs BRONWYN BISHOP (Mackellar) (17:25): I wish to ask a question about the Ombudsman's task now that there are so many illegal boat arrivals. The Ombudsman was charged originally with responsibility for looking into many of those issues. When the funding was provided for the Ombudsman for the irregular maritime arrivals, as they are euphemistically called—it was agreed in 2008—there were expected to be 100 arrivals a year.
Currently, there are 4,762 arrivals in immigration detention and more than 3,200 of those detainees have been in immigration detention for more than six months, making a case-by-case assessment increasingly impossible. The budget has really not been increased. I know we went through the procedures when a previous Ombudsman went to a Greens senator to complain and subsequently had his services terminated. Nonetheless, the current Ombudsman is still operating under the same funding arrangements, and I want to know why there has been no increase in that funding.

**Mr DREYFUS** (Isaacs—Cabinet Secretary, Parliamentary Secretary for Climate Change and Energy Efficiency and Parliamentary Secretary for Industry and Innovation) (17:26): The Ombudsman has a broad range of activities. He is charged with receiving complaints and investigating various matters, and he has certain functions conferred on him by a range of different Commonwealth statutes. In so far as the question is directed to the sufficiency of the resources as a whole that the Commonwealth Ombudsman has been given to carry out the various roles that he is currently charged with in his activities generally and his discretionary activities in particular, the Ombudsman's brief is to look at various matters on a self-starting basis and he has been given overall supervisory responsibility for a range of areas in the Commonwealth's jurisdiction. In so far as those discretionary activities are conducted by him, they must be done in a way that can be managed within the budget that his office has been given. There is a degree of discretion available to him as to what tasks he decides to undertake and there is a degree of discretion vested in him as to what resources and funding he devotes to particular activities.

In so far as this question is directed to the particular role that the Commonwealth Ombudsman has in relation to immigration detainees—I took the question to be particularly referring to that—questions about specific measures affecting those immigration detainees need to be raised with the Department of Immigration and Citizenship.

**Mrs BRONWYN BISHOP** (Mackellar) (17:28): Just to help the parliamentary secretary, the Ombudsman comes from PM&C. In the 2011-12 budget, $900,000 over two years was set aside for the Commonwealth Ombudsman to monitor irregular maritime arrivals. This was to be met through the existing resources of the office of the Ombudsman. But, unfortunately for him, in the 2012-13 budget there has been a cut in his funding. His budget has gone from $27,286,000 down to $26,952,000. Does that indicate that you do not expect any more boat arrivals? Is the Ombudsman simply to forget about this task that he was given or does the government stand by the $900,000 over two years to be utilised for that purpose?

**Mr DREYFUS** (Isaacs—Cabinet Secretary, Parliamentary Secretary for Climate Change and Energy Efficiency and Parliamentary Secretary for Industry and Innovation) (17:29): I am not sure that the member for Mackellar has fully understood what the budget papers say about the funding of the Ombudsman. The total revenue of the Ombudsman is set out in the forward estimates. The budget papers in fact have figures for the total revenue of the Ombudsman. His revenue consists of both appropriations from the government and income that he receives from the sale of services.

To look at this, in 2007-08 the total revenue of the Ombudsman was $19,394,000, continuing to rise through to 2012. I will just read out the figures. In 2008-09 it was $20,756,000, in 2009-10 it was $20,309,000, in 2010-11 it was $21,277,000, and in 2011-12 it was $21,766,000. In the current year there is a drop to $20,115,000, but projections for the
remaining three years of the forward estimates all have the Ombudsman's revenue remaining in the vicinity of $20 million. So it is projected to be $20,183,000 next year, $19,885,000 the following year and $19,930,000 in 2015-16.

The Commonwealth Ombudsman's staffing has been reduced. There has been a reduction in the estimated average staffing level from around 159 for 2011-12 down to 136 for 2012-13. Part of the reason for the reduction is the termination of measures relating to the oversight role that the Ombudsman was given in relation to the Northern Territory emergency response. There has also been something of a reduction specifically in the oversight role that the Ombudsman plays for Christmas Island processing. There is also a reduction because of the efficiency dividend that has been required of Commonwealth government agencies across the board.

I think it is important when one is looking at the functions of the Ombudsman to reflect upon the very broad range of functions that the Ombudsman is given, not only by the Ombudsman's own legislation but by other government programs and sometimes by other legislation. It is not really appropriate just to pick out one part of what might have been the Commonwealth Ombudsman's activities in part of some previous year and suggest that an overall conclusion can be drawn about the current year's activities. I would repeat: the Commonwealth Ombudsman has a very independent role. He has a very large discretion, and appropriately so, to determine how he would best use the resources that are provided to him by the government.

The implication in the member for Mackellar's question, that he must devote a certain level of resources to any particular thing, is wrong. It is a discretionary matter for him and I have identified, at least in part, that the reduction in role—notably in the oversight role that he had for the Northern Territory emergency response—is the reason why there has been some reduction in the Ombudsman's staffing.

Mrs Bronwyn Bishop (Mackellar) (17:33): The reduction from $27,286,000 to $26,952,000, and going south in the parliamentary secretary's answer, brings me to the fact that the Ombudsman is not a government department but is an independent statutory officer set up by an act. This has been described by a previous Ombudsman—a very fine Australian, Dennis Pearce—as being both a blessing and a curse. Whilst it frees him from undue pressures of government, it also means that there is no ready access to departmental or ministerial support. I know there is a practice whereby people are seconded from government departments to the Ombudsman's service for the purposes of a particular investigation, but that too can have its downside. So I wanted to ask whether or not there was any consideration of what ombudsmen have said over time about either creating a parliamentary committee to have oversight of the Ombudsman's office, which would give it a direct connection to the parliament, or making the Ombudsman an officer of the parliament so that there is greater recognition of the way in which he can be answerable to the parliament and, indeed, can seek direct access to departments when he needs it—so the issue is twofold.

I hear that the main reason for the drop in funding for the office is that they have been relieved of responsibility in the Territory, but we still have not come to the nub of the question about the rising numbers of illegal boat people coming to Australia and the fact that a policy of having $900,000 over two years was set aside to look into the questions that arose
from that—yet the number is so large that it seems an impossible task. So has the government abandoned that policy?

Mr DREYFUS (Isaacs—Cabinet Secretary, Parliamentary Secretary for Climate Change and Energy Efficiency and Parliamentary Secretary for Industry and Innovation) (17:36): I think it is very important that the parliament focus on what the role of the Ombudsman actually is. As the member for Mackellar has pointed out, the Ombudsman is charged with a review role. He is a statutory officer with quite a high degree of independence; as such, and under the terms of his legislation, he is able to report directly to the parliament and indeed has done so on occasion. He also of course has an annual report in which he describes the work that he has engaged in over the previous year.

The Commonwealth has many dozens of statutory officers—obviously, all in roles different from the role the Ombudsman performs—but not all of those officers, many of whom have a statutory degree of independence conferred on them, have their own parliamentary committee. I do not think it would be workable for every statutory officer to have their own parliamentary committee. The member for Mackellar, quoting Dennis Pearce, made the point that the Ombudsman has for many years proved the value of having an Ombudsman—having independence, review processes and somewhere that members of the public can go to make their complaints, and indeed having someone who has a general oversight role and a discretion to go and look at various matters on his own motion, without waiting to be charged with an inquiry, without waiting even for a complaint to be made.

The nature of the Ombudsman's work means that it is difficult to forecast demand. Resourcing from year to year, to some extent, is going to on a best-guess basis. Just looking at the number of complaints received over the last four years might give you some indication of the degree of difficulty involved in making estimates in advance. For instance—and this is just the number of complaints received over the last four years might give you some indication of the degree of difficulty involved in making estimates in advance. For instance—and this is just the number of complaints and approaches to the jurisdiction of the Ombudsman; he has this other, separate, self-starting jurisdiction altogether—we read in the Ombudsman's reports that there were a total of 39,932 in 2007-08, but they leapt to 45,719 in 2008-09, went down again to 37,468 in 2009-10 and then rose slightly in 2010-11. That gives you an idea of the elasticity of the numbers of complaints, and the irregularity of the numbers gives you an indication of the difficulty of forecasting year-on-year what work the Ombudsman will have to carry out, what he is going to have to do. Obviously, where there is an increase in demand that can be estimated and clearly linked to some particular initiative or some new jurisdiction that has been conferred on the Ombudsman, then consideration of resourcing is possible. But, at a very general level, the Ombudsman's is one of those statutory offices where it is fairly difficult to make an accurate estimate from year to year as to what the work is going to be. I have no doubt that the Ombudsman will draw it to the government's attention if the staffing level as presently estimated for 2012-13, of 136 officers, is found to be inadequate. That is what the Ombudsman has done in the past, and I have no doubt that the present occupant of this statutory office will do that in the future.

Proposed expenditure agreed to.

Remainder of bill taken as a whole and agreed to.

Ordered that this bill be reported to the House without amendment.
Debate resumed on the motion:
That this bill be now read a second time.

The DEPUTY SPEAKER (Mr Windsor) (17:43): Pursuant to the resolution agreed to by the House on 8 May 2012, I will put the question immediately.
Question agreed to.
Bill read a second time.

The DEPUTY SPEAKER: Pursuant to the resolution agreed to by the House on 8 May 2012, I will put the report question immediately. The question is that this bill be reported to the House without amendment.
Question agreed to.

Appropriation Bill (No. 2) 2012-2013

Second Reading

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

The DEPUTY SPEAKER (Mr Windsor) (17:44): Pursuant to the resolution agreed to by the House on 8 May 2012, I will put the question immediately.
Question agreed to.
Bill read a second time.

The DEPUTY SPEAKER: Pursuant to the resolution agreed to by the House on 8 May 2012, I will put the report question immediately. The question is that this bill be reported to the House without amendment.
Question agreed to.

Appropriation (Parliamentary Departments) Bill (No. 1) 2012-2013

Second Reading

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

The DEPUTY SPEAKER (Mr Windsor) (17:44): Pursuant to the resolution agreed to by the House on 8 May 2012, I will put the question immediately.
Question agreed to.
Bill read a second time.

The DEPUTY SPEAKER: Pursuant to the resolution agreed to by the House on 8 May 2012, I will put the report question immediately. The question is that this bill be reported to the House without amendment.
Question agreed to.

Appropriation Bill (No. 5) 2011-2012

Second Reading

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

The DEPUTY SPEAKER (Mr Windsor) (17:44): Pursuant to the resolution agreed to by the House on 8 May 2012, I will put the question immediately.
Question agreed to.
Bill read a second time.

The DEPUTY SPEAKER: Pursuant to the resolution agreed to by the House on 8 May 2012, I will put the report question immediately. The question is that this bill be reported to the House without amendment.
Question agreed to.
Debate resumed on the motion:
That this bill be now read a second time.

The DEPUTY SPEAKER (Mr Windsor) (17:45): Pursuant to the resolution agreed to by the House on 8 May 2012, I will put the question immediately.

Question agreed to.

Bill read a second time.

The DEPUTY SPEAKER: Pursuant to the resolution agreed to by the House on 8 May 2012, I will put the report question immediately. The question is that this bill be reported to the House without amendment.

Question agreed to.

Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011
Second Reading

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

Ms O'NEILL (Robertson) (17:46): I rise to speak in support of the Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011. The main substantial provision in this bill is that it will enable Australians who are victims of a declared overseas terrorist attack to claim financial support of up to $75,000. Importantly, this bill provides for an appropriate eligibility criteria for both primary and secondary victims of overseas terrorist attacks. We all hope that the compensation provided under this bill is never needed. We all hope that no more Australians are killed or injured in terrorist attacks overseas. Whilst this is one of my highest hopes, we know that the serious threat of terrorism remains. Given this remaining threat, it is appropriate that this government provides support to victims of terrorist attacks that have occurred overseas.

It is fundamental to remember that major overseas terrorist attacks are by their very nature special and extremely tragic events. The world we knew before the 9-11 attacks on the twin towers and before the London underground tragedy is no longer. I recall that morning of the 9-11 attacks. It was the day on which my husband and I were to take our three children on their first trip overseas. We stopped our packing that morning and I remember standing frozen at the side of my bed with an open suitcase and watching the news as it transpired. I wondered how I could possibly take my children on an aeroplane within the next 24 hours and expose them to this new world risk that had occurred.

In the end we did what was a possible response to the threat of terrorism which was to say, 'We will resist fear and we will pursue with hope a future where there is safety and freedom of all people to move around this world.' I think that we made the right decision on that day. Australians will continue to be brave in the face of the fear that terrorism inflicts on our world in a completely different way than before that tragic day.
I know many of us here today have people in our electorates who were caught up in the very tragic terrorist attack so close to home—the 2002 Bali bombings. Eighty-eight people were killed in that bombing. Also, although it was a smaller attack in terms of impact on us, in 2005 four Australians also lost their lives there. We remember, as we promised to do, those who were killed or injured as a result of that mindless terrorist attack. It was an event which will always remain in our national consciousness. Community members, family and friends lost in the supporting attack will never be forgotten.

There are still victims of the 2002 Bali terrorist attack who are dealing with the very real repercussions of that tragic event. Indeed, the Central Coast community was deeply affected by this terrorist attack and the community still deals with those consequences. There were incidences on the Central Coast when high school students, primary school students, staff and their communities lost fellow students to the Bali bombings. The friends and families of these victims will forever deal with that tragic and untimely loss. Indeed, the existence of memorials to the victims of the Bali bombings remind us, as we look at them, of the unjust loss of life that is a product of terrorism.

Ten years is not a long time to heal from such an event. When you lose someone you love it can be 50 years, and a single image, a voice that sounds like the one of the person you lost or a whiff of perfume are sensory triggers that can take us as human beings travelling back to a time before death when we recall, as if it were only yesterday, those we have lost. Grief and loss, and the healing that sometimes follows, sometimes very slowly, can take many years, and always that rent will be there.

Specifically, in my community—the Kincumber community—we remember Lynette and Marissa McKeon, mother and daughter victims of the Bali tragedy. They were widely respected in our community and, to have a mother and daughter taken from the family and from the community, we feel and remember that particular instance. But we are talking about 88 people, right across this country, who were removed in one hit from their families and communities.

That is why this legislation is particularly important—that we remember and honour that loss. We want to make sure that through this legislation there is a greater degree of certainty provided, when tragedies like this strike, for victims of overseas terrorism and their families. Financial certainty is essential in enabling victims of overseas terrorism to deal with the long-term personal consequences that will arise. It also provides financial certainty to the families of the victims of overseas terrorism. It is important to recognise that this payment—the Australian victims of terrorism overseas payment—is in addition to the comprehensive support that the Commonwealth already provides to victims of overseas terrorism. These include, but are not limited to, financial assistance through the Australian government disaster recovery payment and consular assistance.

It is good to put on the record that since 11 September 2001 more than 200 Australians have been injured and more than 100 killed in overseas terrorist incidents. At the time that these incidents occurred, there was, thankfully, significant targeted assistance provided to victims of those events, including disaster—

*A division having been called in the House of Representatives—

Sitting suspended from 17:53 to 18:09*
Ms O’NEILL: As I was saying, it is a good thing that people who were caught up in the Bali bombings were able to receive assistance from the federal government at that time. This legislation is important and necessary because it provides a specific payment to support victims of overseas terrorism. Currently victims of domestic terrorism can apply for compensation through state and territory criminal compensation schemes. These schemes are, however, unavailable for victims of international terrorism. As I stated earlier, I sincerely hope that nobody will ever have to apply for compensation under this scheme, but I share with my fellow parliamentarians ongoing concerns about the threats of future terrorist attacks affecting Australians.

The concerns of many Australians have been heightened with the US special forces attack on the al-Qaeda leader, Osama bin Laden. The destruction of al-Qaeda’s leadership is a development that I believe has provided justice to many victims and their families affected by international terrorism. The threat of al-Qaeda and its affiliates, however, remains real, and the threat of overseas terrorism in the short term has been heightened, as reflected by current travel warnings for many parts of the globe. The personal security of Australians travelling overseas has always been an ongoing concern for me, particularly at this time, having just farewelled my own daughter, niece and mother on a trip to the other side of the world. It makes you extremely aware of the risks of international travel. While you still consider the incredible delights and our need to continue to move around the globe to understand our fellow human beings better, this is a concern that remains when particularly young people from all across the world decide to travel. We need to ensure for our young Australians that we support their ability to travel overseas, particularly as we are such a geographically isolated nation. For many young Australians, the opportunity to travel overseas represents a significant cultural, social and emotional learning experience. Indeed, it is a good thing that overseas travel is a high priority for so many young Australians, but it is unfortunate that the risk of terrorist attack has affected the travel plans of Australians and that this threat of terrorism remains real.

Terrorism is a crime that is directed towards nation states but individuals are the victims. It is a criminal act that is indiscriminate in its effect. Often victims of overseas terrorism have been targeted merely for being Westerners, with the attack directed towards the Western world. As stated by the Attorney-General in the second reading speech, it is only fair that states should shoulder the burden of the terrorist action and not the individual.

This legislation will provide a lump sum payment of up to $75,000 for individuals who are injured in an overseas terrorism event. Close family members are also able to apply for the payment in the event of a family member being killed in a terrorism event. An important aspect of this bill is that the payment is only available once the Prime Minister has declared that an overseas terrorist attack has occurred. It is a payment that is only available for victims of such declared overseas terrorist attacks. Given the importance we place on ensuring that these compensation schemes are not abused, this degree of central control over the scheme is necessary.

The discretion to provide payments of up to $75,000 recognises that injuries resulting from terrorist attacks tend to have a lasting effect, requiring ongoing support and treatment. Whilst we sincerely wish that each of us in this room and anybody who will be reading this transcript will never need it, terrorism has occurred and unfortunately it will almost certainly happen
again. The availability of a lump sum payment is essential in providing long-term support to victims of overseas terrorism. I commend the bill to the House.

**Mrs MOYLAN** (Pearce) (18:14): One of the most heart-rending experiences I have had in a long time was when I had the privilege of visiting the site of the twin towers disaster in New York. I visited several years after that event and I could not help but be struck by the enormity of the grief that people were experiencing. My colleague has now returned. Just to finish that, there was also the terrible grief of those people caught up in the Bali bombing and the sadness that lingers after those events. Anything we can do to help the victims is very important. With your indulgence, Madam Deputy Speaker Livermore, I will hand over to my colleague.

**The DEPUTY SPEAKER (Ms K Livermore):** I appreciate your contribution.

**Ms GRIERSON** (Newcastle) (18:15): The bill before the House has a long history. It is worth revisiting that history here tonight. On September 11, 2001 the world witnessed in real time a highly calculated and deliberate act of terrorism—the assault on New York and Washington by al-Qaeda terrorists in an operation designed to maim and kill as many people as possible, to destroy significant economic and security infrastructure and to instil fear and inflame hatred across the globe.

The September 11 attacks succeeded on all those fronts and in 2003 the United States of America and their allies, including Australia, invaded Iraq, beginning a prolonged and somewhat futile war. But at the time the special September 11th Victim Compensation Fund provided financial assistance to those injured and the next of kin to those who killed in the 9/11 attacks, including many Australians. Payments under that fund to Australians ranged from between $250,000 and $7.1 million. It was a very generous scheme but it was not an Australian legislated scheme.

In 2002 and 2005 terrorist bombings in Bali brought the brutal reality of terrorism directly to the people of Australia. Since Bali 2002, approximately 100 Australians have been killed and more than 200 Australians have been injured as a direct result of terrorist attacks overseas. The 2005 bombings in Bali affected families in my electorate of Newcastle. We tragically lost three of our citizens: Colin Zwolinski, Fiona Zwolinski and Jennifer Williamson. Seven of our families sustained injury and many people, their family and friends, experienced deep trauma from shock, grief and loss. In fact, the entire Newcastle community shared the pain of this event and rallied marvelously to support the victims of Bali.

Paul Anicich had been terribly injured and was flown to Singapore at the time where he spent a long time in hospital there before returning to Australia. I must digress because the member for Pearce has just spoken. She visited Mr Anicich in Singapore. I was supposed to be part of a delegation but I stayed in Newcastle at the time to support the victims. But I was always very grateful and Paul always remembers that. It is hard for him to remember it clearly. He thinks I was actually there. Member for Pearce, he was very appreciative of that intervention that you so generously and compassionately undertook.

Paul Anicich was moved by the plight of others and began a crusade to bring about some kind of financial payment for victims of terrorism. His efforts in advocacy with Tony Abbott, the Leader of the Opposition, and with Kevin Rudd, who became Prime Minister, led to some action on this issue. In 2009 the member for Warringah, the Leader of the Opposition, moved a private member's bill—Assisting the Victims of International Terrorism Bill 2009.
Originally it was my belief that the member for Warringah had intended to move a private member's motion, have that motion debated and then have negotiations with the then Rudd government to move this forward. At the time I spoke against the private member's bill because, as presented to the House, the bill had insufficient detail or specifics regarding the key issues of eligibility, criteria, payment thresholds or administration of that payment over the long term. What did happen, though, as a result of the advocacy of Paul Anicich and other Newcastle victims, was that then Prime Minister Kevin Rudd announced on the night the legislation was dealt with that the government would engage the Productivity Commission to examine the feasibility of a national long-term care and support scheme, a scheme that would address the issue of improving the support of those with special needs, no matter how their injury or harm was sustained.

In his speech announcing the decision, Kevin Rudd made special mention of both Paul Anicich and Tony Purkiss from Newcastle who he had met with and who were in the House that day, acknowledging his recognition of their circumstances and their specific commitment. At the time this was a wonderful outcome: proper consideration of the special needs of people over a long time requiring long-term care. Of course, today it is Prime Minister Julia Gillard who has acted on the Productivity Commission findings and driven the design of a National Disability Insurance Scheme now agreed to by all parties in the parliament and by all states, and now in a trial phase. So I often think that, if that is a legacy, for someone like Paul Anicich it is a pretty wonderful legacy.

That is the background of the legislation we are debating tonight. It was a great outcome for the federal Labor government and a great outcome of the advocacy of many Australians, but particularly my constituent Paul Anicich and all the other victims of Bali 2002, Bali 2005 and, of course, other terrorist attacks. So the member for Warringah's original bill was lost and negotiations were undertaken with the former Attorney-General Robert McClelland and then with Attorney-General Nicola Roxon, pursuing a bill to specifically support victims of terrorism overseas. Arising from those negotiations we now have this bill before the House, and also the Brandis bill, which is in most respects the original bill put forward by the member for Warringah and which is now before the Senate.

In the member for Warringah's original bill, there was no provision for retrospective legislation, but I understand that the opposition will be moving amendments to this bill to make the legislation retrospective. I have to say I am supporting the government's legislation as it is; however, I again have to express some reservations about this approach. First, after Bali 2002 I know that the most important thing of all is that when a terrorist attack injures or kills our citizens abroad the government of the day must respond instantly and generously. No effort can or should be spared in supporting our victims—organising emergency transport and accommodation, providing access to appropriate medical care, giving individualised attention through Centrelink to victims and their families, making sure the Australian Federal Police are responsive and proactive, and setting up the best information and communication systems so that media, families and anxious communities have accurate and reliable information.

The second thing I know is essential is the assurance for victims and their families that there will always be ongoing medical and emotional support and that they can come back at any time and access that support. That is exactly what happened after Bali 2002 and Bali 2005, and that is what continues to happen. There may have been some glitches and some
matters that needed special intervention to improve outcomes, but this is what our country does well: we do not pull out support. We have a safety net of services that are ongoing. I never want any government to be in a position where they do less than that because of a cost that may be incurred through a special cash payment of any kind. I never want any government to limit the support they give when these terrible events occur.

Third, although I understand and am appalled that terrorism is an act of violence against a government and that innocent people are the consequential targets and victims, I continue to ask: what is the best way to deal with all victims of war, of terrorism and of natural disasters? Prisoners of war were belatedly granted special one-off payments of $25,000 and the prisoner of war recognition supplement of $500 per fortnight, but innocent victims of war on our soil have never had anything more than the best safety net of care and rehabilitation offered by the government of the day. Victims of natural disasters since the 2007 Pasha Bulker storm in Newcastle have received a one-off payment of $1,000, and the cost of this program does continue to increase as weather phenomena become more extreme. That instant cash payment definitely helped many Novocastrians, and I imagine it has helped wherever it is being implemented, allowing people who have lost everything or are temporarily disconnected from their home and possessions some cash to access emergency accommodation, food and supplies until insurance claims and emergency and disaster funds are set up. But the reality is that no amount of cash can adequately compensate ordinary Australians for extraordinary incidents and moments of great tragedy and loss, no matter the cause or the circumstances.

Fourth, we must always be vigilant in the quest to protect Australians from terrorism—and we are. This is where risk identification and management, cooperative international intelligence approaches, joint policing operations and information sharing, the research of the Australian Crime Commission and the painstaking work of all our security and intelligence agencies are absolutely paramount. Again, we need adequate resourcing for all those things to do the job well.

The best immediate response when these dreadful things happen is the most generous support possible at that very critical time, the comfort of a vigorous security regime, as well as a National Disability Insurance Scheme to ensure long-term care. They are all vital measures in supporting victims of terrorism. Add to that strong communities with built-in social health and welfare infrastructure that supports ongoing care and ongoing compassion. Those things are priceless, I have always thought. Again I stress that it is so important that we continue to fund the things that make this nation a great nation that gives people the comfort when they travel overseas that their country is there for them and will always be there for them. If we can always ensure that approach in this nation and we can afford additional cash payments such as those proposed in this legislation, then we are indeed a very fortunate nation, a very fortunate people. So we should pass this legislation.

In the case of this legislation the actual payment will range between zero dollars and $75,000, and it will not be retrospective. The regulations around eligibility are still to be written but will be activated following a declaration by the Prime Minister of the day that a relevant overseas terrorist act has occurred. Australians physically or psychologically harmed as a result of a terrorist act will be eligible for financial assistance under the proposed scheme. Close family members of Australians killed as a result of a terrorist act will also be eligible
The bill will ensure a payment made under the scheme does not impact on other entitlements, and that is as it should be.

Also, there is no intention for the proposed scheme to apply to past overseas terrorism acts. That will disappoint Paul Anicich, who has very much advocated for this legislation, and it will obviously disappoint those who have been victims and who remain traumatised in many cases and have been seriously affected. But this is the legislation before us. The opposition leader's private member's bill, when introduced, like this one, did not specify particular events. Nor did it specifically state that it would apply retrospectively. This legislation today, then, is consistent with the position taken by the coalition when in government. For example, in August 2003, after the first Bali bombing, then Prime Minister John Howard ruled out a compensation scheme for victims of terrorism. Further, in May 2006 the then Minister for Justice and Customs, Senator Chris Ellison, ruled out a compensation support scheme for victims of the second Bali bombing, the one affecting citizens of Newcastle. Although it will disappoint, I think it is usual practice by any government, as is evidenced by the previous decisions.

But it is important to know that at the time of the Bali bombings, terrorist attacks on our citizens, significant targeted assistance was provided, including disaster healthcare assistance schemes, ex gratia assistance, consular and repatriation assistance and immediate short-term financial assistance through the Australian government disaster recovery payments. Since the Bali bombing in 2002 the Australian government has expended more than $12 million on assistance and support for Australians killed or injured as a direct result of overseas terrorist attacks.

We are a generous nation. We are a rigorous nation. We are a nation that does tend to the arms of government in all shapes and forms that keep our nation safe, keep the people of this nation safe around the world, hopefully, and respond to disasters of any kind that affect them.

In conclusion, I do support this legislation. I also continue to offer my ongoing concern and support for the people of Newcastle, the families so sorely impacted by the devastating attacks in Bali in 2005.

Ms GAMBARO (Brisbane) (18:29): I rise to contribute to the debate on the Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011. The bill was introduced by the former Attorney-General, the honourable member for Barton, and it seeks to introduce comprehensive assistance for those affected directly by acts of terrorism. This is a cause that since 2009 has been championed by the coalition through the Leader of the Opposition and the member for Paterson, during which time the coalition sought to introduce a private member's bill into the House and the Senate to make progress on this vital issue. I remark that it is really great to see the government come to the table three years later in order to work towards a common objective of assisting those affected by these tragedies! It is disappointing that this government is yet to demonstrate any element of bipartisanship by voting for an opposition private member's bill in this split 43rd Parliament. We have heard much about a 'new paradigm' from the member for Lyne, but I want to put it on the record that, when a worthwhile private member's bill is put forward by the opposition, it is voted down with the help of the so-called Independent members and then the bills are reintroduced as government bills.
Terrorism is a crime that is not isolated in its impact. It affects society, communities, individuals, victims and their families. Therefore, government should not be isolated in its response. Instead, it should provide comprehensive assistance to Australians affected abroad. Unfortunately, in only the recent past there are examples of Australians being victims of terrorist attacks in other countries. Australians have been killed or injured in acts of terrorism in New York, Bali, London, Jakarta and Mumbai.

These aforementioned acts of terrorism have seen ordinary Australians' lives dramatically affected by loss of life or injury. These attacks involving Australians overseas were not personally motivated but, rather, a political or ideological attack on Westerners. Indeed, in the case of the second Bali bombings, the perpetrators directly targeted Australians, not in retaliation for Australia's actions but because of our beliefs and our way of life.

I take a moment to reflect on the Bali bombings, that fateful day on 12 October 2002, when the deadliest act of terrorism in the history of Indonesia occurred. Just after 11 pm, a suicide bomber detonated a bomb in his backpack in a nightclub. Twenty seconds later, a much more powerful explosive was also detonated. Of course, the brutal strategy behind this was that a lot of Australians gravitate towards those venues while holidaying in Bali. These vile acts of terrorism were absolutely devastating—202 people were tragically killed, including 88 Australians.

We would all remember the tragic stories of the burns victims. I remember seeing photographs of some of the victims who were brought to the hospital. Those terrible images will never leave me. The saddest memorial service that I have ever had to attend as a member was in this House. It was to commemorate the deaths, the loss of life, as a result of the Bali bombings. I was in this place in 2002; I remember it so well. I remember the solemn occasion when John Howard stood and spoke for half an hour on the motion condemning the senseless destruction of lives that had occurred. The member for Hotham, then the Leader of the Opposition, also spoke in support of the motion. It was the saddest time and the saddest service that any member of parliament had attended.

Over the past 10 years, more than 300 Australian citizens have been the victims of vicious attacks carried out in the name of political belief and ideology. We must never, ever forget these victims. We owe it to these Australians to assist them and we owe it to all of those affected by these outrageous acts of barbarism. It must also be noted that after the terrorist attacks, particularly in the past, the government of the day administered financial and medical assistance to victims through government agencies. However, the responsibility of this nation is to its citizens and extends well beyond the immediacy of the cases of those who have been affected.

The Leader of the Opposition, when speaking on this subject in 2010, was right when he said:

There is a lifetime of pain for those people, physical and psychological and it needs to be acknowledged, recognised and in some way made up for by the wider Australian community.

It is hoped that this legislation will begin the process of recognising and making up for the trauma experienced by those seriously affected, either directly or indirectly, by terrorism overseas. This legislation has been a cause championed by the coalition and the Leader of the Opposition for three years and it has remained at the forefront of the minds of those on this side of the House during that time, as it should be at the forefront of the minds of all...
Australians, as it is a cause that is universal in its benefit to our fellow citizens travelling internationally.

Perpetrators of terrorism, their ideology and their methods should never be accepted by any society. However, society must recognise and must immediately come to the assistance of their victims. The indiscriminate nature of these acts leaves lives damaged. It is therefore only right for a government to actively assist those caught up in these crises abroad.

The government’s proposed legislation, which builds on the work of the Leader of the Opposition’s private member’s bill, seeks to provide financial support of up to $75,000 to those Australian citizens injured by terrorism whilst overseas. The legislation also proposes to assist those close family members who are affected as a result of the death of a loved one due to an act of terrorism overseas, and financial assistance for close family members would also be provided, with a payment of up to $75,000 to assist with associated costs. Eligibility for these payments is subject to declaration of an overseas terrorist event by the Prime Minister of the day. Once the declaration has been made, relevant guidelines will assist the assessment of factors that may be used when determining a claim. Those who receive the payment will not have to repay Medicare, workers compensation or other benefits received from the Commonwealth, as is common with corresponding state and territory victims-of-crime compensation schemes. The legislation is about securing long term those who become victims of terrorism overseas and it is about giving them certainty. It is about giving them peace of mind that this country very much stands with them.

We are a united nation with strong bonds forged and shared values as a free, open and democratic country. When a terrorist commits a crime against these shared values and against one of our own citizens, we must always be there to stand steadfast against terrorism and to stand alongside our fellow Australians. We in this parliament must stand alongside all those Australians affected by acts of terrorism overseas through comprehensive assistance to deal with the long-term effects on them and their close family.

Australians will continue to find new possibilities and opportunities across the globe. This legislation is about ensuring that they are looked after if they are victims of a terrorist attack. We owe it to the victims of terrorism to do all that we can in this House to help them well into the future. I commend the bill to the House.

Mrs PRENTICE (Ryan) (18:37): I am pleased to see that the minister has taken up the Leader of the Opposition’s proposal of compensation to be provided by the federal government to victims of terrorism overseas and also thank him for his acknowledgement of the opposition leader in his reading of the Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2012. This bipartisan belief in the need to support Australian victims of terrorism highlights the importance of this issue and the struggles such victims face in putting their lives back together.

The aim of terrorism is simple: to destroy people's pursuit of a peaceful life. In order to achieve this, terrorists have engaged in horrific acts of violence and manipulation at unexpected times, particularly over the past decade. They have shifted society's mindset toward the security of everyday life in unimaginable ways. As a nation we must never forget the high price innocent Australians have paid at the hands of terrorists. Although terrorist actions are aimed to send a message to the state and its leaders, it is the innocent individuals within these states who are targeted. However, because of the nature of terrorist attacks,
victims can often be left feeling like just a statistic. The numbers of people who are killed or injured in terrorist attacks are what make the news—the statistics, not the names. Whilst no-one would deny the empathy felt for these victims, within our society news is reported through statistics and through the place of an attack which, while shocking, in a sense desensitises us to the suffering and experiences of those who actually live through the attack. Terrorists attack the masses, yet at the end of the day it is the individual and their families who must pick up the pieces. The bill before us recognises this and will go some way toward helping individual victims of overseas terrorist attacks. For many there is no going back to the way that things were. They must rebuild a life for themselves after losing, perhaps, what is the last bastion of innocence: the belief that you are safe. For a terrorism victim and their family the fact that they were part of an attack when simply going about their own business, and knowing that these terrorist groups and the terrorist mentality in general is still out there, would be almost crippling.

These victims need to know that their government supports them, not just on a global stage, not just as a nation opposed to terrorism, but supports them personally and individually. That is what this bill does. It also recognises the suffering caused to the family of the victim of an overseas terrorist attack. The loss of a family member under any circumstances is always distressing. However, for families who lose a close relative overseas the pain caused by knowing that person died away from home in violent and extreme circumstances is truly traumatic.

I would also like to draw attention to another part of the minister's second reading speech. In his speech, the minister drew attention to the Australian victims of terrorist attacks that have occurred overseas during the last decade: September 11 in America, the bombings in London and Madrid and, of course, the terrible loss of Australian lives in Bali. The minister has said that the government recognises the suffering of these victims, yet this bill does not apply to those victims.

Regretfully, the government has not given due consideration to this bill after it was introduced to the House in February last year as a private member's bill sponsored by the Leader of the Opposition. The coalition was still left waiting until even as late as today as to whether the government would include retrospective application of this bill. They had more than a year to make that decision. It is a shame that they have come to a decision not to apply these measures retrospectively.

I know that the government has at times accused the coalition of applying a blanket opposition to retrospective legislation. This, however, is a simplistic statement to make. We do not support retrospective legislation where it has an adverse effect on society. However, we support responsible policy formulation, and if the circumstances of an issue are so compelling, retrospectivity should be considered. This bill provides such an opportunity. This bill could provide much-needed support and help to Australian victims of past terrorist attacks and their families. Access to a payment such as what this legislation proposes would give these victims additional funds that they undoubtedly need for support, such as the additional counselling that they otherwise not have acquired. In short, a retrospective clause provides a positive benefit to Australians and therefore should be supported. I acknowledge the minister's advice that the Australian government has provided support to Australian victims of
terrorism in the past to a value exceeding $12 million. But the extension of support envisaged in this bill to past victims should also be considered.

Since 11 September, 2001 some 300 Australians have been killed or injured in terrorist attacks. We have all stood in this chamber and spoken about the importance of supporting Australian victims of terrorism. Yet with this bill the government is saying that as a nation we are not willing to help those who have suffered in some of the worst terrorist attacks the world has experienced. It makes no sense to me that the government has not made this positive, helpful and necessary legislation retrospective in order to support victims of past terrorist attacks, while it has introduced other retrospective legislation that has had a negative impact on our society and our economy.

The Leader of the Opposition and the member for Paterson have been fighting for this bill since 2009, and I commend the government for taking it up. The intention behind this legislation is admirable, and I thank the minister for incorporating the principles of the Leader of the Opposition's private member's bill. But the victims of past terrorist attacks also need our support, just as much as the future ones will, and I implore the government to amend this bill to reflect this.

Mr PERRETT (Moreton) (18:44): I rise to support the Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011. This bill is the result of strong bipartisanship from both sides of the House, as it incorporates principles of the opposition leader's private member's bill, the Assisting the Victims of Overseas Terrorism Bill 2010. So, while there are many things on which I can disagree with the Leader of the Opposition, I do commend him for introducing this piece of legislation which was taken up by the government.

The bill before the chamber will enable Australian residents who are victims of a declared overseas terrorist act to claim financial support of up to $75,000—small compensation at the time but, nevertheless, a gesture from the Australian government to a family suffering from a horrible event. This payment will go some way towards providing support to victims of a terrorist attack overseas, though we acknowledge that no payment can fully overcome the horror of a terrorist attack.

My best friend, who was a witness at my wedding, and her partner, now her husband, were just down the road when the Bali bombing occurred—and they were down the road, thankfully, though they had been in the nightclub only a few hours before. But seeing how it traumatically affected them, even when they were down the road, gave me some indication as to how people in the middle of a terrorist attack can find it difficult to recover and get on with their lives.

At the general assembly of the Human Rights Council in 2006, the special rapporteur on the promotion and protection of human rights and fundamental freedoms while countering terrorism, Martin Scheinin, expressed disappointment that Australia did not have a national mechanism for financially assisting victims of terrorism. This proposed scheme will go a long way to rectifying this and will provide much-needed assistance to victims of overseas terrorism. Let us hope it is not accessed. But, sadly, because Australia is a trading nation and we do what we can to protect trade around the world, and because Australia has a long and proud history of sending the ADF around the world to protect freedom, we are also in some crosshairs as a nation on occasion. That is no reason to go into our shell, but that is the reality.
Hopefully, we will at least have a mechanism in place to protect Australians, should they be targeted by terrorists.

The scheme will be activated following a declaration by the Prime Minister that a relevant overseas terrorist act has occurred. Australians physically or psychologically harmed as a result of a terrorist act will be eligible for financial assistance under the proposed scheme. A close family member or close family members of Australians killed as a result of a terrorist act will also be eligible for financial assistance.

The bill will ensure that this payment does not impact on any other entitlements so that, in some cases, victims will be eligible for a payment under the proposed scheme as well as other forms of damages or compensation. Additionally, victims will not be required to reimburse the government for Medicare benefits received in relation to the injury. Payments will not be treated as income on receipt for social security purposes and will therefore not reduce a person's entitlement to other social security benefits, and payments under the scheme are not compensation or damages under relevant Commonwealth laws.

The government's bill does not specify particular events. Nor will it apply retrospectively. I understand comments from those opposite saying that it should be retrospective. I am not sure—I did not hear all the speeches before me—if they gave a date as to how far back the terrorism events should be covered retrospectively, as to whether it should be 10 years or 20 years or 30 years of 40 years; I did not hear that. I understand, though, why that might be asked, and I do recognise the compassion they would have for the victims of terrorism. But at least this is the start of a process.

However, I point out in the government's defence that significant targeted assistance was provided to victims of past events, including disaster healthcare assistance schemes, ex gratia assistance, consular and repatriation assistance, and immediate short-term financial assistance through the Australian government disaster recovery payment. Since Bali in 2002—which is already 10 years ago—approximately 100 Australians have been killed and more than 200 Australians have been injured as a direct result of overseas terrorist acts. In that time, Australian governments—so, not just the current government—have expended more than $12 million on assistance and support for Australians killed or injured as a direct result of overseas terrorist acts. In addition, the September 11th Victim Compensation Fund provided generous financial assistance to those injured and to the next of kin of those who were killed in the 9-11 attacks, including Australians. Payments of between $250,000 and $7.1 million were made to the next of kin of each of those killed in those attacks—again, including Australians.

It is a sad reality that Australians are sometimes targeted in overseas terrorist acts, not as individuals but because they are Australians. Maybe Australians are not targeted as individuals currently, but the reality is that, because we have taken the proud decision to wear the blue beret in almost 60 different locations around the world and because we have taken the proud decision that we cannot sit idly by while people are being terrorised, victimised and suffering violence, Australia does play a significant role. Whether it be in Libya, the Sudan, the Middle East or the Pacific, there are many Australians right now serving around the globe to ensure that people are safe and can sleep safely in their beds at night.

This bill is about the government recognising the collective responsibility that Australians do share to help those unfortunate Australian residents recover from overseas terrorist events.
Obviously Australia will continue to have an active role in the world by intervening when necessary. In talking to the parliamentary secretary, the member for Eden-Monaro, Mike Kelly, who was previously a legal officer in the Army, we spoke about his involvement in Sarajevo, in Somalia, in Iraq and as a colonel in the Army. Australia does have a strong role to play in making sure that the world is a safer place. Australia does have an important role to play in making sure that the world is safer. Unfortunately that might mean that Australians will be at risk and, potentially, the victims of terrorism overseas. This legislation will go some way to making that journey a little bit easier. I commend the bipartisan way that this bill has been debated and progressed and I commend this bill to the House.

Mr SIMPKINS (Cowan) (18:52): I welcome the opportunity to speak on the Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011. There was a time when the term 'terrorism' seemed to be something that only ever happened in very faraway places. Television footage of the aftermaths and at times the continuation of acts of terrorism were from places in Africa, Europe and the Middle East. The best remembered terrorist related incident beyond these recent years in Australia was the bomb that was placed in the bin outside the Hilton Hotel. That tragically killed a policeman and two garbage truck workers when the bin was emptied and detonated in the back of the garbage truck. That act took place in Sydney back in 1978. Terrorism, of course, came back to Australia on 23 November 1986 when a car bomb exploded in the car park beneath the Turkish consulate in South Yarra, Victoria, killing the bomber, who failed to correctly set up the explosive device. Levon Demirian, a Sydney resident with links to the Armenian Revolutionary Federation, an Armenian terrorist group, was charged over the attack and served 10 years.

It is also certainly the case that we have had, to a degree, domestic terrorism. There were attacks on Family Court judges which took place in the early eighties. The Australian Federal Police were involved in the investigation and also in the protection of judges. That was as a result of aggrieved recipients of justice from Family Court judges at the time. This country does unfortunately have a history of acts of terrorism. I recall the time in the 1970s when a bomb exploded in front of the Yugoslav consulate in Sydney, causing a significant amount of damage. That is not something that is expected in Double Bay in Sydney. That was many years ago.

The reality for the world is that things have changed and they have changed radically with what happened in New York on 11 September 2001, with a massive loss of life in New York; the Marriott Hotel in Jakarta; the two Bali bombings; and the London bombings. Unfortunately, and very sadly and tragically, Australians were amongst those killed and wounded—wounded in the physical and the mental sense. We have seen arrests here in Australia of those who were accepted into this country in good faith, only for us to have had that trust so badly abused by those who have planned and taken active preparations towards implementing their terrorist plots. But fortunately the security forces—ASIO, the Federal Police and the state police forces—have been up to the task and have managed to avert what could have been tragedy.

But the reality is that we sadly do have traitors in this country. We have people here who wish to attack and tear down the institutions of our society. We have traitors here who find fault with the foundations of this nation, the principles upon which it was founded and upon...
which generations of Australians have prospered. We have traitors who wish to replace our
democratic system of government and our set of secular laws with alternatives based on a
religion that in other places has produced only a legacy of political, social and economic
failure. It is a religion that holds the people in those countries back, discriminates against
women and fails to recognise the potential of the individual. What is encouraging is that there
are people in various ethnic and religious communities around Australia who are prepared to
inform on those who seek to betray us. That is why we have had arrests in Australia and
effective action taken to cut off the plans of these locally based terrorists.

As the MP for Cowan, representing Kingsley and, by consequence, the Kingsley Amateur
Football Club, I am pleased that this bill is being brought to the House for debate. I am the
federal representative for a football club that lost seven members in the 2002 Bali bombing. I
am pleased to congratulate the Hon. Tony Abbott for his initiatives to support Australian
victims of terrorism overseas, and the way in which it has led to this bill. It is right that we
keep this fact in mind. We know who initiated this bill and who then followed. Nevertheless, I
also thank the government for bringing this bill forward. I understand that since 11 September
2001 some 300 Australians have been killed or injured in terrorist incidents overseas.

This bill acts as an important reminder of that which we should never forget, and that is the
high price that Australia has paid due to overseas terrorists. I would also say that it is
unfortunate that this bill has not allowed for retrospective support. This bill will not deliver
support for anyone at the Kingsley football club, and I think that is wrong. We should also
remember that what happened in Bali will be a life sentence for those injured and for the
families of those who died. The events of 12 October 2002 will remain with them forever. It
is getting close to 10 years since those terrible events in Bali—terrible for those who were
there and for those who farewelled their family members at Perth airport on the last occasion
on which they would see them alive. Those people now have to carry on, forever affected by
the trauma and the loss and, above all, never being able to forget the pain. As time passes the
impact on those who remain will not pass.

On 12 October 2002 the members of the Kingsley football club arrived in Bali and went
straight to their hotel to relax for the rest of the day. They then went out to dinner to begin
enjoying their end-of-season football trip. Then, unfortunately, they decided that they would
go to those local night spots in Bali and their first stop was, tragically, at the Sari Club.

The first explosion was at Paddy's Bar and very shortly thereafter the Sari Club itself was
blown up in a terrible explosion. The result was that seven of the players from the club were
killed, and I name them: Dean Gallagher, Jason Stokes, Byron Hancock, Corey Paltridge,
David Ross, Jonathan Wade and Anthony Stewart. Thirteen survived, but two were seriously
injured with severe burns and were airlifted back. As we know, money will not bring back
any of them. It may not lessen the effect of the tragedy but it can assist the survivors and the
families of the victims—those that died. It is unfortunately the case that this bill will not help
any of my constituents who were so badly affected by the first Bali bombings, because this
bill is not retrospective.

This bill, the Social Security Amendment (Supporting Australian Victims of Terrorism
Overseas) Bill 2011, creates a mechanism through the social security system to be called the
Australian victim of terrorism overseas payment. That payment will provide up to $75,000 to

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FEDERATION CHAMBER
a person injured or to a close family member of a person killed. This will apply in cases of terrorist acts that take place overseas.

Of course, in the detail, the attack needs to be declared—as I understand it—as an overseas terrorism event, with the bill also setting out eligibility criteria in the form of guidelines for compliance in order to access a payment. These include the nature, duration and impact of the injury or disease; the likelihood of future loss, injury or disease; the circumstances in which the injury or disease has incurred; the nature of the relationship between the primary and secondary victims; whether there are other persons who have made a claim; whether there is an agreement by claimants on the amount that should be made to each; whether there was an adverse Australian government travel advisory; whether the person was directed not to go to the place where the attack took place; and what other payments may already be applicable. As was advanced by the Hon. Tony Abbott, the payment will not be taxable and will not result in repayments for paid Medicare, workers compensation or any other benefits paid by the Commonwealth.

We should not forget the fact that these victims of overseas terrorism have suffered for their country. They were victims of overseas terrorism largely because of the way of life in this country. They were chosen or targeted because of the way of life of the civilisation in which they participated, and we should not underestimate the ongoing suffering of those people. There is a lifetime of suffering and pain for those who have been victims of terrorist activities overseas, and this can be both psychological and physical, as I have already said. I believe that this needs to be acknowledged, recognised and in some form made up for and provided for by the wider Australian community.

It is certainly not my intention to speak for much longer on this bill. However, I would say that we are happy to see this bill here in the parliament, but we would want it to be amended to provide the support for those who have already been so badly affected. I do speak for those from the Kingsley Amateur Football Club who will not be the beneficiaries of this bill. They certainly should be. But otherwise, we certainly appreciate that the bill has been brought to the parliament and that those who are the victims of terrorism in the future will be better provided for as a result of this initiative.

Mr NEVILLE (Hinkler—The Nationals Deputy Whip) (19:03): It is difficult to comprehend the extraordinary pain and suffering that attends on an act of terrorism, but worse still are the after effects on those who have been injured or left behind. An act of terrorism is an event that no-one wants to remember but is almost impossible to forget. No-one can ever forget the terror and trauma of the Lockerbie bombing, the Twin Towers, Bali, the London bombing and so on.

Quite rightly, in considering this bill before us today we need, as a caring nation, to view those who have suffered the tortures and the after effects of terrorism with immense compassion and care. Terrorism is a crime directed not at individuals but at the state, at a religion or at a targeted movement. But, sadly, individuals—although they are not the targets—are always the victims. It leaves victims with horrific burns, irreparable damage to their limbs, shock, trauma and—the most debilitating of all—the ongoing psychological damage and impact on one's life.

The images of 9/11 are ingrained in our psyche—the horror of the first explosion and then the concertinaing of the upper storeys of the buildings onto the lower storeys, creating an
almost unimaginable maelstrom of fire, smoke, debris and dust. Ten Australians are known to have died in the Twin Towers in 2001 in New York. Overall, it claimed the lives of nearly 3,000 people.

Closer to home, in Bali on 12 October 2002, in the tourist district of Kuta, an attack, claimed to be the deadliest act of terrorism in the history of Indonesia, claimed the lives of 202 people, including 88 Australians and 38 Indonesian citizens. A further 240 people were injured. There is no question that that event was aimed at Australia and Australians, as well as encompassing citizens of countries with whom we are normally allied, including Great Britain, Canada, the US and New Zealand. There we saw firsthand some of the horrific affects of the explosion, in particular the burns victims who were distributed to hospital burns units across Australia. Many of them came under the care of our best doctors, including specialists like Fiona Wood.

In 2005 four suicide bombers struck in central London. That occurred on Thursday, 7 July, killing 52 people and injuring more than 770. Once again, scenes of devastation and injured people, many suffering horrific burns, were broadcast around the world.

But terrorism can take many forms—not always horrific events on a grand scale. There are those of a more targeted nature, for example roadside bombs and booby-trapped vehicles. This came home very clearly to me in 2008, when one of my own constituents, photojournalist Nigel Brennan, was kidnapped in Somalia and held hostage for 462 days. He and Canadian journalist Amanda Lindhout were held in isolation, in a tiny room, often in complete darkness. After an escape attempt Nigel was tortured and shackled until he and Amanda were eventually released, 10 months after that event.

It is very clear that this bill we are considering today has the capacity to determine that any event, large or small, can, in the right circumstances, qualify as an act of terrorism. In Section 35B—Declared overseas terrorist act—subsection (1) provides the Prime Minister may declare in writing that a terrorist act that occurs outside Australia is a 'declared overseas terrorist act'. The bill has a fair degree of bipartisan support, and one would hope that both sides of politics would exercise their discretion with decency and compassion and not lay down prescriptive guidelines for the minister of the day that would impede his or her discretion or limit our generosity as a nation. A kidnapping, where perhaps the major damage has been psychological, should not be excluded from the intent of this bill.

The government bill seeks to provide for the Australian victims of overseas terrorist acts compensation payments comparable to those received by domestic victims of crime under the state and territory victims-of-crime schemes. The bill prescribes a payment of up to $75,000, subject to certain conditions. These include the nature, duration and impact of the injury or disease; the likelihood of future loss, injury or disease; circumstances in which the injury or disease was incurred; the nature of the relationship between the primary and secondary victim; whether there are other persons who have made a claim; whether there is agreement by claimants on the amount that should be paid to each; whether there was an adverse Australian government travel advisory in existence; whether the person was directed not to go to the place where the attack occurred; and whether there are other payments from the Commonwealth, state, territory or a foreign country's government or another person or entity. The Australian government has assisted Australian victims of terrorism in the past by providing them with medical and evacuation support, consular assistance and assistance with
funeral costs and other expenses on an ex gratia basis. It was in this context that the
government commended to the House this Social Security Amendment (Supporting
Australian Victims of Terrorism Overseas) Bill 2011, building on the work of the Leader of
the Opposition and his private member's bill titled the Assisting the Victims of Overseas
Terrorism Bill 2010. The purpose of the opposition leader's private member's bill was to
provide additional financial support of up to $75,000 for Australians who are affected by
terrorism while they were overseas.

However, the bill we are discussing today is not necessarily retrospective. In fact, there is a
line in the sand from the time it receives assent. It could therefore leave a victim of, say, the
Bali bombings and other past terrorist acts without any financial support from this scheme.
Some might argue that there were ex gratia opponents. On the other hand there are probably
still people out there who could well do with amounts of up to $75,000. We just do not know.

In the coalition's view it would be extremely disappointing if the victims of the two Bali
bombings, the two Jakarta bombings, the London bombing and September 11 were not able to
access compensation. Further, the bill does not apply solely to the primary event. The bill
makes it clear that secondary health problems arising from the initial terrorism event can
qualify for ongoing treatment provided the total expenses are contained within the $75,000
limit. For example, if someone had their arms and legs bashed up in some explosion or event
and then at a later date was to suffer other problems—such as arthritis, or something of that
nature which was directly attributable—they would be covered. Even in that circumstance this
bill does not apply retrospectively.

Despite these reservations this bill has a lot to commend it. It would be a shame to walk
away from an opportunity to put an additional mantle of safety around injured Australians. As
the then Attorney-General Robert McClelland said in his second reading speech:
Terrorism is an unpredictable and stateless phenomenon. It can strike almost anybody, in any place and
at any time.

It is best, then, that we are ready, and it is in that spirit that I commend the bill.

WYATT ROY (Longman) (19:13): I rise tonight to speak to the Social Security
Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011. It is my
pleasure to speak to this bill, which will offer assistance to some of our most vulnerable
Australians, this bill that acknowledges who we are as Australians and what we believe in.

Australians are renowned for their intrepid sense of adventure. With their larrikin
personalities, young Australians are revered for fearlessly and boldly exploring the world
around them. For generations we as Australians have ventured to countries far and wide to
learn about other cultures and people and to enjoy the veritable smorgasbord of international
experiences on offer. It is the value our culture places on experiences that drives our young
people to exercise their sense of adventure, trying to do and see the things that they have
never before done or seen. It is this boldness that encourages our young people to take gap
years in between school and university, or between university and full-time employment, and
to spend the time travelling overseas.

Increasingly, family holidays are more often spent overseas than in our own country. Many
families travel together to our neighbours in Thailand, Bali or Fiji, or even further abroad to,
for instance, our friends in the United Kingdom and the United States. More than ever, we are
upwardly mobile. We are a country of people who enjoy overseas travel and, with the value we place on experiences, we consider travel to be one of the best experiences on offer. And this should not change. Travel has become a favourite pastime and the future ambition of many Australians, an ambition that we continue to aspire to and should be entitled to aspire to. There should be no reason why we cannot enjoy all that life has to offer, including overseas travel.

Unfortunately over the past decade much has changed. On the international stage, overseas terrorism has come upon us like a dark cloud. The events of the past decade mean that no longer can Australians boldly and carelessly explore the world without risk. I hope we never come to the point where we lose our sense of adventure, but the state of the world has changed. The purpose of terrorism is to scare. The point of these overseas terrorism attacks targeting Australians has been to frighten Australia into submission and to compromise the values by which we live our lives. Overseas tourism has become increasingly prevalent and its intended victims are not random. The crosshairs are on our way of life and our cultural values. We cannot afford to lose sight of the fact that these acts of terrorism are purposely designed to cause maximum damage to those who embody the values we hold so dear. They are deliberate acts to protest our Western civilisation for reasons that we cannot pretend to understand or respect.

In recent years we have collectively wept as members of our extended Australian family have become victims of acts of overseas terrorism. We have watched as we lost brothers and sisters in the World Trade Centre, in Bali, in London, in Jakarta and in Mumbai. There have been some 300-odd Australian victims of overseas terrorism in total and 300 lives that have been unnecessarily altered forever. We have watched as members of our community have become victims of an attack on Australia, Australians and the Australian way of life. Even now, more than a decade on from September 11, it is impossible to find a context to understand or excuse what has been done. And despite our current and continued efforts with our allies to stamp out these atrocious acts of terrorism and the dangerous organisations behind them, we are still engaged in a war on terrorism and it will be some time yet before we able to claim victory.

This is an ongoing effort which continues to see our troops working in Afghanistan and our Federal Police fighting for those values which are so very important to us. It is an effort we are committed to, to stand up for what we believe in, so that our children and our children's children will grow up sharing the same freedoms we enjoy now. Sadly, as yet, as a nation, it is not within our power to ensure absolute protection to those travelling overseas. As we have witnessed in the tragedies of the past decades, we cannot guarantee the safety of all Australians overseas. But this does not mean that when these insidious attacks take place we should not do everything in our power to assist those that have been attacked in our name. As a nation we owe a debt to our brothers and sisters who have been injured in these attacks on our way of life simply for being an Australian. Similarly to those who are serving in the Armed Forces in the war on terrorism, these Australians deserve our full support. The psychological and physiological damage will in many cases be long term. They will live with the sacrifices they have made permanently. Many of these victims are unable to continue to live their lives as they did previously. Many are forced to give up their jobs and their livelihoods because of the injuries they have suffered which make it untenable for them to
continue their work. There are sacrifices that should be acknowledged and compensated for by the broader Australian community.

This is not to say that these victims have been left without any assistance. The Australian government has always been forthcoming with assistance for medical costs incurred as a result of these foul attacks. But payment for medical bills for the injuries alone does not make up for the difficulties endured by the victims and their families. These individuals, who have been victims simply because of who they are and the Western ideals that they represent, do not deserve to be ignored or forgotten by the government. They do not deserve to be abandoned in their time of need. These victims deserve to be supported by our country. That is exactly what this bill is about: it is about taking care of those who happen to have been in the wrong place at the wrong time and who fall prey to the insidious attacks of overseas terrorism. This bill creates a mechanism that enables an Australian victim of terrorism overseas payment. Upon the Prime Minister's declaring a terrorist incident as one which the program applies to, the payment will provide up to $75,000 for individuals who are injured or to a close family member of a person killed as a result of a terrorist attack committed overseas. The bill allows for the creation of instruments to help determine what payment up to $75,000 each victim receives. This bill will ensure that those receiving the payment will not be required to repay other benefits or deduct Medicare from the sum. This is a payment which will go a small way in righting some of the wrongs that victims of terrorism are punished with.

Sadly, many of those who have lived through these incidents and attacks survive only to be unable to resume their prior lives. They are plagued by injuries—both injuries that we can see and those that we cannot see. Frequently they are simply unable to return to work as a result of the injuries and find themselves struggling financially. Those individuals left in this position should not need to fear how their immediate bills will be paid. They deserve to be confident that there is some assistance available to help during the difficult times. By no means can a payment such as this wipe away the past, but this payment is intended to offer support in a small way to those who need and deserve it most.

I would like to take this opportunity to commend the government on adopting the Leader of the Opposition's private member's bill on this issue. I note the significant contribution that the Leader of the Opposition has made by focusing attention on the need for a payment to be established for Australian victims of overseas terrorism. It has taken a long campaign to be where we are today, at the point where we are debating this bill, but this is a long-overdue measure which will make a big difference in the lives of those affected by overseas terrorism.

I find fault with only one aspect of this bill. Since September 11 2001, we have seen several acts of overseas terrorism and some 300 Australians have become victims of terrorist acts. However, under this bill as it currently stands these 300-odd people and their close families will not receive the Australian victim of terrorism overseas payment. The very people whose cause has highlighted the need for this bill will themselves not be eligible for its benefits. While we can all agree that it is vital we ensure the payment for Australians who become victims of terrorism in the future, it is equally important that we look after those who have already experienced the pain that acts of overseas terrorism can cause. As a nation it is important that we can come together on this issue and begin to mend some of the injury that has already been caused. These individuals and their families have already endured so much.
To deny them this opportunity would be a slap across the face for all they have experienced in Australia's name. Estimates are that making this bill retrospective to be inclusive of pre-existing victims would have a financial impact of $12 million. In the scheme of the war on terrorism this is a negligible amount, but the impact that this money would have for the 300 victims and their families would be extremely significant.

Strong fiscal management is an important key to government. Waste and mismanagement of taxpayers' funds is unforgivable and unacceptable, but the purpose of strong fiscal management is to ensure that those that are most vulnerable in our society are able to receive the support they need. The victims of overseas terrorism do indeed qualify as some of our most vulnerable, and they have not come to be vulnerable by their own making. These individuals and their families are victims of acts which they have no control over. They were targeted for who they were—for being Australian. For this, they deserve the support, understanding and consideration of our government, regardless of which side of the political fence it sits. An amount of $12 million in retrospective payments is a small price to pay for the families of 300 Australians to have some peace of mind. After the horrors they have endured, the least the Australian community can do is to provide a small amount of relief for the financial pressure they may experience.

This bill represents an important step in recognising the sacrifices that many Australians have made because of the lives we live and the values we hold dear. Whilst we cannot take back the horrors of the attacks, we can support the victims and we can continue to do everything in our capacity to stamp out the onerous actions that are forced upon them by terrorists who seek to deny our way of life. I commend the bill to the House.

Mrs GRIGGS (Solomon) (19:24): I rise in support of the Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2011. This legislation results from a private member's bill, Assisting the Victims of Overseas Terrorism Bill 2010, put forward by the Leader of the Opposition and adopted by the government. The opposition leader's private member's bill intended to provide financial support of up to $75,000 to Australian individuals who were injured or to a close family member of a person who was killed or who died within two years of suffering injuries resulting from an act of terrorism committed overseas.

In adopting the opposition leader's bill, the government's bill has established a mechanism for Australian victims of terrorism overseas payments, AVTO payments, through the social security system for such payments. I note that the bill will enable Australians who are victims of a declared overseas terrorist incident to claim financial support of up to $75,000. It will enable the Prime Minister to declare that a relevant overseas terrorist incident is one to which this scheme applies. It also establishes eligibility criteria so that payments can be made to long-term Australian residents who are victims of a relevant overseas terrorist act or, in the event of the death of a victim, to a close family member.

The bill ensures that victims are not required to repay or deduct Medicare or other benefits from any payments received under this scheme and it enables the enactment of legislative instruments to provide further guidance on the amount of assistance that each victim or close family member should receive. To quantify this further, the payment is not set at a maximum of $75,000 but on a sliding scale dependent on circumstances at the time. The Australian victims of overseas terrorism payments under this bill will see a person qualify for
consideration for payments where the person is a primary victim or a secondary victim of a declared overseas terrorist act, where the person or person's close family members are not involved in the commission of the terrorist act or where the person on the day the terrorist act occurred is an Australian resident. A primary victim refers to the person who was at the place and was harmed as a result of the terrorist act, whereas a secondary victim is a close family member of a deceased primary victim and refers to a partner, child, parent, sibling or guardian of the deceased person.

Acts of terrorism have impacted Australians both through the loss of life and through the ongoing trauma faced by those injured and by the loved ones left behind. No measure will ever take away the pain or heal the mental and physical injuries which result, but this bill does provide a very real and valuable mechanism for support. Historically, the federal government has funded disaster assistance for many Australian residents caught up in disaster incidents in other countries by way of ex gratia payment arrangements. The power of authority to make such payments comes by way of executive power to the Commonwealth under section 61 of the Australian Constitution. Such payments include provision for the evacuation of injured people, reasonable travel costs and reasonable medical costs where no other means to pay is available and reasonable costs for counselling and psychological care for families of Australian victims.

The Northern Territory, and in particular Darwin due to its geographical locality, has a very close affinity with the impacts of terrorism. For Territorians, Bali, for example, is just a two-hour flight away. For many, the opportunity to travel, particularly where the costs of airfares and accommodation can be less than the cost of an airfare to one of Australia's southern capitals, makes it an affordable destination for a holiday. I was there just recently. Many, many Territorians take their families there because it is so affordable and so close to where we live. But Territorians have also been scared by terrorist events. The Bali bombings of 2002 and 2005 come to mind. Our medical facilities, particularly the Royal Darwin Hospital, became pivotal and a major asset in the recovery and treatment of many of the victims of those two terrible, terrible events. The Territory's close proximity to our northern neighbours naturally fosters broader relations far beyond those witnessed through the formal processes of government. As a close neighbour of East Timor, Bali and wider Indonesia, and more broadly Singapore, Malaysia and the Philippines, for example, the Territory community is a strong multicultural mixed pot with ties throughout the Asia region.

Although the death of Osama bin Laden in May 2011 struck at the heart of international terrorism around the globe, the battle against terrorism remains ongoing. More recently, on Sunday, 18 March 2012, as a result of a covert surveillance operation, Indonesian police took decisive action to detain a group of five people identified as members of a suspected militant group. The five members were believed to be planning a bombing at a local bar frequented by Australian tourists in the Seminyak area of Bali. In terms of terrorist threats, this is a timely reminder of the importance of always remaining vigilant.

Additionally, and just as importantly, this is a moment in time for us to consider how we support the victims and their families—those Australians impacted by these events. Israel and Northern Ireland have similar schemes in place for compensation or access to mechanisms for compensation relating to local acts of terrorism. The United States supports a compensation
model not provided by the government purse but accessible as a required policy product offered by private insurance companies.

In conclusion, I support the bill before this House and I recognise the efforts of the Leader of the Opposition in his work on this very, very important issue. Terrorism is a hateful crime. It is indiscriminate in nature, targeting civilians, and is designed to have a significant impact, but it is yet to attain a universal definition. Regardless, this bill is about the value of putting in place mechanisms to provide compassion to Australians who are injured and the close family members of Australians who are killed as a result of a terrorist incident. With the most recent activities in Bali and the deaths of five suspected terrorists fresh in my mind, I believe the value of this bill and the efforts of the opposition leader and the government on this issue cannot be overstated. I commend the bill to the House.

Debate adjourned.

Federation Chamber adjourned at 19:33