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### SITTING DAYS—2015

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—SIXTH PERIOD

Governor-General
His Excellency General the Hon. Sir Peter Cosgrove AK, MC (Retd)

House of Representatives Office holders
Speaker—Hon. Bronwyn Kathleen Bishop MP
Deputy Speaker—Hon. Bruce Craig Scott MP
Second Deputy Speaker—Mr Robert George Mitchell MP
Members of the Speaker's Panel—Mr Russell Evan Broadbent MP,
Ms Anna Elizabeth Burke MP, Ms Sharon Catherine Claydon MP,
Mr Patrick Martin Conroy MP, Mr Alexander George Hawke MP,
Mr Ian Reginald Goodenough MP, Mrs Natasha Louise Griggs MP,
Ms Sarah Moya Henderson MP, Mr Stephen James Irons MP, Mr Ewen Thomas Jones MP,
Mr Craig Kelly MP, Ms Michelle Leanne Landry, Ms Clare Ellen O'Neil, MP,
Mrs Jane Prentice MP, Mr Donald James Randall MP, Mr Ross Xavier Vasta MP,
Mr Brett David Whiteley MP, Mrs Lucy Elizabeth Wicks MP

Leader of the House—Hon. Christopher Pyne MP
Deputy Leader of the House—Hon. Luke Hartsuyker MP
Manager of Opposition Business—Hon. Anthony Stephen Burke MP
Deputy Manager of Opposition Business—Hon. Mark Dreyfus QC MP

Party Leaders and Whips
Liberal Party of Australia
Leader—Hon. Anthony John Abbott MP
Deputy Leader—Hon. Julie Isabel Bishop MP
Chief Government Whip—Mr Scott Buchholz MP
Government Whips—Mr Andrew Alexander Nikolic, AM, CSC and
Ms Nola Bethwyn Marino MP

The Nationals
Leader—Hon. Warren Errol Truss MP
Deputy Leader—Hon. Barnaby Thomas Gerard Joyce MP
Chief Whip—Mr Mark Maclean Coulton MP
Deputy Whip—Mr George Robert Christensen MP

Australian Labor Party
Leader—Hon. William Richard Shorten MP
Deputy Leader—Hon. Tanya Joan Plibersek MP
Chief Opposition Whip—Mr Christopher Patrick Hayes MP
Opposition Whips—Ms Jill Griffiths Hall MP and Ms Joanne Catherine Ryan MP

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<td>Bonner, QLD</td>
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<tr>
<td>Watts, Mr Timothy Graham</td>
<td>Gellibrand, VIC</td>
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<tr>
<td>Whiteley, Mr Brett David</td>
<td>Braddon, TAS</td>
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<tr>
<td>Wicks, Mrs Lucy Elizabeth</td>
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<tr>
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<th>Division</th>
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<tr>
<td>Wilkie, Mr Andrew Damien</td>
<td>Denison, TAS</td>
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<td>Williams, Mr Matthew</td>
<td>Hindmarsh, SA</td>
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<td>Wilson, Mr Richard James</td>
<td>O'Connor, WA</td>
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<tr>
<td>Wood, Mr Jason Peter</td>
<td>La Trobe, VIC</td>
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<tr>
<td>Wyatt, Mr Kenneth George AM</td>
<td>Hasluck, WA</td>
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<tr>
<td>Zappia, Mr Antonio</td>
<td>Makin, SA</td>
<td>ALP</td>
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- Clerk of the Senate—R Laing
- Clerk of the House of Representatives—D Elder
- Acting Secretary, Department of Parliamentary Services—D Heriot
- Parliamentary Budget Officer—P Bowen
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<tr>
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<tr>
<td>Prime Minister</td>
<td>The Hon. Tony Abbott MP</td>
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<tr>
<td>Minister for Indigenous Affairs</td>
<td>Senator the Hon. Nigel Scullion</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Public Service</td>
<td>Senator the Hon. Eric Abetz</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister on Counter-Terrorism</td>
<td>The Hon Michael Keenan MP</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for Women</td>
<td>Senator the Hon. Michaelia Cash</td>
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<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon. Charles Porter MP</td>
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<td>The Hon. Alan Tudge MP</td>
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<tr>
<td>Minister for Infrastructure and Regional Development</td>
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<td>(Deputy Prime Minister)</td>
<td>The Hon. Jamie Briggs MP</td>
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<tr>
<td>Minister for Foreign Affairs</td>
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<tr>
<td>Minister for Trade and Investment</td>
<td>The Hon. Andrew Robb AO MP</td>
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<tr>
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<td>The Hon. Steven Ciobo MP</td>
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<tr>
<td>Minister for Employment</td>
<td>Senator the Hon. Eric Abetz</td>
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<tr>
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<tr>
<td>(Deputy Leader of the House)</td>
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<tr>
<td>Attorney-General</td>
<td>Senator the Hon. George Brandis QC</td>
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<tr>
<td>Minister for the Arts</td>
<td>Senator the Hon. George Brandis QC</td>
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<tr>
<td>(Vice-President of the Executive Council)</td>
<td>The Hon. Michael Keenan MP</td>
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<tr>
<td>(Deputy Leader of the Government in the Senate)</td>
<td>The Hon. Michael Keenan MP</td>
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<td>Minister for Justice</td>
<td>The Hon. Michael Keenan MP</td>
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<tr>
<td>Parliamentary Secretary to the Attorney-General</td>
<td>Senator the Hon Concetta Fierravanti-Wells</td>
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<tr>
<td>Treasurer</td>
<td>The Hon. Joe Hockey MP</td>
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<tr>
<td>Minister for Small Business</td>
<td>The Hon. Bruce Billson MP</td>
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<tr>
<td>Assistant Treasurer</td>
<td>The Hon. Joshua Frydenberg MP</td>
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<td>Parliamentary Secretary to the Treasurer</td>
<td>The Hon. Kelly O'Dwyer</td>
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<tr>
<td>Minister for Agriculture</td>
<td>The Hon. Barnaby Joyce MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Agriculture</td>
<td>Senator the Hon. Richard Colbeck</td>
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<tr>
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<td>The Hon. Christopher Pyne MP</td>
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<td>(Leader of the House)</td>
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<tr>
<td>Minister for Social Services</td>
<td>The Hon. Scott Morrison MP</td>
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<tr>
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<tr>
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<td>Minister for Human Services</td>
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<tr>
<td>Minister for Industry and Science</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Industry and Science</td>
<td>The Hon. Karen Andrews MP</td>
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<tr>
<td>Title</td>
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<tr>
<td><strong>Minister for Defence</strong></td>
<td>The Hon. Kevin Andrews MP</td>
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<tr>
<td>Minister for Veterans' Affairs</td>
<td>Senator the Hon. Michael Ronaldson</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Centenary of ANZAC</td>
<td>Senator the Hon. Michael Ronaldson</td>
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<tr>
<td>Assistant Minister for Defence</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Defence</td>
<td>The Hon. Darren Chester MP</td>
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<tr>
<td><strong>Minister for Communications</strong></td>
<td>The Hon. Malcolm Turnbull MP</td>
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<tr>
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<td>The Hon. Paul Fletcher MP</td>
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<tr>
<td><strong>Minister for Immigration and Border Protection</strong></td>
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<tr>
<td>Assistant Minister for Immigration and Border Protection</td>
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<tr>
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<td>The Hon. Greg Hunt MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for the Environment</td>
<td>The Hon. Robert Baldwin MP</td>
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<tr>
<td><strong>Minister for Finance</strong></td>
<td>Senator the Hon. Mathias Cormann</td>
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<tr>
<td>Special Minister of State</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Finance</td>
<td>The Hon. Michael McCormack MP</td>
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<tr>
<td><strong>Minister for Health</strong></td>
<td>The Hon. Sussan Ley MP</td>
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<tr>
<td><strong>Minister for Sport</strong></td>
<td>The Hon. Sussan Ley MP</td>
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<tr>
<td>Assistant Minister for Health</td>
<td>Senator the Hon. Fiona Nash</td>
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<td>Hon. Bill Shorten MP</td>
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<tr>
<td>Shadow Minister Assisting the Leader for Science</td>
<td>Senator the Hon. Kim Carr</td>
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<tr>
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<tr>
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<td>Julie Owens MP</td>
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<tr>
<td>Shadow Cabinet Secretary</td>
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<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
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<tr>
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<tr>
<td>Shadow Minister for Women</td>
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<tr>
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<td>Hon. David Feeney MP</td>
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<tr>
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<td>Hon. Matt Thistlethwaite MP</td>
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<td>Senator the Hon. Penny Wong</td>
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<tr>
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<tr>
<td>Shadow Parliamentary Secretary for Aged Care</td>
<td>Senator Helen Pooley</td>
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<tr>
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CHAMBER
Wednesday, 12 August 2015

The SPEAKER (Hon. Tony Smith) took the chair at 09:00, made an acknowledgement of country and read prayers.

BUSINESS

Rearrangement

Mr ROBB (Goldstein—Minister for Trade and Investment) (09:01): by leave—I move:

That so much of the standing orders be suspended as would prevent:

(1) the order of business in the Federation Chamber for today being as follows: at 9.30 am, Members' constituency statements for 60 minutes, followed by private Members' business previously accorded priority in the Federation Chamber for the sitting on Monday, 10 August; and

(2) any variation to this arrangement to be made only by a motion moved by a Minister.

Question agreed to.

BILLS

Maritime Transport and Offshore Facilities Security Amendment (Inter-State Voyages) Bill 2015

First Reading

Bill and explanatory memorandum presented by Mr Truss.

Bill read a first time.

Second Reading

Mr TRUSS (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (09:03): I move:

That the bill be now read a second time.

This bill reiterates the government's efforts to boost productivity by reducing the cost of regulation on Australian industry.

The Maritime Transport and Offshore Facilities Security Amendment (Inter-State Voyages) Bill 2015 will amend the Maritime Transport and Offshore Facilities Security Act 2003 to remove Australian regulated ships that are used solely for interstate voyages from the existing regulatory regime.

The act establishes a regulatory framework to safeguard against unlawful interference with Australian ports, maritime transport and offshore facilities. It gives effect to Australia's international obligations under the International Convention for the Safety of Life at Sea 1974 and the International Ship and Port Facility Security Code.

Currently under the act, all Australian flagged ships of 500 gross tonnes or more, or that carry 13 or more passengers on international and interstate voyages are security regulated. They must have a Ship Security Plan which includes a security assessment of their operations that provides information on the security measures that the ship has put in place to prevent unlawful interference and the action they would take if an incident occurs.

At present, Australian flagged ships that travel on domestic interstate voyages incur costs due to security regulations that are not incurred by (unregulated) Australian flagged ships that
only undertake intrastate voyages. This is despite there being arguably no increase in security risk as a result of crossing a domestic state border.

Australia has no obligation to security regulate interstate shipping and there is limited benefit in continuing to do so. The security risks will not change if the existing regulatory regime is removed. The proposed deregulation action will remove the disparity between intrastate and interstate shipping and provide an estimated saving to industry of $938,000 per year.

It is in the public interest to continue the security regulation of passenger and vehicle ferries used for interstate voyages due to the nature of their operations in transporting large numbers of passengers and vehicles. Therefore, it is proposed to develop appropriate amendments to the Maritime Transport and Offshore Facilities Security Regulations 2003 to continue the security regulation of such ships.

The government is committed to ensuring the safety of the travelling public and advancing our maritime trade interests.

Ensuring Australia's maritime transport sector is secure and efficient is central to those outcomes. As such, the maritime transport security regulatory framework is regularly reviewed to ensure it is responsive to changes in the maritime security environment.

This bill has no impact on the security obligations of foreign flagged ships under the act.

I commend the bill to the House.

Debate adjourned.

Crimes Legislation Amendment (Powers, Offences and Other Measures) Bill 2015

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr KEENAN (Stirling—Minister for Justice and Minister Assisting the Prime Minister on Counter-Terrorism) (09:07): Thank you, Mr Speaker. It is so good to see you up there in the chair. The Crimes Legislation Amendment (Powers, Offences and Other Measures) Bill 2015 delivers on the government's continuing commitment to implement tough and effective measures to assist in the fight against crime. The measures in this bill will help make our streets, homes and communities safer. Fighting and preventing criminal activity is a key priority for this government since only safe communities can become safe, strong and prosperous communities.

I take this opportunity to thank the Senate Standing Committee for the Scrutiny of Bills and the Parliamentary Joint Committee on Human Rights for their constructive contributions to this debate. I have formally responded to both committees. I also thank the Senate Legal and Constitutional Affairs Committee for its consideration of the bill. That committee recommended that the bill be passed subject to the Commonwealth, states and territories considering a review of under-age sex offences to ensure they are consistent with the forced marriage offences in the bill. My department will work with the states and territories, as appropriate, to consider the relevant laws and arrangements. I also thank honourable members who have contributed to the debate on this bill.
I would now like to address some of the key points that have been raised. The member for Batman, who joins us in the chamber, has suggested that the 'knowingly concerned' measure is uncertain in its scope and application. The measure will be inserted into section 11.2 of the Criminal Code and will apply in the same manner as existing forms of secondary criminal liability, namely measures which make it illegal to aid, abet, counsel or procure an offence.

In order to be guilty of being knowingly concerned in the commission of an offence the person must have intentionally involved themselves in the commission of an offence. 'Knowingly concerned' is not intended to capture situations where a person innocently or unknowingly participates in a crime or associates with an offender. While 'knowingly concerned' has not been part of the Criminal Code in recent times it has a significant history in federal legislation and currently forms part of the Australian Capital Territory's Criminal Code—hardly a jurisdiction that is known for its right-wing views on criminal matters. This means that there is a large body of case law for prosecutors and courts to draw upon when assessing new cases under this provision. The member for Batman also argued against this measure on the basis that the Model Criminal Code Officers Committee, which was established in the 1990s to develop a model criminal code for all jurisdictions, did not support it.

The majority of jurisdictions have not adopted the model code or even enacted reforms to the principles of criminal responsibility that ministers agreed to over a decade ago. In addition, the extension of liability is generally more applicable to Commonwealth offences, such as fraud and drug importation. Nevertheless, the Commonwealth has endeavoured to ensure that its Criminal Code is as consistent as possible with the model code. However, the committee's historical decision to omit 'knowingly concerned' from the model code should not prevent the government from making important reforms to matters within its jurisdiction where an operational need exists. In this case, there is a clear indication from Commonwealth law enforcement and the prosecutorial agencies that in practice at the Commonwealth level the absence of a provision for knowingly concerned is a deficiency.

The member for Batman has also suggested that a further public consultation process, in addition to the one that the Senate legal and constitutional affairs committee has already undertaken, is required before it will support the knowingly-concerned measure. The Attorney-General's Department liaises with stakeholders and relevant professional bodies when appropriate to do so. The department also consults state and territory governments, as necessary, on cross-jurisdictional reforms. However, the measures in this bill are designed to equip Commonwealth law-enforcement agencies with the tools they need to investigate and prosecute Commonwealth crimes. Accordingly, the bill was primarily informed by these agencies' assessment of emerging crime trends and operational gaps. Just as other Australian jurisdictions prepare laws to suit their requirements, it is appropriate that Commonwealth laws be adapted to support our agencies respond to the day-to-day challenges they face in investigating and prosecuting Commonwealth offences.

The member for Batman also suggested, in his contribution, that it is preferable to increase the maximum penalties for firearms offences as opposed to introducing a mandatory minimum sentence. The maximum penalties for firearms offences, under the Criminal Code Act 1995, are imprisonment for 10 years, a fine of $425,000 or both. The government
considers it appropriate to introduce a mandatory minimum sentence of five years imprisonment rather than increase the maximum penalty.

We believe the introduction of mandatory minimum sentences will act as a stronger disincentive for people seeking to illegally import and export firearms and firearms parts into and out of Australia. This is a similar view to that of the United Kingdom government, which has introduced mandatory minimum sentences for firearms-trafficking offences. The member for Batman also suggested that we have failed to explain the need for mandatory sentencing. The government considers that illegal firearms trafficking is a serious offence worthy of mandatory minimum penalties. This sends a strong message on the seriousness with which the government takes gun related crime and violence, and it is appropriate that the new mandatory minimum sentences capture all offenders who engage in the illicit firearms trade not just those who trade in large numbers of firearms or parts.

The entry of even a small number of illegal firearms into the Australian community can have a significant impact on the threat posed by the illicit market and, due to the enduring nature of firearms, a firearm can remain within that market for many years. Regardless of the number of articles that have been trafficked it is necessary to put in place substantial penalties on all trafficking offences—with the aim of preventing even one more firearm from entering the illicit market.

This bill makes a range of important amendments to combat serious criminal activity, support our law-enforcement agencies and ensure that the Commonwealth criminal laws remain comprehensive and up-to-date. The bill will impose tough mandatory minimum penalties for firearms trafficking and the supply of firearms and firearms parts to the illicit market. These measures will ensure that the punishments for these serious offences are commensurate with the threat to Australian society posed by gun related crime.

The bill will improve the operation of the serious drug and precursor offences in the Criminal Code. These amendments will support the government's response to the growing problem of methamphetamine and ice, and the widespread devastation and destruction this drug causes. The amendments will improve our ability to bring to justice those who seek to profit from the trade in illicit drugs, and will ensure that they face severe punishments for their crimes.

This government is committed to protecting the most vulnerable in our society. The bill will clearly demonstrate this commitment by increasing the penalties for forced marriage offences, and it will expand the definition of 'forced marriage' in the Criminal Code. These offences will assist authorities to protect potential victims and will punish offenders appropriately for this insidious crime.

The bill will also strengthen Australia's war crimes regime by simplifying and clarifying war crimes offences relating to violations of dignity of deceased persons in non-international conflict zones. These amendments support Australia's international obligations and reflect our strong commitment to hold those responsible for atrocities in conflict zones to account.

The bill also contains a range of measures that reflect the government's ongoing commitment to supporting law-enforcement agencies and to providing them with effective and appropriate tools and powers. In order to bolster Australia's tough response to money
laundering and terrorism financing, the bill will make several amendments to address enforceability issues and redress operational constraints identified by Austrac.

The coalition government has made an election commitment to stamp out corruption within Australia's law enforcement and border enforcement agencies. To support this important commitment the bill empowers the Law Enforcement Integrity Commissioner to perform their functions efficiently and effectively, whilst also providing sufficient safeguards around the exercise of those functions. The bill will also improve the efficiency and effectiveness of special operations and investigations undertaken by the Australian Crime Commission.

Finally, the bill contains a range of measures aimed at ensuring that the Commonwealth's criminal offence regime remains robust and effective. It is imperative that people who actively participate in crime can be prosecuted for their behaviour.

The Crimes Legislation Amendment (Powers, Offences and Other Measures) Bill delivers on the government's continuing commitment to tackle crime and keep our community safe. It does so by providing our law enforcement agencies with the tools and the powers they need to do the job and by ensuring that Commonwealth laws are robust and effective.

The bill continues to reflect the government's unwavering efforts to target criminals and reduce the heavy cost of crime for all Australians. I again thank those who have participated in this debate and I commend the bill, in its unamended form, to the House.

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

Question agreed to.

Bill read a second time.

Consideration in Detail

Mr FEENEY (Batman) (09:18): by leave—I move amendments (1) and (2), as circulated in my name, together:

(1) Schedule 5, page 10 (lines 1 to 26), omit the Schedule.
(2) Schedule 6, page 11 (lines 1 to 23), omit the Schedule.

I rise to speak to Labor's concerns about two of the proposed elements found in the Crimes Legislation Amendment (Powers, Offences and Other Measures) Bill 2015. Labor is concerned about the insertion of 'knowingly concerned' as a secondary form of criminal liability, and the introduction of mandatory minimum sentences for firearms trafficking offences.

As detailed in my speech on the second reading, we note the strong opposition held by peak law organisations with respect to these amendments, and we note the lack of consultation that has occurred with respect to this bill. Not only has the government failed to engage with stakeholders with regard to these amendments, but it has also failed to justify the need for an additional form of secondary criminal liability to apply to all offences in the Criminal Code.

The government has highlighted particular categories of offences where the concept of 'knowingly concerned' is required, including drug and drug importation offences and insider trading offences. However, all of the offences identified have already been drafted in a way that addressed the concerns raised without the need to include 'knowingly concerned'. Labor
believes that the proposed change in relation to the introduction of 'knowingly concerned' is a major change to the Model Criminal Code. Leading up to the adoption of the Model Criminal Code in 1995, there was a long consultation. The consultation occupied some years and included some of Australia's leading criminal practitioners. There ought to be a full consultation in relation to any proposed general change to the Model Criminal Code. As the Australian Human Rights Commission noted in a submission to the Senate committee, it is difficult to anticipate the impact of extending this form of liability to all offences. Labor does not oppose the introduction of the element of 'knowingly concerned' in relation to individual offences in appropriate cases and, indeed, this has already occurred in relation to a number of offences in Commonwealth legislation.

Let me now turn to the issue of mandatory minimum sentencing. The Abbott government has continued to accuse Labor of not putting up a fight against organised crime because of our successful amendments to the Crimes Legislation Amendment (Psychoactive Substances and Other Measures) Bill 2014, where we successfully removed mandatory minimum sentencing for the trafficking of firearms into Australia. In 2012, Labor introduced legislation that would have increased the maximum penalty for firearms trafficking to life imprisonment, and that would have made it the same maximum penalty as presently exists for drug trafficking. Whilst Labor supports the government's intention to protect the community from gun related violence, we urge the Abbott government to adopt a similar sentencing regime in relation to the proposed firearms trafficking offences. This would send a strong message to serious criminals but would avoid the issues and the perverse consequences that are associated with mandatory minimum sentences.

The Australian Labor Party maintains its position that the introduction of mandatory minimum sentences for those convicted of firearm trafficking offences should be avoided. We note that these provisions have already been considered and rejected by the parliament and that the government has failed, yet again, to justify the need for these provisions. The Senate Committee on Legal and Constitutional Affairs received evidence from a number of submitters who strongly oppose the introduction of these amendments. The Law Council of Australia referred to a number of unintended consequences in mandatory sentencing which include undermining the community's confidence in the judiciary and the criminal justice system as a whole. The Australian Human Rights Commission noted that these amendments give rise to the potential for injustices to occur and that they run counter to the fundamental principle that punishment should fit the crime. We also note the concerns previously raised by state prosecutors who believe that these provisions can lead to unjust results and impose a significant burden on the justice system.

While there is no evidence that mandatory sentencing laws have a deterrent effect, there is clear evidence that they can result in injustice because they remove the discretion of a judge to take into account particular circumstances that may result in unintended consequences. In addition, mandatory sentencing removes any incentive for defendants to plead guilty, leading to longer, more contested and more costly trials.

Labor cannot support the bill in its current form. We urge the government to conduct a proper consultation process before proceeding with any change to the Model Criminal Code. We agree with the recommendation of the Law Council of Australia that, where there is a need to extend criminal complicity, the proposed amendments should be specific to that
offence only. We also urge the government to replace the imposition of mandatory minimum sentences for firearms trafficking offences with increased penalty provisions, as set out in the Crimes Legislation Amendment (Organised Crime and Other Measures) Bill 2012.

The opposition will move amendments in this House to remove schedules 5 and 6 of the bill, which would introduce the concept of knowingly concerned as a secondary form of criminal liability and the imposition of mandatory minimum sentencing. I commend our amendments to the House.

Mr KEENAN (Stirling—Minister for Justice and Minister Assisting the Prime Minister on Counter-Terrorism) (09:24): In moving these amendments, the shadow minister for justice has confirmed what we already know: Labor is soft on crime and soft on criminals. To take away schedules 5 and 6 from this bill will take away the tools that our police and the DPP need to prosecute crooks. We are opposing these amendments because we have been advised by our operational agencies that they are needed to tackle the threat of serious and organised crime.

We know that Labor have got form on this. When they were in office for six years they degraded the ability of our policing agencies to do their job. The Crime Commission, in particular, our most powerful law enforcement agency, were savaged by the previous government. They had their budget cut by one-third; they had their personnel cut by one-third. There were cuts to the Australian Federal Police, to other Australian law enforcement agencies and to Customs that actually allowed more illicit guns to come into the community. The Labor Party have form on this. And to remove schedules 5 and 6 is another example that they cannot be trusted to protect the Australian community from serious and organised crime.

Exactly the same thing has been done with the amendments in the bill that have been moved in the other place. Amendments to remove schedules 5 and 6 have just been moved by the shadow minister for justice here in this House but, in the Senate, they have been moved by the Australian Greens. So the Labor Party joins with the Australian Greens in stopping reforms that our law enforcement agencies need in order to do their jobs to tackle serious and organised crime.

Removing schedule 5 will remove the concept of 'knowingly concerned,' which has previously been included in the Commonwealth Crimes Act. The DPP have advised us that the absence of the term 'knowingly concerned' is a significant impediment to their ability to effectively investigate and prosecute individuals who have intentionally involved themselves in a crime but who are disconnected from the physical aspects of the offence.

These issues become worse because of modern technology that allows offenders to, increasingly, participate in crimes in remote ways—for example, by engaging with co-defenders or conducting offences online. The CDPP has advised that the inclusion of 'knowingly concerned' would be particularly helpful in prosecuting serious and organised criminal activity. Why is that the case? Because the kingpins of crime, the serious and organised criminals, are smart enough to remove themselves from the physical aspects of the offence. So for the DPP to go after the kingpins of crime, the serious and organised criminals, they need this schedule—the application of 'knowingly concerned' in the bill, to do their job of catching crooks. This is something that the Labor Party now wants to deny them.
The bill will support our law enforcement agencies and the CDPP, by ensuring that people who knowingly support and enable crimes, such as the importation of drugs, fraud and insider trading, will actually be held responsible, despite the fact that they were not the person taking direct delivery of the drug, handing over the money or forging the signature. Removing schedule 5 from the bill removes the ability of our agencies to do their job. I am really astonished that the Labor Party would take the same position as the Australian Greens, who are complete outliers on things to do with the safety of the Australian community. The fact that Labor have taken that position, I think, tells you everything about where they stand on these issues.

If I can move on to schedule 6, which the opposition also wants to remove from the bill. Schedule 6 imposes mandatory minimum sentences for firearms trafficking. We want to impose mandatory sentencing because we believe that it sends the strongest possible signal that we will not tolerate gun crime. One illegal gun in the community can do enormous damage. We want to ensure that, if you are smuggling guns, you will face the full force of Australian law. A good way of ensuring that that is the case is to send the message that, if you smuggle guns or gun parts, you will face a minimum sentence. The amendments will be significant in our fight against organised crime. Regardless of the number of articles that have been trafficked, it is necessary for us to enforce substantial penalties for all trafficking offences, with the aim of preventing even one more gun from moving into the illicit firearms market.

We consider that it is appropriate to introduce minimum sentencing of five years. (Extension of time granted) We believe the introduction of a mandatory minimum sentence will act as a strong disincentive for people seeking to illegally import and export firearms, and firearms parts, in and out of Australia. A similar view is being taken by the government of the United Kingdom, which has also introduced mandatory minimum sentences for firearms trafficking offences.

In seeking to move amendments that remove schedules 5 and 6 from this bill, the Labor Party are signalling in the strongest possible way that they have learnt nothing from their period in government. They did not prioritise the safety of the Australian people. They consistently took resources away from our policing agencies. They consistently had a record of not standing up against organised and serious crime. Frankly, were these amendments to be passed, it would neuter some of the most effective and important aspects of this bill, a bill that is important to tackle serious and organised crime around Australia.

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

The House divided. [09:34]

(The Deputy Speaker—Mr Mitchell)

Ayes .....................46
Noes .....................80
Majority..................34

AYES

Albanese, AN  Bandt, AP
Bird, SL  Bowen, CE
Brodtmann, G  Burke, AE
Burke, AS  Butler, TM

CHAMBER
AYES

Byrne, AM
Champion, ND
Clare, JD
Collins, JM
Elliot, MJ
Feeney, D
Giles, AJ
Hall, JG (teller)
Jones, SP
Macklin, JL
Marles, RD
O'Conner, BPJ
Owens, J
Perrett, GD
Rishworth, AL
Ryan, JC (teller)
Thistlethwaite, MJ
Vamvakinou, M
Wilkie, AD

Chalmers, JE
Chetters, LM
Claydon, SC
Conroy, PM
Ellis, KM
Ferguson, LDT
Griffin, AP
Hayes, CP
King, CF
MacTiernan, AJGC
Neumann, SK
O'Neil, CE
Parke, M
Ripoll, BF
Rowland, MA
Swan, WM
Thomson, KJ
Watts, TG
Zappia, A

NOES

Alexander, JG
Baldwin, RC
Bishop, BK
Broad, AJ
Brough, MT
Chester, D
Cobb, JK
Coultton, M (teller)
Entsch, WG
Frydenberg, JA
Gillespie, DA
Griggs, NL
Hawke, AG
Hendy, PW
Howarth, LR
Hutchinson, ER
Jensen, DG
Joyce, BT
Kelly, C
Landry, ML
Ley, SP
Marino, NB
McCormack, MF
McNamara, KJ
Nikolic, AA (teller)
O'Dwyer, KM
Pitt, KJ
Prentice, J
Pyne, CM
Robb, AJ
Roy, WB

Andrews, KL
Billson, BF
Briggs, JE
Broadbent, RE
Buchholz, S
Christensen, GR
Coleman, DB
Dutton, PC
Fletcher, PW
Gambaro, T
Goodenough, IR
Hartsuyker, L
Henderson, SM
Hogan, KJ
Hunt, GA
Irons, SJ
Jones, ET
Keenan, M
Laming, A
Laundy, C
Macfarlane, IE
Markus, LE
McGovern, C
Morrison, SJ
O'Dowd, KD
Pasin, A
Porter, CC
Price, ML
Ramsey, RE
Robert, SR
Ruddock, PM
Mr KEENAN (Stirling—Minister for Justice and Minister Assisting the Prime Minister on Counter-Terrorism) (09:43): I present the replacement explanatory memorandum for this bill.

Mr KEENAN (Stirling—Minister for Justice and Minister Assisting the Prime Minister on Counter-Terrorism) (09:44): by leave—I move: That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Mr RIPOLL (Oxley) (09:44): I want to speak briefly on the bill itself, and I want to make sure that I place a few comments on the record about this bill, about what it does and about how it will impact small business in a range of ways. Much has been made by this government of the small business measures in the budget, and those opposite are very quick to speak rapaciously about themselves. I am sure that will be the case, again, in the debate on this particular bill. When this small business bill was introduced into this place the minister said:

This is … the largest jobs and small business … package in Australia's history.

That is a big call. I want to remind the minister that just talking about jobs will not actually create jobs, and it certainly will not help with the highest unemployment rate in two decades that this government is now presiding over. All the rhetoric, all the theatrics and everything else that we get in this place certainly will not help the people who find themselves on the unemployment queues. This government has presided over the decline and end to our
automotive industry. This government has broken its promise to build our future submarines in Australia, which would employ Australians in much-needed jobs of the future.

I want to congratulate the maritime workers and all workers currently visiting Parliament House. They are here to remind the government of the promises they made to South Australia and to the shipbuilding industry when they were in opposition and running around the country making promises to a whole range of people, which they are finding now difficult to keep.

What we have in front of us is a very sluggish wages growth and a government intent on attacking the wages of some of our lowest paid workers. They are the facts. If this government were really serious about small business and really honest about jobs and growth, then why is it that the Australian Bureau of Statistics' data confirmed that unemployment, last month, rose to 6.3 per cent. That is a very big number. It is a terrible number because of what it means for ordinary people and their families, as well as what it means for confidence in small business and in our economy, and because of what it means for people's ability to manage their own smaller economies, their household budgets, their household economies.

What we see before us is that, for the first time in 20 years, there are now more than 800,000 Australians unemployed. That is the first time in two decades. It is 114,000 more people who have joined the jobs' queue since Tony Abbott and this government were elected and since Bruce Billson was appointed Minister for Small Business. That is not something that this government ought to be proud of. When you hear the government members talk, they are going to crow about this in some way. But this is good as I cannot wait to hear how they will spin that.

The last time the unemployment rate was 6.3 per cent was in 2002 when Tony Abbott, under a previous government, was responsible for employment. The unemployment rate is higher now than it was under Labor during the global financial crisis. Unemployment, believe it or not, is higher today, supposedly under the genius stewardship of the Liberal government, than it was under Labor during the global financial crisis.

While Tony Abbott and the Liberals were trying, last week, to save the Speaker's job, 40,000 Australians joined the jobless queue in July. The figures also show a disturbing 0.4 per cent spike in youth unemployment with 13.8 per cent of 15- to 24-year-olds unable to find work. That is almost 300,000 young Australians currently unemployed. These are really bad numbers. These are numbers that the government should be focusing all of its attention on rather than the other things that it finds itself preoccupied with.

Australia does need a plan for jobs and it needs a plan for the future. Sadly it is not getting either from this government. It is clear that the Liberals do not have a plan. They do not have a plan for jobs, let alone a plan for jobs of the future. It seems that they can always come up with a plan for their own jobs but they are not so good at finding a plan for jobs for ordinary Australians.

Labor will never support—just to be clear—a two-tiered penalty-rate system that would leave millions of Australian workers worse off. This is an assault on decent working conditions of Australia's 11.8 million workers. But it seems to be the only rhetoric the liberal government can make when it talks about jobs. It immediately transitions from jobs to just penalty rates, that somehow this will fix all ills. Sadly, it is not the answer.
Labor's shadow minister for employment, Brendan O'Connor, got it right when he noted that rather than a race to the bottom on wages Labor believes the government should focus on jobs and economic growth through investing in skills and training, infrastructure, innovation and entrepreneurship. They are things that seem almost foreign to this government. Labor does have a plan for the jobs of the future and I will return to that in a little while.

The specific measures of this bill are welcomed by Labor, particularly the tax offset for unincorporated small businesses. It is a relatively modest boost. Let us be honest, it is good—it is welcome, there is no question about that—but it is very modest. That five per cent capped at $1,000 is small. A lot of small businesses will be enjoying the fruits, of up to $1,000, but I am sure they will not be throwing massive parties about the largess from this Liberal government.

Let me remind you of where some real and significant work was done to assist small business. It was Labor that gave the single biggest tax cut in history for small business. Labor gave that single tax cut for unincorporated small businesses back in 2012, when it increased the tax-free threshold from $6,000 to $18,200 and it continues to go up. That was a significant increase and was the single biggest tax cut for small businesses, which they will continue to enjoy into perpetuity. That is called real assistance. It was Labor that made that change and it was a significant boost to all sole traders, to the mum-and-dad entrepreneurs and the corner-shop partnerships alike.

Labor also welcomes the immediate deductibility of professional expenses along with the changes to the fringe benefits tax for portable electronic devices. Both these measures will help small business; however, as noted in the government's own explanatory memorandum to the bill, the changes to the FBT are estimated to have a small but quantifiable cost to revenue over the forward estimates period. I am happy to give credit where credit is due but let us keep all things in reasonable perspective. By any measure, the real test for the success or otherwise of government policy settings for small business is measured in the various monthly and quarterly statistics that are released by independent analysts.

I assure the minister for small business that every time he gives himself and his government a pat on the back—which they do very often—he needs to remember that the unemployment rate continues to climb, on his watch. For every little pat on the back the Liberals give themselves another person has lost their job. At the last election it was Tony Abbott who promised Australians he would create one million new jobs in five years. Instead, he has presided over the highest unemployment rate since the global financial crisis. It is not a good look and not good if you are one of the ones who ends up without a job. The fact is you cannot deliver a million new jobs if the unemployment figures keep going up. It just does not work that way.

It was also Tony Abbott who, at every opportunity, declared there was a budget emergency. I remember the shrill calls of that dire emergency and the calling in of the fire brigade. It was so imminent and so dire it was almost like the earth was splitting open and we were about to fall in—unless Tony Abbott got elected. Then everything would be fixed. The Liberals were calling this a really big budget-emergency crisis when the budget deficit was $24 billion. It was an absolute tragedy.

The problem they face now, with their budgetary genius, is a little problem called $35 billion in budget deficit. It has gone up, significantly. Back then it was an emergency. The
world was coming to an end. There was a $24 billion deficit. Debt and deficit; that is all we got from the Liberals. Now, they are really quiet on debt and deficit. You hardly hear those two words in the same sentence. In fact, you hardly ever hear the government talk about it. Why would they not talk about it? Because it was $24 billion but now it is $35 billion. Gee, that is not a bad record, is it! Under their watch, the deficit has gone well above $35 billion.

The Minister for Small Business is well known for his enthusiasm and his theatrics, but these performances will not help small business or get people off the unemployment queues. The government have presided over the closure of the car industry and seem intent on exporting our Future Submarine jobs overseas—they almost seem determined to have that aim. It is curious. You have to look at this carefully and ask: why are they so determined, at every turn and corner, to give these things away? We had the fiasco of them saying that Australians could not build submarines. In fact, according to the then defence minister, you could not trust Australians to build even a canoe. If that is a reflection of the view of the Liberal Party, you would really have to question what these people are thinking.

Remember how Joe Hockey, before coming to office, promised that there would be a surplus in his first year and every year after that? 'I promise a surplus in the first year and every year after that,' he said. Of course, you would have to ask: where has that promise gone? Who was his make-believe intended for? It is also important to remember that Joe Hockey's own budget numbers are built on bracket creep. According to the Grattan Institute, around four-fifths of the government's return-to-surplus promise depends on bracket creep—in other words, you pay for it through your own taxation rates creeping up, which means the government does not have to do any work. According to the assumption of the Liberal government of a surplus in the future, four-fifths of it—almost all of it—is actually built on the back of taxpayers automatically paying more tax through bracket creep. Again, it is genius work. How hard do you have to work as a Treasurer to come up with that? Literally, if you just spent your days at home, it would happen under your watch without you having to do anything.

We have the Treasurer this week talking about lowering taxes—it is an interesting call. There is a new thought bubble every week. He refuses to look at some sensible revenue sources, such as cracking down on our unfair and unsustainable superannuation tax breaks, which even the superannuation industry thinks should be reformed, or looking at multinational tax avoidance in a whole range of areas. These are things that Labor actually had on the table. It is good, sensible legislation that would go some way towards redressing some of the inequitable tax treatment of multinationals that profit shift and do a range of other things, not just here in Australia but globally. We put some things on the table. When the Liberal Party come to government the first thing they do—it is almost their first act—is save the multinationals. 'Let's take that off the table; there's no way we're taxing them more. Let's immediately look at low-income earners—low-paid workers—and how we can take a little bit more off them. Let's see how we can cut pensions. Let's see how we can take a little bit off ordinary people'—but, of course, for ordinary people that little bit is a lot. It is actually a really big number.

I would like to think that this small-business tax offset will deliver a much needed boost for small business. I genuinely hope it does, but what small businesses really need is a plan for the future. They need a plan for jobs, a plan for confidence and a plan that helps them to build
the future. Some experts already claim that between 40 and 60 per cent of current jobs will not exist in the future. Our future prosperity, of course, depends on harnessing Australia's entrepreneurship around a whole range of areas. That is difficult to do when government not only does not support that but takes away the tools and mechanisms that were previously in place. I have talked many, many times about the whole range of programs, assistance measures and bodies that were set up by Labor to ensure that Australians could take good ideas from the backyard, the garage or wherever, right through to that difficult process of commercialisation, which is really what is needed. There is no point just having a good idea. Ideas are free; they are everywhere. You can pick them up all over the place—you can talk to someone and come up with a good idea. Transforming that idea into something real that then gets commercialised, creates jobs and opportunity, helps the economy and, in the end, helps raise revenue for government is really difficult and complex. That is where the government needs to assist. That is what every other country in the OECD does. That is what successful countries do. In Australia we are really bad at it, and what this government does is add fuel to that fire by making it worse.

Australia has an unprecedented opportunity, I believe, to transition from an economy based on resources, primary industries and domestically-focused businesses to one that is based on high growth, on knowledge and on intensive businesses that can compete globally. Why shouldn't we be able to compete like the rest of the world does? There is no point in saying that now wages are too high or something else—it is just not the case—because in comparable economies where wages are just as high and where the competitive environment is just a strong they do well. We do not do well in those areas, maybe there are other things at play—that is what I would like this government think about.

The recent start-up economy study undertaken by PricewaterhouseCoopers and commissioned by Google Australia projected that in the right conditions, high-growth technology companies could contribute four per cent of GDP or about $109 billion and add 540,000 new jobs to the Australian economy by 2033. This from a base of approximately 0.2 per cent of GDP today. They are big numbers, they are good numbers. They are the sort of things that governments ought to focus on and genuinely look at how to support and grow—and not only our productivity but also the jobs of the future and small business.

Over the last two decades many countries have recognised that high-growth, science and technology—words that the Liberal Party are not comfortable with—based businesses are important drivers of economic growth. A growing number of governments have responded by launching programs designed to mature, nurture and promote businesses that are focused on these areas. The rest of the world is doing it but the problem is we are getting left behind. For example, since 1972 the Credit Guarantee Corporation of Malaysia, through its guarantee schemes, has been supporting the Malaysian economic development agenda by helping small- and medium-sized businesses get access to financing. If Malaysia can do it, why can't Australia? If Malaysia can support its small businesses in getting access to finance, why can't Australia? When you talk to small business one of the top three things they always say is a problem for them to grow and develop is access to finance. Why is it so hard in Australia for us to at least follow suit with the rest of the world? To date the Credit Guarantee Corporation has been instrumental in the establishment of more than 427,000 small to medium enterprises. That is how it has worked in Malaysia, and that is how it could work in Australia.
It is similar in the United States where since 1953 the US Small Business Administration has delivered guarantees and other forms of assistance to small business. In the UK, the Enterprise Investment Scheme is designed to help smaller high-risk existing companies to raise finances. It does so by offering a range of tax reliefs to investors who purchase new shares in those companies. It works alongside the Seed Enterprise Investment Scheme, which offers similar assistance in relation to new companies. The UK’s Enterprise Finance Guarantee is a loan guarantee scheme to facilitate lending to viable businesses that have been turned down by mainstream commercial loan facilities. By providing lenders with a government-backed guarantee for 75 per cent of the value of each individual loan, the scheme gives small business a chance. That is what Labor wants to do in Australia. It is not a question of whether we are treading on new ground or testing this new scheme. It is a fact that everybody else is doing it—the United States since 1953 and the UK since 1972, but Australia is yet to have this.

But Labor has a plan on this—we have put a scheme on the table, we have a proposal and we will be taking it to the next election. Let me tell you, Labor will be here with those policies.

*Government members interjecting—*

**Mr RIPOLL:** As usual, I know that government ministers on the other side do not understand this. They are uncomfortable with the words: growth, science, maths, the environment, renewable energy, innovation, entrepreneurship—they start to shudder when they hear these words. The Liberal Party is the party of small thinking. Small ‘l’ liberal really means small thinking—1950s, yes, but the world has moved on. Jobs of the future, growth, entrepreneurship is what we need for the future. We need governments that reflect this.

We also need a government that understands that R&D actually helps our economy—it is not a cost but an investment. We need a government that understands that the jobs of the future are not about shutting down wind energy, but are about promoting renewable energy—it is about sustainability. It is not about destroying through one comment the renewable sector in wind power generation, because the Prime Minister does not like the 'awful look' of them or that perhaps that they are noisy. Come and speak about noise to some of my constituents who live next to major roads and highways. They will tell you a thing or two about noise. When it comes to cheaper electricity and making sure in the future that Australia is just keeping up, then let’s talk about those things.

This government is not comfortable with these words: mathematics, science, engineering, entrepreneurship, start-ups, crowd-sourced equity funding—they think these are terrible thoughts and concepts from another era. They are a government from another era, that is for sure. But Labor does recognise there is much more that governments can do. You can do that through support. You can support small business and encourage those that want to go out and have a go and grow their businesses. That is exactly what Labor did in government—we did not just talk about it, we did it through substantial tax assistance and really good measures. In fact, as soon as a Liberal government got into power they completely wiped out these measures. Small business is very unhappy. Small-business representatives, medium-business representatives and large-business representatives are unhappy about it. The government now, after it has seen the damage it has done, is trying to repair some of this by reintroducing some of those measures. Which is, of course, why we are supporting them. In effect, they are just a
reintroduction of Labor's policies. Many small businesses are desperately trying right now to find, for example, access to finance, because they are constrained by difficulties in the methods that exist in getting traditional funds through banks and through other methods—it is either too expensive, too difficult, they may not have the balance sheet strong enough or they might not be capitalised enough. Again, these are probably all foreign concepts to the Liberals. The Liberals, when it comes to small business, have only two tired old lines—that small business people mortgage their home. We know people do that, but it is not the only way. Some do that. Some cannot get money because they do not have the capital or equity, so they look for other sources of financing. If a government is smart enough, it will put in place schemes to assist them. That is what Labor are proposing to do.

Under Labor’s plan, we will work with the banking and financial services industry to develop ‘Start-Up Finance’, a partial guarantee scheme which will support the development of Australian microbusinesses by improving their access to finance. Currently Australian microbusinesses either struggle to get a loan or may borrow via residential mortgages. We all know that. There is no great science or analysis in that. They do that in the absence of cheaper more appropriate financing alternatives.

There are some well-established credit guarantee schemes supporting start-ups, micros and small businesses in the UK, the US, Canada, France and Germany as well 46 other countries around the world that we could compare ourselves to. This is where we should be turning our eyes and looking for some innovation ourselves. Australia is one of the only countries in the developed world without such a scheme and, as a result, we risk being left behind. I would say that we are being left behind.

Labor proposes to create a new $500 million smart investment fund which will back-in great Australian ideas and help convert those ideas into businesses, jobs of the future and a stronger economy and, at the same time, support revenues to government which, in turn, will support ordinary Australians. Our smart investment fund will partner with venture capitalists and licensed fund managers to co-invest in early-stage and high-potential companies, providing a Commonwealth investment of up to 50 per cent of the start-up capital needed to help Australian companies commercialise innovations.

This is part of Labor’s plan for the jobs of the future. That has to be the basis from which we start, if we are going to be serious about long-term economic growth. Economic growth is not that great at the moment. We have to realise that the numbers are not just going to magically go up unless government takes a proactive approach to growing the economy and making sure that we transition our economy from old-style manufacturing and resources to the high-skilled jobs of the future. That transition will take a long period of time. We need a government that supports that. You do it through skills and training and a whole range of other methods and investing in the right places.

Another important role for government is in assisting small business to provide certainty on the provision of the relevant skills and training opportunities. That is something Labor put in place and invested money in, including in apprenticeships, traineeships and a whole range of other incentives around how that works. Again, sadly, when the Liberals got elected the first thing they did was cut all that. They just wiped it off the table. They say it is a saving. I say it has had a detrimental, negative impact on small business and the economy.
Labor's policy is to provide guaranteed funding to TAFE so that businesses can get the skills they need. That is what businesses say they want. That is because it works. That is the reality. Our TAFE system is strong. It is proven. Infrastructure is in place. We have the right people as part of our TAFE network. But we have to fund that. It is like anything in life. If you starve something, eventually it does wither. We have known for a long, long time that the Liberals just hate the TAFE system. They hate it. They just do not like it. It is as simple as that. It is ideological hatred. They hate it, and so through consecutive liberal governments they starve, poke at, demonise and do everything they can to diminish the TAFE system in Australia with this crazy view that, somehow, the private sector will do a better job. Why can't we do it in tandem? Why can't we have the private sector doing its bit and doing a great job and the TAFE system doing a great job and doing its bit as well? Of course, when you only have one eye, you cannot see both sides of the argument.

Over a million Australians every year participate in skills training. Labor are very proudly the party of skills, training and apprenticeships. We are committed to providing a quality TAFE system. We will do that. I also want to take this opportunity to remind the government that it was Tony Abbott and Joe Hockey who cut more than $2 billion from skills and training programs just over a year ago in their first budget. That is what they decided to do in an economy that needs to grow and needs skills. If I were to ask ordinary Australians, 'If you were going to grow the economy and develop skills and training, what would you do?', I do not think they would come back and say, 'We would cut $2 billion from the programs that help provide skills and training.'

This is a really confused Liberal government. They are distracted by a whole range of issues—budget emergencies and crises. They have so many crises internally. Tony Abbott needs to call the fire-engines that he used to talk about for the deficit into the party room. They have fires going in every corner of their party room on a whole range of issues. That is fair enough. Parties have that happen from time to time. There is chaos inside the Liberal Party. That is okay. That is part of their internal party processes. But the tragedy of all that is that it is distracting the government from doing their job and from doing a good job in trying to get people off the dole queue and into a really good job.

If you are the Treasurer of the country, Joe Hockey, your answer if someone cannot afford a home in Sydney is: 'Get a better job.' That is not a fine principle. If you are poor, stop being poor; if you are sick, stop being sick—that is the message from the Liberal Party. That would be fine if there were the jobs there to be had, but unfortunately under the Liberal Party the unemployment rate is now at 6.3 per cent. This is worse than during the global financial crisis. Where is the crisis today? The crisis is just the Liberal Party and the Liberal government.

As a contrast, Labor has a proud record on providing tax assistance for small business and helping the economy. It was a Labor government that introduced the instant asset write-off and the tax loss carry-back for companies which worked really well to assist our economy and small business people. They helped people to keep their jobs and to keep their businesses. That is why we did so well during the global financial crisis compared to so many other economies, be they in North America, Europe or other places.

Let me remind you that it was the Liberals who cut these tax assistance measures only to realise how effective they were and are now trying to restore them a couple of years later.
Labor introduced these tax assistance measures for small business because we understood the stimulatory boost that they would provide to the sector and the Australian economy more broadly. This was welcomed by small business. It was a disaster when the Liberals took them away.

Labor's tax assistance, when combined, was worth more than $5 billion over the forward estimates. This is what Labor believes in and stands for. We have a strong view about assisting ordinary working Australians and helping businesses—small, medium and large. We have a long-term plan for small business to drive innovation and boost economic growth in a sustainable way. We recognise the work that is done by all people involved in those enterprises to help our economy stay strong and make sure that people actually have a job among the jobs of the future.

Mrs PRENTICE (Ryan) (10:14): What a delight it is to once again rise to speak about the government's $5.5 billion Jobs and Small Business budget package announced in the 2015-16 budget. Before the winter recess the first tranche of measures was introduced and passed. Those bills reduced the company tax rate from 30 per cent to 28.5 per cent for companies with an aggregated turnover of less than $2 million, as well as making consequential changes to the treatment of franking credits. They also allowed for the immediate deduction of expenditure on each and every item of capital equipment with a value of up to $20,000—and wasn't that well received by small businesses across the community.

These measures are already providing a much-needed boost to the bottom lines of the 13,000 registered small businesses in my electorate of Ryan, and the 780,000 eligible small businesses across Australia. And who could forget Labor's reaction to those bills? Labor claimed to support the bills. But, instead of working with us in the spirit of bipartisanship to inform small business owners of the positive impact of the changes on their business, the Leader of the Opposition rose in this place to attempt to shut down debate. It was not his finest hour, and one that small business owners across Australia would do well to remember when given a chance to pass judgement at the ballot box. Because, for all of Labor's professed support for small business, they are remarkably late converts to the cause of small business tax cuts. Who can forget the member for Oxley's 6 May contribution to the debate in which he described small business tax cuts as 'ham-fisted' and 'against the wishes of Australian business'? Given the member is also the shadow minister assisting his leader for small business, it is fair to assume that, unlike those opposite, these bills demonstrate that we have a clear and unambiguous track record of delivery.

This brings me to the substance of this bill, the Tax Laws Amendment (Small Business Measures No. 3) Bill 2015, which is the third of four bills that will constitute the overall Jobs and Small Business budget package. This particular bill helps small businesses by making three substantial amendments. Firstly, it amends income tax laws to provide a five per cent tax offset, capped at $1,000, to individuals who run small businesses. This measure is designed to ensure that tax relief for owners of unincorporated small businesses broadly mirrors recently legislated tax cuts for incorporated small businesses. Secondly, it amends the Income Tax Assessment Act 1997 to allow for the immediate deduction of certain costs associated with starting a business, including government fees and charges as well as costs associated with raising capital. And, thirdly, it clarifies and extends the fringe benefits tax exemption that applies to employer provision of work-related portable electronic devices such
as mobile phones, laptops and tablets. This will reduce red tape by eliminating the requirement for employers to demonstrate that devices do not have 'substantially identical functions' in order to qualify for the exemption.

Returning to the first of these changes, the government has committed $1.8 billion over the forward estimates to providing a five per cent income tax offset of up to $1,000 to individuals who run small businesses. The amount of the tax offset is five per cent of the income tax payable on the portion of an individual’s income that is attributable to the business. The offset can be claimed from multiple income streams, but the total offset is capped at $1,000.

There is a simple rationale behind this change. The government committed to introducing a 1.5 percentage point small business tax cut from 1 July 2015, with the cut having been legislated and passed prior to the winter recess. However, by its very nature as a corporate tax cut, it only provided benefit to those companies incorporated for tax purposes. Seventy per cent of small businesses are not companies and therefore did not benefit from the tax cut. This tax offset therefore has two purposes. The first is to ensure that unincorporated small businesses are provided with tax relief so that they can employ, grow and prosper. The second is to avoid a scenario in which a company tax cut made in isolation induces small business owners to incorporate where they otherwise would prefer not to do so. It is inefficient practice for companies to go through the red tape and expense of restructuring on the basis of an arbitrary tax change, and the government is keen to avoid this.

One of the most well-received changes introduced in the Jobs and Small Business budget package was the ability for small businesses to immediately deduct from their taxable income the cost of each individual capital equipment purchase up to a value of $20,000. This bill continues the theme of immediate deductibility by allowing for the immediate deduction of the costs of government fees and charges, the costs of obtaining advice on business structure and the costs of raising capital incurred in the starting of a business. Previously, expenses of this nature were deductible over a five-year period. Anyone who has started their own business will tell you that the start-up phase of a business is the most challenging time for cash flows. So it makes sense for the government to return cash to start-up businesses immediately rather than over a five-year period.

The third change introduced in this bill provides greater clarity to fringe benefit tax exemptions relating to the provision of portable electronic devices. The advent of a multitude of new portable devices such as smartphones and tablets in recent years has posed an increasing challenge to existing tax laws. Currently, fringe benefits tax exemptions do not apply to portable electronic devices where the devices have substantially identical functions to a device that has already been provided to an employee. The proliferation of devices has created uncertainty and confusion as to whether, for example, a tablet and a laptop ought to be considered substantially identical for the purposes of fringe benefits tax exemption. The current definition has not kept up with technology and is creating unnecessary red tape for small businesses. This bill provides resolution by removing the so-called substantially identical functions test. This means that small business employers who provide multiple portable electronic devices to an employee can claim a fringe benefits exemption for all of those devices.

There are 2.3 million small businesses in Australia that have less than $2 million annual turnover. However, these businesses provide 43 per cent of non-financial private sector jobs
in Australia and around one third of non-financial input. And yet small businesses face a set of additional challenges in competing with larger entities. Economies of scale are not as easily achieved. Access to finance can be more difficult. The burden of red tape and compliance is proportionally greater. As a result the failure rate of small businesses is higher than that of larger competitors. And evidence from research conducted by the Reserve Bank indicates that business conditions in small businesses have become even weaker relative to larger businesses since the global financial crisis.

The Australian Bureau of Statistics reports that of the nearly 300,000 small businesses founded in 2010-11, just half were still operating in June 2014. This is a problem for the economy. Not only is the small business sector a large employer of Australians, it also tends to contain new businesses with new ideas, new concepts and innovations. If the small business sector is not equipped to flourish, Australia as a whole is the poorer for it. That is why the tax relief and red tape reduction contained in this bill will bring such welcome relief to small businesses. For small business owners, these changes mean more money in their pockets, and money in their pockets sooner and with less tax ambiguity. In turn this means more money to reinvest into growing their business and employing more Australians.

The coalition government is all about cutting taxes and red tape to make it easier for small business to succeed. This bill forms part of the coalition's historic $5.5 billion Jobs and Small Business budget package that cements the coalition government's status as a true friend of small business. I commend the bill to the House.

Dr CHALMERS (Rankin) (10:24): It is my privilege to rise to speak on the Tax Laws Amendment (Small Business Measures No. 3) Bill 2015 after the member for Ryan and other thoughtful contributions from both sides of the House. I want to pay tribute to the small businesses of this country—the people who take the risks, who work extraordinary long hours, who ensure they have their own skin in the game when it comes to the success or failure of their business. Most importantly of all, I want to pay tribute to the jobs they create. In my community and in communities right around the country, they are absolutely crucial to our prospects as an economy and our prospects as a nation.

As other contributions have noted, the bill does three things for small businesses: the first is a five per cent tax discount for unincorporated small businesses up to $1000 a year; the second is the immediate deductability of professional expenses; and the third is an expansion of the FBT exemption for work related portable electronic devices. As the shadow minister, the member for Oxley, flagged this morning, we will be supporting all three of these measures, because we consider them fundamental to doing what we can in this place to ensure that we are giving small businesses in this country the support they need and deserve.

It has become very easy for people in our line of work to describe small business as ‘the engine room of the economy’—of course, that is true—but underneath that expression there is a whole range of important contributions that small businesses make that are not always perfectly understood. We do understand they are a critical source of production and employment, but it is not well understood that much of the innovation in this country comes from small businesses. The Bureau of Statistics talks about 85 per cent of innovative firms being small businesses. What that really means is that our ability to be a creative innovative nation rests on the work that small business does. The success or failure of small business says a lot about our capacity as a nation that is fuelled by aspiration and enterprise.
It is not secret that Australia is going through a difficult period when it comes to employment. For the first time in more than 20 years the unemployment outcome the other day has more than 800,000 Australians out of work—the first time since 1994. The unemployment rate today is higher than at any stage during the former Labor government, which of course covered the global financial crisis and its immediate aftermath. The unemployment rate is the highest it has been since something like 2002, when the Prime Minister was the employment minister. The nation is crying out for the sorts of jobs that small businesses can create and we need to make sure that we are giving them all the support they need. Sometimes that means getting out of the way; sometimes it means tweaking the tax system. There are all sorts of tools and levers at our disposal to help small businesses in Australia.

It is a risky decision to be a small business person. To go out on your own does require a leap of faith; there are higher fixed costs and greater financing difficulties for getting into the game and greater fluctuations in demand than for large businesses. In my local area there are 10,746 small business operators who take that risk, work those hours and put themselves on the line to become successful. About 60 per cent of those businesses are sole traders, and 4059 of them employ local workers. They are an important source of jobs in our community. I pay tribute to them for that reason. The main point of my speech at the recent Logan Chamber of Commerce awards was to thank the small business people in our community for creating jobs in a community that is crying out for jobs. Every extra job we can create matters in Rankin, which covers the northern part of Logan City and the southern Brisbane suburbs. Every time a small business person goes from being a sole trader to employing one more person—or two more people, three more people—that makes a huge difference to the people who are employed and to our community more broadly. So I did pay tribute to them at the Logan Chamber of Commerce business awards. I was pleased to sponsor the emerging business award, because I am particularly supportive of those people who are having a crack for the first time. In this case the award went to the M1 Business Centre; I congratulate them on winning that award.

These sorts of things are important for recognising the work of small businesses. It is obviously crucial that we do that but the decisions we take here are far more important to the policy setting, the policy climate, the small business climate and the economic environment that small business operate in. That is why the small business sector was so damaged by the extraordinary hit to their confidence that happened after the 2014 budget. It was confidence dropped off a cliff. The Prime Minister promised that there would be an adrenaline charge in our economy and that all of this confidence would come surging, and then the first Hockey budget, the 2014 budget, absolutely smashed confidence for small business in this country. The government were blindsided by broken promises and twisted priorities. They abolished the instant asset write-off and tax loss carry-back provisions—worth about $3.8 billion to small business. They did that against the advice of the small business sector, not just the peak bodies. You could not walk down the street in my community—and I assume my colleague the member for Fraser will tell you it is the same in his community—without people raising the issue of the abolition in 2014 of that crucial assistance, via the tax system, for small businesses. They were asking small business to pay more tax at the same time they were reopening tax loopholes for some of the biggest companies that operate in Australia—big
multinational companies. They reopened a loophole at the same time that they cracked down on small business. When you hear people on the other side of the House make contributions about their support for small business, never forget what happened to confidence after the first Hockey budget, and never forget that before they reinstated some of these tax measures they had first abolished them. When you remember that the government first abolished Labor measures, it concerns us greatly that the government wants to be patted on the back for what they have done in the small business sector. They are now reinstating them and they want to be congratulated as if they have done something extraordinary.

In a debate last night about some of the same sort of issues, those opposite were saying before the election that Labor's policies were disastrous for small business—that Labor's policies for small business were a disaster and that they were some version of socialism. They did not even realise that the policies in the 2015 budget are an inferior carbon copy of the Labor policies we had in place before the election—the policies that were abolished by those opposite.

That was not the only thing, because they did not just smash confidence and abolish and then reinstate some of our tax measures. They also had something like $845 million in cuts for small business programs, including the abolition of Commercialisation Australia, the Innovation Investment Fund, Australian Industry Participation, Enterprise Solutions, Industry Innovation Councils, Enterprise Connect and Industry Innovation Precincts—$845 million in cuts in programs that were designed to help small businesses and particularly to make them as innovative as they can be so that they can grab market share and create jobs. All of that needs to be seen in the context of the hit to consumer confidence that came from the first budget—that stinking 2014 budget, which will go down in history as one of the worst-received budgets since Federation. It is the main reason that consumer confidence has fallen for 15 of the last 17 months, and confidence today is 17 per cent below what it was when the government changed hands, in September 2013.

Of course, we support the reinstatement of our policies, particularly when it comes to the instant asset write-off schemes and the accelerated depreciation of motor vehicles. We support their reinstatement, because we wrote them. They were abolished and unfortunately they are coming back in an inferior way, but we support them because they are essentially the things that we consider to be important for small business. We also support cutting the small business tax rate by 1½ per cent. In fact, in another one of those cruel ironies, those opposite voted against a company rate cut of two per cent, and then one per cent, when it was put before them during the last parliament. Of course we support lower taxes on small business people in this country, if it gives them that little bit of extra help. We will also be supporting the smaller measures in this bill.

I will not go through all the details. Other contributions, including the member for Oxley's fine contribution, went through the measures in some detail, looking at how they operate and at all of the numbers. I just reiterate that each of the three of them—the five per cent tax discount for the unincorporated businesses, the immediate deductibility of professional expenses and the expansion of the FBT exemption for work-related portable devices, like phones and iPads—will be receiving the support of this side of the House.

We do not think we should stop there. I think that is an important point. When the job is done of reinstating Labor policies, which were doing some good in the small business sector
and can do some good again, it is important that we do not just think that the job is then
finished. There is a whole range of things that we can do to support small business, whether it
be giving them the NBN, which was promised to them, or properly supporting renewable
energy in this country, or properly training apprentices. All of these sorts of things will boost
the capacity of small businesses in this country.

We on this side of the House have a plan—one that was announced by the Leader of the
Opposition, and has been talked about regularly by the shadow Treasurer and the shadow
Assistant Treasurer, who joins us in the chamber today—for our aspiration to get the small
business company rate to 25, when it can be afforded. That is an important bit of additional
assistance for small business. It recognises some of the additional obstacles that small
businesses in our community face when it comes to cash flow and all kinds of other issues.
Rather than deducting the cost of incorporating a small business, we also want investigate
ways to make it easier for them to experience the benefits of incorporation. I commend to the
House the recent speech by the Leader of the Opposition when talking to COSBOA, the
Council of Small Businesses of Australia, a very well-led organisation. The Leader of the
Opposition pledged to work with small businesses, their representative organisations,
accountants and the legal profession to try to work out a specific class of corporations for
small business. The US has achieved that successfully and we can do it here, too. That would
give businesses the ongoing benefits of incorporation without the ongoing burden of red tape
—genuine red tape, not the red tape that sometimes gets passed off in this place as something
else—which is something that should interest all of us on both sides of the House. As I said
before, we would also give them a first-class, world-class NBN and we would also do what
we could in government, in addition to all of the measures I have mentioned, to restore
confidence in the small business sector—confidence that was smashed by the first Hockey
budget.

Again, we support the bill. We wrote big chunks of it and we are pleased to see it back.
Like a welcome friend it has returned. At one level it is quite comical—I am sure the member
for Forde is about to do it too—that they claim they should be congratulated for reinstating
these Labor policies that they trashed 18 months ago. These small-business packages were a
proud achievement resulting from the work that Wayne Swan, the member for Lilley, did in
part of his extraordinary response to the global financial crisis that set Australia apart in the
world, despite the usual dull-headed opposition of the member Dickson and others, who can
probably hardly spell economy let alone understand it. We are proud to support these
measures—we wrote most of them. No doubt the member for Forde will claim
congratulations for them. I wish him well but I think most people in the small business sector
would understand that it was Labor that wrote these policies. They are glad to see them back,
as am I, but let us not pretend that the government deserves congratulations for them.

Mr VAN MANEN (Forde) (10:39): It is always a pleasure to follow my good friend the
member for Rankin. The ability of those opposite to rewrite history never ceases to amaze me.
The most important piece of support we have provided to not only the small business sector
but the business sector more generally in Australia since we came to government, which those
opposite have failed to acknowledge, is the repeal of the carbon tax. An enormous weight was
lifted from the business sector in this country in July last year when that insidious tax was
repealed. Those opposite pontificate about the costs for small business yet they came out of
their national conference with a new policy to reintroduce a carbon tax via an ETS or another mechanism that is going to be a hammer blow not only to small business in this country but also to large business. We are going to see jobs and opportunities lost across the Australian economy as a direct result of the policies that those opposite will introduce if they ever return to this side of the chamber.

It is with great pleasure that I stand here today to support the Tax Laws Amendment (Small Business Measures No. 3) Bill. This bill seeks to amend various taxation laws to provide tax relief and reduce red tape for small business. That is something that we as a government over the past nearly two years have been focused on—reducing the red tape and regulation burden in our economy. Since last year's budget and following the success of this year's budget more than $50 billion in budget repair measures has now been legislated. It is interesting to note that those opposite fail to mention the dire circumstances in which they left the Australian budget when they lost government in 2013. We have focused on delivering real tax relief and real red tape reductions for the small business sector but also for the Australian economy more generally.

According to the NAB, business confidence and conditions continue to climb, sitting at plus 10 points, well into positive territory and near a two-year high. I note with interest that the member for Oxley in his contribution talked about the number of people unemployed. I am sure all in this House would like to see far fewer people unemployed—800,000 people is far too high a figure. Those opposite have made the comment that that figure is higher than it has been in 20 years. I remind the member for Oxley and even the member for Rankin, because I think he touched on that, that our workforce in those 20 years has grown substantially and, whilst the unemployment rate of 6.3 per cent is not acceptable and we want it to be lower, in 1995, which is their comparison point—which, by the way, was during a Labor government—the equivalent unemployment rate was 8.4 per cent, or two per cent higher in real terms than it is today. Again, that was under the Labor government of those opposite.

The recent break from parliament gave me the opportunity to visit many businesses in my region, including many small businesses who are feeling the positive effects of the budget's Jobs and Small Business package. It is tremendous to see how local small businesses in Forde are feeling growing confidence in a government that is providing them with the right tools they need to grow their business—new businesses like Delirium Fashions, who opened recently in Beenleigh. They have provided a wonderful fillip to the main street of Beenleigh as they take the opportunity to establish a new business at a time when also as a government we are investing some $3 million into the Beenleigh town centre redevelopment. In my electorate of Forde we have approximately 11,000 small businesses. These businesses are run by hardworking, dedicated and innovative people who put their life and their assets on the line every single day that they go to work. The small business measures passed from the 2015 budget will make a huge difference to the many business people in our local community and also across the country.

This bill is the third of four bills our government has introduced to deliver one of the largest jobs and small business packages in the nation's history, worth some $5.5 billion. The company tax cut of 1.5 per cent and accelerated depreciation for small business bills have already passed the House and the Senate.
This bill will provide a tax discount for unincorporated small businesses to improve cash flow, allow immediate deductibility of professional expenses and expand the fringe benefits tax exemption for work-related portable electronic devices, further reducing red tape.

Small businesses can face proportionately higher regulatory costs than larger businesses because of their inability to take advantage of the economies of scale and in understanding and complying with regulation. Schedule 1 of this bill will provide a five per cent tax discount for approximately 70 per cent of Australian small businesses which are not incorporated, capped at $1,000 per year. Similarly to the company tax cut, this bill extends that benefit in a proportionate way to a greater number of unincorporated small businesses. Australian small businesses are made up of a wide range of different enterprise structures, and this Jobs and Small Business package budget measure is structured to ensure we assist as many small businesses as possible.

Currently, unincorporated business income is taxed at its owner's marginal tax rate. This feature of Australia's tax system means that the company tax cut that we introduced previously would not benefit unincorporated businesses—and, because of this, our sole traders, many of them tradies, mum-and-dad business partnerships and family businesses operating through a trust, would miss out if we only focused on a small business company tax cut. The measures in this bill will ensure all small businesses are entitled to a tax cut, regardless of how they are structured. This tax cut of up to $1,000 for each business owner will help improve cash flow that can be reinvested in the business, hopefully helping the business grow and achieve its potential.

Schedule 2 of this bill provides immediate deductibility of professional expenses for small business. Currently, there are some expenses related to starting a business that have to be depreciated over five years at 20 per cent of the original cost. Under the changes in this bill, new businesses will be able to immediately deduct rather than depreciate over five years. This will not only improve business cash flow; it will improve record-keeping requirements that small businesses face and also hopefully reduce the cost that they incur in dealing with their professional advisers each year. Small business owners will be able to claim the deduction for the entire amount of those professional fees and get on with growing their business and Australia's economy. This measure to immediately deduct professional expenses when starting a business will be available from the start of the 2015-16 income year.

Schedule 3 of this bill reduces red tape within the fringe benefit tax system by expanding the FBT exemption for work-related portable electronic devices. By simplifying FBT arrangements for small business, we can reduce the existing complexity in complying with current rules and improve access for employers to work-related benefit exemptions. Small businesses with an aggregated turnover of less than $2 million will be able to access an FBT exemption for all portable electronic devices that are provided for work purposes. This exemption will be available even if multiple devices have substantially similar functions and have been provided by an employer to an employee for work purposes.

Under the FBT system, fringe benefits are not taxed at an employee's marginal tax rate but are, instead, taxed at the top marginal tax rate. Currently there is an FBT exemption for five categories of work-related items that are primarily for the employee's employment. These categories apply to portable electronic devices, items of computer software, items of protective clothing, briefcases and tools of trade. With the portable electronic device category,
an FBT exemption can currently be provided for more than one device provided the devices do not have similar functions.

We recognise, with the development of new products and the increasing overlap in functionality, that it is becoming more difficult for employers to determine which devices can access the existing FBT exemption. These legislative provisions that allow for the FBT exemption for portable electronic devices and computer software have not kept up to date with evolving technology. This bill seeks to resolve that problem. Allowing the existing FBT exemptions to apply to items that have substantially similar functions, as proposed, will simplify the current rules and provide employers with more flexibility in the number and nature of items provided to employees. Simplifying this exemption is expected to lead to a reduction in compliance and red tape costs for employers. More than 30,000 businesses are estimated to initially benefit from this measure.

Overall, this bill, coupled with the other Jobs and Small Business package measures announced by the government in the 2015-16 budget, encourages small businesses to provide their staff with the necessary tools they need to undertake their day-to-day activities but also to help grow the business in which they work. Our government is seeking to create a more competitive system that supports, not hinders, small business growth. The hardworking men and women of Australian small business deserve a government that will provide them with the best opportunities possible to invest, grow and succeed in their small business ventures—because we want to see our small businesses grow to become medium and, ultimately, large businesses.

The coalition government has introduced some terrific measures to ensure Australia is best placed to start and grow small business. The measures in this bill, along with all the measures in the Jobs and Small Business Package, are not only about helping small business but also about creating jobs and building a strong economy. I commend this bill to the House.

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for the Environment) (10:52): I rise to speak on the Tax Laws Amendment (Small Business Measures No. 3) Bill, which implements the government's unincorporated tax discount for small business. As a person who comes from a small business background; who has had skin in the game; who understands risk, reward and the opportunities and benefits of engaging and employing people in the workforce I support this bill. I wholeheartedly welcome these changes and the benefits that they will have for all of the small businesses in my electorate of Paterson.

The unincorporated tax discount is a reduction in the amount of tax you are required to pay on the income of a business that is not a company. That means that the income of small businesses that are run as sole traders, partnerships or trusts will be eligible for the tax discount. It is from these changes that small businesses in my electorate of Paterson will most benefit. Paterson is a regional and rural electorate. We are small business. Small business is the absolute engine of our economy. I am encouraged that as a government we are making these changes to benefit this engine room of our economy, our small businesses. This is because we understand that it is through these small businesses that jobs are created. We understand that, if you remove barriers for and provide opportunities, incentives and encouragement to small business, you will actually grow the employment market. You will build on the 380,000-odd jobs that have been created, the more barriers you remove for small businesses.
Generally, small businesses represent almost 97 per cent of all Australian businesses across the spectrum of business. As at June 2013, small businesses were employing around 4½ million Australians, which accounts for around 43 per cent of private, non-financial sector employment. As I said, small businesses employ round 4.5 million Australians nationally. Small business is huge and the value of small business to our economy cannot be underestimated.

In rural and regional areas, we are seeing some of the larger companies go, and they are not going to be replaced. When Hydro Aluminium left Kurri Kurri, we did not see other companies move in and employ another 500, 800 or 1,000. What we will see is a multitude of small businesses coming in—with 10, 20, 30, maybe 50 and, if we are lucky, 100 employees—coming in to fill those spaces to grow and create opportunities. That is why it is critically important that we do what we can to encourage small business investment, growth, expansion and opportunity.

In a regional electorate such as Paterson, the most common employers, as I said, are small businesses. As at June 2014, there were 8,955 small businesses in my electorate. This tax discount is a reduction of five per cent on the tax payable on business income, capped at $1,000 per taxpayer each year. That is called an incentive. That is called job creation. Even though it is a package for small business, as you take the burden off, as you increase the profitability of a business, you will grow the employment pie.

For sole traders in Paterson, this discount applies to the tax liability associated with their income from businesses that they declare in their annual return. For businesses run through a partnership or a trust, the discount of the tax liability is associated with any business income distributed to them from the partnership or trust and which they declare in their annual tax return. These amendments will leave small business owners in Paterson with dollars, dollars and dollars extra in their pockets.

In my electorate of Paterson, I saw how small businesses were crippled under the previous Labor government. With the red-tape burden and lack of confidence, they were crippled. I have been in consultation with small business owners in my electorate, particularly when they were struggling, as part of a campaign of over two decades now, and I was approached by an incredibly high number of small businesses who were practically drowning in unnecessary red tape that only escalated under the former government. The greatest growth curve under the former government, despite their promises, was in red tape. Small business people should have been putting their energy, their efforts and their resources into growing their business to earn an income—if they have the income, they have profitability; if they have profitability, they can actually employ people. Instead, they were putting their time, energy and efforts into addressing red tape and reporting requirements. That took away profitability and income and, therefore, reduced opportunities for employment.

It is because of this—and, through the regular meetings I have with small business owners, relaying their feedback to my coalition colleagues—that we have mapped out a very clear pathway that is a better deal for small businesses in this nation, including, I am glad to say, those in my electorate. As I said, the majority of employers in my electorate are small businesses.

So it is no surprise that I recently had the Minister for Small Business, my colleague Bruce Billson, visit my electorate. We sat down with the chambers of commerce and discussed the
challenges and issues and, importantly, the opportunities that exist for small businesses to grow. These forums were held at Nelson Bay and near Maitland. I thank the Nelson Bay & District Chamber of Commerce, which hosted the first forum, at Nelson Bay; and the Maitland Business Chamber, which held the second forum. That forum was held at Mortels Sheepskin Factory—basically, across the road from my electorate—and coincided with the expansion of that small business. Under this government, Mortels have seen the reduction of red tape, have seen the opportunities and are expanding their workforce, creating local jobs in manufacturing, and they are to be congratulated.

What is important is that each of these chambers of commerce is a unique reflection of the broad spectrum of businesses within my electorate. They comprise lawyers, real estate agents, veterinarians, accountants, tourism operators, farmers, electricians and builders, for instance. They were all present. They all came to talk to the minister and each put to the minister issues that were concerning them. As I said, the overriding issues were red tape and government barriers to growing their business. The two different areas had quite unique issues—one being a largely tourism seasonal market and the other being the rather large regional city of Maitland. I congratulate the minister and his team for sitting down and discussing these issues but, more importantly, for taking on board and listening to all of the concerns that were raised. These forums were a success, because this is the government that is committed to removing those hurdles, those barriers, that small businesses encounter each and every step of the way through.

We want to grow small business. As a government, we have consulted widely on our package. We have engaged with small businesses. We meet with them regularly. We actively seek them out. We want to address the obstacles they are facing. We want to know what can be done to reduce red tape. As a government as a whole and across the spectrum of our colleagues, all the way through to the backbench, we have been providing the feedback to the minister so that he understands from a grassroots level exactly what is wrong. It is because this government understands the actual value of small businesses to a thriving economy that we need to support our small business men and women in our community.

The 2015 budget was a game changer for the hardworking men and women of Australian small business. The amendment of the unincorporated tax discount for small business is part of our Growing Jobs and Small Business package, which is the biggest economic recognition of the small business sector in Australia's history. Small business has been and continues to be the enduring focus and priority for this government. In taking steps to achieve this, we are reducing the corporate tax rate from 30 per cent to 28.5 per cent for small businesses with annual turnovers of under $2 million. It is estimated that up to 780,000 companies could benefit from this measure. I see our Growing Jobs and Small Business package as a package of practical measures designed to help small business to invest, to hire and to grow. We want to enable small businesses to thrive across our nation and to create the necessary jobs that we need in our communities—nowhere more so than in places like my electorate of Paterson.

In summary, the coalition's Growing Jobs and Small Business package is outlined as follows. It will be the lowest small business company tax rate in almost 50 years. The purpose of the bill is to provide tax cuts of 1.5 per cent down to 28½ per cent for incorporated small businesses with an annual turnover of up to $2 million. The unincorporated small businesses will get a five per cent tax discount up to $1,000 a year. Small businesses can claim an
immediate tax deduction for each and every asset purchased up to $20,000 from budget night through to 30 June 2017. That, in itself, will have the flow-on effect of these purchases going across the whole of our community. Start-ups will be allowed to immediately deduct professional expenses, which will provide cash flow benefits immediately. We are expanding tax concessions for employee share schemes. These measures provide more incentives for Australian small businesses to create more jobs and to increase training opportunities for all Australians. Most importantly, they are designed to keep small businesses sustainable. We do not want to see boom-bust cycles. We want to see sustainability in business, because if we have sustainability in business we have sustainability in employment. Let me tell you, Mr Deputy Speaker, small business agrees with each and every one of the points that I have outlined under this Growing Jobs and Small Business package.

The provisions also generate changes to fringe benefits tax exemptions on portable electronic devices for small business. This measure will allow small businesses an FBT exemption for more than one qualifying work related portable electronic device in an FBT year, even when the device has substantially identical functions. It is essentially removing a previous restriction in relation to the pre-existing FBT exemptions. The amendments I speak on today will also generate immediate deductibility of professional expenses to small business with an aggregated turnover below $2 million. Previously, these expenses had to be depreciated over a five-year period.

I understand, and the government understands, that the costs of starting small businesses are often overwhelming and can be a deterrent for people taking the step into small business. So these measures will potentially affect two groups who incur expenses for professional advice, taxes, fees and charges from Australian government agencies—commonly known as 'black hole' expenses—in the process of starting a new business: small businesses and those intending to start a small business who are not connected with larger businesses. For those seeking advice on appropriate entity structures, the legal expenses in establishing the entity, stamp duty and the cost of preparing a business prospectus, for example, add up very, very quickly. They are front-end costs, when that money could be placed into helping start the business, grow the business and sustain the business. These are front-end cost, so their immediate deductibility is particularly important. As I said, they will be eligible for immediate deductibility, thereby assisting those small businesses, particularly in my electorate, through providing immediate deduction of professional expenses and increasing the cash flow for business start-ups.

These measures are going to be critically important and nowhere more so than in the agricultural sector of my community. I have around 1,145 small agricultural businesses in my electorate. Mr Deputy Speaker Vasta, you would be aware of the storm events that went through the Hunter Valley, particularly in the Dungog-Maitland-Port Stephens area, where people were put in a desperate situation. So anything that we can do to take the monkey off the back of small business and provide incentive opportunity for people to stay in business is nowhere more important than on the land producing the food and fibre that we need is to be welcomed. I know from my travels through my electorate and from discussions with my constituents that they encourage us to do even more, because they are hungry to be in business. They want sustainability. They want affordability. They have the determination. All they need is the encouragement that a minister like Bruce Billson and that a government like
the Abbott government is giving them, which is to go forward to invest, to create, to grow and
to deliver the jobs that we need in this nation. I support this bill.

Mr FLETCHER (Bradfield—Parliamentary Secretary to the Minister for
Communications) (11:07): I am very pleased to rise to speak on the Tax Laws Amendment
(Small Business Measures No. 3) Bill 2015. This is an important bill, which will amend a
range of tax laws as part of the government's vital jobs and small business package. I would
like to emphasise three issues in my contribution to the debate this morning. Firstly, why it is
so important to boost start-up businesses and small business. Secondly, the fact that the
Abbott government is pursuing a suite of policy measures to address this objective. Thirdly,
the specific measures which are contained in the bill before the House this morning.

Let me start by highlighting the importance of start-up businesses and the technology
sector in particular. Around the world, start-up companies form a critically important part of
the growth cycle. A start-up company is one that is formed from scratch, typically with the
aim of commercialising some technology, such as software, medical technology,
biochemistry or renewable energy technology. The technology sector is vitally important to
create new businesses and to create new jobs, because the evidence suggests that this sector
creates new businesses and new jobs at a higher rate than across the economy in general.

I want to cite a recent report by the advocacy group StartupAUS. That report is entitled
Crossroads 2015, and the authors of that report noted predictions that the technology sector
has the potential to contribute four per cent of GDP and add 540,000 jobs to the Australian
economy by 2033. But, if we want to build a strong technology sector in Australia, we need a
strong start-up culture. If you go to Silicon Valley, if you go to Israel and if you go to any of
the other tech sector hot spots around the world, what you see is an end-to-end system. The
system includes start-up companies being founded in large numbers. There is ready access to
finance at both an early stage, from so-called angel investors, and at later stages such as the
venture capital stage and, later on, a public offering. Most importantly, there is a pool of
talented people to be found—not just to work in such businesses but, indeed, to create and to
establish such businesses.

In Australia, we have had some significant successes, and I will mention a couple of
companies. Atlassian produces software which helps software teams collaborate. It was
founded by two UNSW graduates—Mike Cannon-Brookes and Scott Farquhar—in around
2002. Today, it employs some 1,000 people around the world, and a recent transaction has
valued the company at several billion dollars. Another leading Australian tech company is
Cochlear, which is a world leader in hearing implant technology. Its global revenue is well in
excess of $900 million a year, and it is commercialising and selling a product which is based
upon technology developed in Australia—indeed, it is based upon research carried out at the
University of Melbourne. These are amongst the most visible of Australia's tech sector
companies, and they are companies which began as start-ups and have achieved significant
scale.

There is plenty of activity throughout the start-up sector in Australia, and some of the
earlier stage companies are not as visible, but they are certainly very impressive when you get
a sense of some of the things that they are doing. For example, if you visit the tech sector co-
working space Fishburners in Pyrmont in Sydney, you feel a palpable sense of energy and
dynamism. You notice the diversity of the people there and the many start-up businesses they
are working to get off the ground. One such business is Wattcost. The founder, David Soutar, explained to me that Wattcost's product will allow you, as a consumer, to monitor your home power usage on your mobile phone without needing complicated installation.

Another trend which we are increasingly seeing in the start-up sector in Australia is growing support coming from large corporates working with start-ups. I recently had the opportunity to visit Telstra's accelerator, muru-D, based in Paddington in Sydney, which is home to a diverse range of start-up businesses. Every few months, there is a new class of start-ups that comes through. These businesses secure a spot at muru-D for six months. During that period, they receive tailored support, including legal services and access to specialised skills within Telstra, such as, very importantly, the user experience team. Telstra provides a cash contribution and, in return, takes an equity stake. On my visit to muru-D, I had the opportunity to speak to the chief executives of a number of these start-up businesses. One, for example, serves the inbound Chinese tourist market, offering customised experiences. Another is a business called Disrupt Surfing, which allows customers to order surfboards with customised designs.

What is in it for Telstra and the corporates that are supporting start-up businesses in this way? First of all, it allows them to be seen to be supporting the Australian technology community. But it also gives these companies access to start-up talent and cutting edge ideas. Of course, ultimately there can also be a commercial advantage, should it be the case that some of these businesses become very large and become substantial users of communication services. We are seeing similar trends in the start-up sector in other industries—for example, a range of finance sector businesses. The new Sydney fintech hub Stone & Chalk is an illustration of this trend. It has received seed funding from many of Australia's largest financial institutions, including: ANZ, HSBC, Macquarie Group, Suncorp and Westpac.

Clearly, if we can increase and elevate our level of start-up activity in Australia, the economic benefits over a number of years will be significant. The public policy paradox is that policymakers can identify this goal, but, ultimately, it is only individual entrepreneurs prepared to take significant risks who can generate the flow of start-ups that we need. The role for government, I would suggest, is to help create the conditions in which entrepreneurs are prepared to take these risks.

That brings me then, secondly, to the suite of measures which the Abbott government is pursuing to stimulate start-up activity in the Australian economy—to stimulate start-up activity, to stimulate entrepreneurship, to stimulate innovation. For example, there are our commitments to streamline business registration processes to make it quicker and simpler to set up a new business.

Our work in relation to employee share ownership plans is extremely important. Employee share schemes are vital for start-up businesses. The reality is that start-up businesses generally are not in a position to offer generous cash remuneration to talented employees. What they can offer, though, is an opportunity to share in the upside should the business do very well, and that is typically done through inviting employees to participate in an options plan. That is standard practice in the technology sector around the world—in the US, in Israel, in Europe and in many other markets where start-ups have a significant role and where their technology sector is vigorous and active.
Unfortunately, the previous Labor government thought differently. It was hostile to employee share schemes, and the tax settings introduced by the then Treasurer, then and now the member for Lilley, were extremely unconducive to offering employees the opportunity to participate in options schemes. In fact, Australia had a tax treatment under Labor which was out of step with most of the rest of the world because you were subject to being taxed on the value of the options in the year that they were issued to you.

We have taken a very different approach. We have changed the law. With effect from 1 July this year, the law in Australia is now aligned with that in most other markets. It consequently makes it much easier for start-up companies to be able to offer participation in options plans to employees, and they are once again competitive in attracting talent, bearing in mind that in doing so they are competing with other employers who are seeking to attract these skilled IT employees.

The Abbott government have also announced that we will remove obstacles to crowdsourced equity funding. Current legislation in Australia means that equity crowdfunding platforms face some significant regulatory barriers. I recently had the opportunity to meet with the founders of Equitise, Chris Gilbert and Jonny Wilkinson, and they explained to me some of the challenges that a crowdsourced equity-funding business model faces in Australia. Equitise is an Australian business, but it was officially launched in New Zealand late last year because of the fact that the New Zealand regulatory settings were changed some time ago. In Australia at the moment there is still some work to do. The Abbott government have made a commitment that we are going to change the laws to facilitate crowdsourced equity funding. We have committed to bringing in legislation in the spring sittings this year. That matter is, happily, in the hands of the energetic and irrepressible Minister for Small Business. He is pursuing it vigorously, and that is good news.

We have also announced changes to the significant investor visa. People who are issued such a visa will now be required to invest at least $500,000 in eligible Australian venture capital or private equity funds, which in turn invest in start-up and small private companies. This again is another important policy measure to stimulate innovation, to stimulate entrepreneurship, to stimulate the start-up sector.

Let me turn thirdly, then, to the specific measures in this bill, which form another part of the overall suite of measures I have talked about to stimulate small business and to stimulate start-ups. This is the third of four bills that the Abbott government has introduced to deliver the Jobs and Small Business package. The measures in this bill will provide improved cash flow for start-up businesses and small businesses and will reduce red tape.

A key measure in this bill is that individual taxpayers with business income from an unincorporated small business will receive a five per cent discount on the tax payable on their taxable income from that source, up to a cap of $1,000. This is important because some two-thirds of Australian small businesses are not incorporated, so this is a measure which gives unincorporated small businesses equitable treatment as compared to incorporated small businesses. Of course, we have announced a reduction in the company tax rate for small businesses in corporate form.

Another important measure in the bill before the House this morning is the immediate deductibility of professional expenses to small businesses. This is very important. Often, when a small business is established, the legal and professional costs are quite significant, and
that is certainly the case for start-up businesses in the technology sector, yet today the tax treatment is such that you cannot write off the full cost of those professional expenses in the first year; you have to spread it over five years. We are changing that so you can have immediate tax deductibility for those expenses, and that of course will provide an immediate cash flow benefit which is of great value to businesses at that very early stage of life, when cash is often in short supply.

The third important measure in the bill before the House this morning is the change to the fringe benefits tax treatment of work related devices—iPhones and other smartphones, tablets, personal computers and so on. Previously, the way that the fringe benefits tax legislation worked essentially made it difficult to get the desired tax treatment in respect of an employee with multiple devices, even though, as we all know, typically in businesses of all kinds, and certainly in tech based businesses, an employee will very commonly have a laptop, a tablet, a smartphone and in many cases even more devices than that. We have changed the fringe benefits tax treatment so as to not distort business decisions. That is a measure in the bill before the House. It applies to small businesses with an aggregate turnover of less than $2 million per annum. This is going to deliver red-tape benefits but also prevent fringe benefits tax treatment affecting important business decisions as to the choice of tools which are provided to employees to do their work.

The role of small business and, within that, the role of start-up businesses are absolutely critical. The Abbott government is pursuing a wide range of policy measures to stimulate and to facilitate such businesses, and the measures contained in the bill before the House this morning form part of that suite of policy measures. They are sensible, they are stimulatory, they will encourage business, and I commend them to the House.

Ms MARINO (Forrest—Government Whip) (11:22): I notice that we have a group of young people sitting in the gallery: I welcome them to the parliament today, and I hope that they are enjoying their time here in the capital.

Mr Acting Deputy Speaker, as you well know, small businesses are a key driver of Australia's economy. They underpin the growth in innovation and provide millions of jobs for Australians right around the country. The measures we see today in this bill, the Tax Laws Amendment (Small Business Measures No. 3) Bill 2015, give even greater confidence and encouragement to the small business sector. Small business is an absolute priority for the Abbott government, clearly demonstrated by this bill before the House today. I need to acknowledge the very persistent efforts by the Minister for Small Business, Bruce Billson, the member for Dunkley, as well as his absolute passion and dedication to his portfolio. He has been in this role for some years and has been a very dedicated and enthusiastic minister for small business. The small businesses I talk to know that with this minister, they have an absolute warrior on their side. And not before time: I think there were about five or six small business ministers under the previous Labor government—it was like a revolving door! And Labor ministers treated small business as basically drawing the short straw in portfolio applications. It was shabby and dismissive treatment indeed, and I despaired of that through those dreadful six years of Labor. The coalition government has a totally opposite approach. With our small business minister who is in cabinet—in cabinet—and who is part of Treasury, we are literally putting our money where our mouth is. For the first time ever in Australia, small business is at the table every time a decision is made by cabinet. No matter what the
proposal, no matter what the legislation, no matter what comes into cabinet, small business has its place at the table—and there is no-one that we would prefer to see there other than the current minister.

It is simply not enough to mouth the words 'we support small business', like some throwaway line. A government must actively deliver policies that foster and grow businesses—as we are doing, in part through the bills we see here. Small business is more important than ever in the Australian economy. We in this place are graphically aware that the Australian economy is in transition and faces significant structural challenges from both domestic and international factors. A move to broader-based growth is happening, and small businesses are a key part of growth. So we need small businesses to have even more confidence to invest, to grow, and to employ even more workers, given that small businesses employ nearly half of the workforce in Australia.

What I really like about small business is this: we often see the very first job opportunity which a keen young person has is actually in a small business when the owner gives that young person a go and says: 'Yes, I will support this young person in my small community.' And at the other end of the spectrum, I often see that it is—a small business where the owner says: 'I will give a mature age worker a go in my small business.' I see this all the time in my electorate of Forrest, where there are nearly 13,000 small businesses. In Western Australia, around 97 per cent of all businesses are small businesses.

The impact of small business is frequently underestimated, but it is so critically important in small rural and regional communities. It is the small businesses that are part of our communities in so many ways. They support all of our organisations—community services, and sporting organisations. It is our small businesses who are there and who open up when I as a farmer might need them at whatever hour of the day that might be. Below-trend economic growth has driven increasing unemployment, particularly youth unemployment, and that is why small business is so important. A combination of factors such as low interest rates and the falling Australian dollar will encourage employment and business growth over the longer term. There have been positive signs that this is already happening, with job advertisements increasing.

The coalition government's Growing Jobs and Small Business package is the biggest economic recognition of the sector in Australia's history—that is profound: in Australia's history. Make no mistake as to exactly what we are offering, Mr Deputy Speaker: we are offering the lowest small business company tax rate in the almost half a century since 1967. We are cutting the corporate tax rates from 30 per cent to 28.5 per cent for small businesses with an annual turnover under $2 million. Not only that, we are also offering the same incentive to unincorporated small businesses through a discount of five per cent, or up to $1,000, for 1.7 million small businesses that are unincorporated. That will give them that same incentive to innovate, to invest, and to employ. Small business companies will pay less tax. We are providing accelerated depreciation arrangements to small businesses and primary producers. We are simplifying depreciation rules in tax law to increase the threshold for immediate tax deductibility from $1,000 to $20,000. Our farmers will be able to immediately deduct all eligible capital expenditure on fencing and water facilities. Fodder storage assets will be deductible over three years.
These very practical budget measures reflect our understanding of the complex nature of small businesses across our country. It also demonstrates our commitment to those men and women who invest their own resources into small business—who have a go, who take enormous risks, and who employ others. We cannot undervalue or underestimate their efforts. Small businesses also have the advantage of being adaptable and flexible. They are frequently able to respond profitably to changing circumstances—and they will run with their instincts. Studies indicate that it is small businesses that are often the entities which test and pioneer innovative ideas and business practices which are really critical to future economic growth, as well as critical to job prospects and improved living standards. While small companies play a significant role in the Australian economy, they also face a unique set of operational challenges and, as a consequence, typically have higher failure rates than larger companies. As we know, another issue for small business is often access to finance. Funding for small businesses is essential to facilitate productivity growth and job creation. Improving access to finance for small business was one of our commitments.

I want to go back to talking about the farming sector. It is amazing when I am out in the community how many people do not understand the fact that farmers are not just farmers but are also small-business people. Delivering support and incentive to farmers, small businesses and rural communities, particularly in drought-affected areas across Australia, will facilitate investment in longer-term preparedness measures. That is what we have done by providing $70 million to assist those primary producers to claim accelerated depreciation for water facilities, fodder storage and fencing. Farmers will be able to claim more favourable accelerated depreciation for water facilities and things such as silos. This will allow farmers to more effectively store and use water and fodder. If you are on a farm, water and fodder are two critical issues and two critical costs. Water storage, and particularly fodder storage, are very important and are a key part of on-farm economies and efficiencies.

New fencing will also be able to be depreciated in the first year, meaning more money in farmers' pockets sooner. Cash flow is frequently a problem not only in small business but farming small business and, specifically, in drought-affected areas. Drought preparedness was a key priority identified as part of the Agricultural Competitiveness White Paper process and these accelerated depreciation measures will create an incentive for farmers to do more with on-farm preparedness activities and to increase their productivity.

The depreciation measures are in addition to the $333 million in drought support that was announced previously by the Prime Minister. There was $35 million for shovel-ready, local infrastructure and employment projects, and $25.8 million for programs to manage pests, animals and weeds in drought-affected areas. These are all part of this package. There was $20 million to expand existing social and community support programs, particularly access to mental health support and counselling services for drought-affected families and communities.

It is hard to understand these things unless you have been through this situation yourself and have seen the despair that goes with being in a area affected by drought over a long term. It is hard to understand it unless you have seen what it does to your own business—unless you have had to make decisions about your livestock, about whether you can or cannot plant, about what your future might be, about whether you can afford to actually send your children
to school or keep them at school, or whatever stage your children are at, and about what it
does to the family unit.

In my work in the farming sector I frequently saw a lot of women, particularly, in farming
businesses bear the brunt when things got really tough. It is interesting to see how people
respond. In a manual environment, the men would get on with the daily work of the farm and
do what they could do and what they could control. The women often had to manage not only
issues such as drought, a lack of income, and managing the family, but also the critical issue
of family relationships. In small regional communities that is often some of the key work that
women do. It is not only just within their community, but as part of the family unit.

One of the toughest challenges facing families on the land in this uncertain environment is
that of managing the family unit, because most of the businesses on the land are family-
farming businesses. The effect on the family unit is intense. The relationships and the impacts
have to be managed. It all comes at a cost, so the investment that the government has made in
that space is particularly important: the $1.8 million to fund additional rural financial
counsellors to help people in drought-affected areas, to help people make good decisions
about where they are at as a business and as a family. It helps them to know what tough
decisions they need to make and how this will impact on the family as well as the business.
These are the very real and confronting issues that are faced over and over again.

I experienced this frequently during the dairy deregulation years, given the number of
small businesses that had no choice but to exit the industry. I worked with a number of
farmers and farming families during that time. I saw the stress and the pressure. I saw it
firsthand and the changes I brought in people's personal health and circumstances. It was
extreme. I saw damaged people. There were people who, even five and 10 year on, would
come and give me a hug if they saw me in the supermarket or in the paddock or on the rails at
the sale yards. After all that time they would still sometimes break down in tears, because we
shared that process and I shared what they went through. Unless you go through this process
yourself, it is impossible to understand what these people go through. It is that human element
that is most impacted.

It is the same in the dairy sector. I worked with a group of women who were dairy farmers
themselves but also were part of family businesses. So many of them had to manage the
relationships that changed when the family and the business got into significant financial
difficulties. The pressures came from everywhere. It was like a vicious circle. The women
were in the middle of that, trying to manage the relationship between perhaps fathers, sons
and daughters, the decisions they had to make about the business, the family, the education
and the future. All of that compounds into the family unit, so the resources that are put into
this place are particularly important. I cannot speak more highly of those who engage in this
space. Equally, for those who have to make very tough decisions, it is a matter of having a
plan for what is next, a plan B for what they will do when the change has to happen.

In supporting the bill before the House, I am absolutely committed to small business. Equally,
I am very proud to be part of a government that has very clearly, consistently and
continuously demonstrated its commitment to small businesses of all types in this nation.

Mr LAMING (Bowman) (11:37): Indeed, one of our most important issues is small
business driving Australia's economy back into a strong position, which it was not able to do
under a Labor government. It is quite simple. Too often, Labor, held captive by special
interest groups, forget that it is small and medium businesses that generate the economic confidence and the cycling and multiplier effects that see Australian money kept right here in Australia, driving new jobs and opportunities for young Australians, in particular.

Part of my job in Bowman is to make sure that every local can engage with the real economy. In my electorate, there are 3,000 Australians who are receiving income support right now. Many of them are doing so for very good reasons. But, 800 of that 3,000 people, not all of them young, are absolutely job ready and looking for an opportunity to do the simplest of tasks, even those without training. But they are denied. Imagine just how soul destroying it is to turn up 10 times every fortnight to look an employer in the eye at a job interview and be told no. It is soul destroying to have it happen once in your career. But for those on Newstart who are trying to remain eligible for their payments it is an experience that they are subjected to daily. This must change.

We must not measure a job seeker's desire for work by how many job interviews they front up to and are rebuffed at. We need to measure that will on their ability to pick up a pen or shovel or to join an NGO and be part of a team, shoulder to shoulder, cheek by jowl, with other Australian workers. Every Australian deserves the right to be able to wake up on a Monday morning and show up somewhere to learn a capability and, from that, gain opportunity in this incredible global economy and the role Australia plays in it. But our welfare system has failed those people.

They are not all 17 and 18 years of age. They are not all people who are working in the fast food industry, trying to hold on to their penalty rates. There are 50-year-olds and above who feel that they have been ejected from the economy and completely disconnected from it. In my electorate, there are 800 such people. You can multiply that number by 150 electorates. These are broken souls with broken lives. They do not deserve that fate in this great nation. We are a nation big and generous enough to give everyone ago and not sideline people and disconnect them from the opportunities Australia can offer.

If you do an international comparison, you will find that Australia has the highest proportion of dwellings that have under their roof not a single person with a job. We have the highest proportion in the OECD of households utterly reliant on welfare payments to put food on the table. We have to break that nexus. We have to break into those households and offer just one person the opportunity to earn a wage, something that most of us here take for granted. But some people do not take it for granted, particularly in poorer parts of our large cities and in our regional cities where industry is disappearing.

Paradoxically, in remote Australia, employment rates are fairly high if you are lucky enough in the lottery of life not to be Indigenous. If you are Indigenous, of course, the figures are alarming. It is virtually impossible to set up a small business in an Indigenous community. It is impossible to lease a space to run a business. It is impossible to own your own home.

I want to give a snapshot of that. In the tiny western Arnhem community of Ramingining, if you finish high school—and the odds of that are slim—the odds of you finding a job in your community are at five per cent. What happens to the rest of those people? They are committed to a life of welfare. The odds of someone ultimately finding any form of employment in that community is 15 per cent. It is almost exclusively public sector salaries—money transfers into Indigenous communities handed out by government to do things the government want you to do. What is missing in Indigenous communities is small business, self-evidently. What is
missing entirely is a private sector of any form except the local store, which receives
government money to remain viable. I support fully the opportunities of training Indigenous
people in that one small business called the community store. But, in Australia, we have 67
per cent workforce participation. In Indigenous communities, we have 15 per cent public
sector workforce participation and barely a private sector job for hundreds of miles.

How did we create this? How did Australia manage to put together a remote Indigenous
picture of zero private sector? That is the complete absence of small business and the ability
to benefit from the legislation we are debating today. There is simply nothing to do and no
possibility to own a home or business or to give it a red-hot go. There are Indigenous
Australians who could easily run a barbershop, bakery or takeaway store. There are a whole
range of services they could run, but they are thwarted at every level by the Native Title Act
and by an overall despondency that prevents people from giving it a crack. It is okay to fail.
That is at the heart of entrepreneurship. But it is something that is completely removed from
these parts of Australia.

I will come back now to the mainstream and cities around this country where
unincorporated small businesses were a blind spot for the Labor government for six years. It
took the Liberal Party and this coalition government to recognise that we need to reward
unincorporated small businesses. If you do not, company tax cuts benefit only 30 per cent of
businesses in this country. We are delivering an elegant solution by offering a five per cent
discount on the tax payable for individuals who have a business income from a business that
is not incorporated. It makes complete sense. It is roughly equivalent to the 1.5 per cent
company tax rate that is enjoyed by those whose businesses are incorporated. In essence, it is
capped at around $1,000 per individual. That is incredibly welcome to those small businesses
around the country.

I want to set the picture here. In my electorate, we have around 1,500 incorporated small
businesses. But many, many more small, unincorporated entities are giving it a go, with
people working from home and seeing if their business can fly before determining if they
want to actually lease a location. By giving them these concessions to set up and use a single
portal and immediately write off some of their costs, you are activating the very engine room
that is going to get us out of this mess that we are in.

No-one in this chamber, regardless of how self-important we are, can do anything about
collapsing commodity prices. None of us can do anything about the debt mire that Europe
finds itself in. Australia was heading in the same direction until we changed government and
turned the plane out of its death dive. No-one can do anything about the challenges we face
from South-East Asia and the missed opportunities because we do not have an open mind
towards foreign investment, but we can do something for our small businesses.

We can do something for the people who sweat over spreadsheets every night, for the
people who never know who will walk in the door the next day, for the people who never
know whether they will have an income the following day. These are people who take a
chance; these are people who take risks. They are not people who receive a regular public
sector income every two weeks and who can add on top of that overtime whenever they feel
like it—they do not have that luxury. They do not live with that certainty. But, without them,
we are nothing.
We are one of the great small business nations on earth. Maybe after the Czech Republic, we have the most number of small businesses per head of population. So we have a proud heritage, one that we can celebrate. But if you do not introduce things like this bill when you are in government then you do not do the right thing by small business. Do not take my word for it—you would expect me to support it because I am on this side of the chamber. Actually talk to the people who know. Talk to the representative groups that are looking out for small business and that understand that the only way to multiply money is to (a) keep it in your country; (b) spend it on people in your own community; and (c) be value-adding. There is no value-adding in employing more public servants. You pay them a salary out of the tax everyone kindly pays, but there is no multiplying factor for a public service. They are not in that industry. The bigger make your public service, the more you crowd out innovation. That is why, over here, we say: it is not that we have anything against public servants; we just do not like borrowing from China and the Middle East to pay their salaries. If you are going to have public servants, that is fine, but make sure they are on the front line delivering a service. Those are utterly reasonable propositions.

Take Queensland. I am the only doctor here that works in active practice at the moment. I work in a wonderful hospital most Fridays. Under the former coalition state government, waiting lists were diminishing as we set up incentives for doctors to get through their waiting lists. Within two or three months of Labor's return to power in Queensland, around the corner came the waiting lists, and they are now growing again. That in itself is bad enough. But, in relation to the health system, Labor went to the election saying, 'We are going to re-employ all of those nurses that were taken away by Campbell Newman.' When we went to the hospitals in the last month and said, 'Where can we put the nurses?' the hospitals said, 'We don't know. We're actually doing the job okay without all those nurses,' because the nurses were not doing face-to-face work at all. They were second- and third-tier education nurses, not looking after patients. The hospitals did not actually need them. It was an Anna Bligh strategy to hide unemployment by employing more nurses. The great majority of them never saw a patient. Now we have hospitals that do not need them. They are working perfectly well without the extra non-service-providing nurses. Labor can put them back in out of ideology. Labor will pay their debt back to the unions and employ them. But you will not see one change in standard of care or in the number of services provided unless they are on the front line. At the moment, the front line is adequate in A&E, but we are watching waiting lists very carefully, as they are already blowing out. I have diverged slightly, Deputy Speaker, and I appreciate your indulgence.

**The Deputy Speaker (Ms AE Burke):** I was going to cite relevance; I am getting there.

**Mr Laming:** You were very good to me to not cite relevance, but thank you for letting me deliver that important anecdote about entrepreneurship. Ultimately what we want is private provision of these services that is efficient. If you take a small business that operates cancer treatments, they have just 11 people per linear accelerator and deliver cancer-treating services all over this country. Today, as soon as you step into a public hospital in New South Wales, there are 23 people running around that same linear accelerator doing 50 per cent fewer treatments. Please think about it. There are nearly double the number of people scurrying around the machine, from nuclear physicians through to cleaners, seeing 50 per cent
fewer patients and treating them for their cancer. If it is your relative waiting for public cancer care, how do you feel about being told there is no treatment for six weeks because ‘we are full’? You are not full; you are just not efficient and you are using way too many people to do way too few services.

I can understand that in the public system the slower you work, the more money you save, but that should not be how our health system works. At the moment, in too many state systems, it is. That is why the small business notion of having some competition in the area of cancer care is so important. In this case they are incorporated small businesses, but it makes no difference; they all have to start from somewhere. Our great small businesses often begin as unincorporated entities.

If you are living in a remote community, you deserve to be able to start a small business and give it a go, but there are so many Indigenous Australians who would love to give it a go and cannot. One of the great achievements of the Parliamentary Secretary to the Prime Minister, Alan Tudge, is his determination to see basic ratios of government contracting going to Indigenous owned and controlled business. That is a really important start. But federally we do not control a great deal of that sector. We need the states and territories to agree to the same thing. When there is work to be done in the community, let it be done by the local people.

Was that Labor’s approach? Of course not. They trucked in the bureaucrats and they called in the remote housing providers and they built houses for Indigenous Australians while Indigenous Australians were spectators. Since when was housing construction a spectator sport? The argument was that they had to build these houses quickly. They were built quickly, badly and wastefully, when a small business incorporated in each of those communities could have done that work, could have given basic skills to young Indigenous people to erect dwellings. They are flat packed these days. They come in on a truck and they are up in four weeks. It is not a complex job anymore. It simply needs to be supervised by someone who knows how to do it. We could have done that in every community. We passed it up. That generation of young Indigenous Australians never had a chance to be part of their own small business. They were occasionally allowed to sweep the slab in the morning as part of their mutual obligation, and then they were sat on the side while the driven-in employees, who were mostly from large towns and cities, did the job. That was a disgrace and that was a passed-up opportunity that could have seen trained tradesmen, young Indigenous tradies, now travelling around remote Australia doing the work in other communities. Forget that. Labor blew it.

Now what we have is a government absolutely committed to small business; we are obviously committed to tax cuts but, more importantly, to tax cuts for 70 per cent of unincorporated small businesses. As I said, do not believe me—listen to ACCI. They acknowledge small business is the engine room of the Australian economy. They know you need to be able to immediately deduct these legitimate professional costs associated with setting up. What is the point of celebrating the fact that you tell people to wait up to five years to write stuff off when your business, more than likely, will not even exist then? We have to give them a start. We have to cultivate small business. We have to encourage Australians to have a go. I have made my point that that needs to be in Indigenous Australia. I have made my point that it needs to be within my electorate. I have made my point that we need to
recognise the importance of entrepreneurship and of small business having a go. We need to recognise and salute people who have chosen that as their profession, thank them for the fact that Australia has one of the strongest small business sectors in the world and recognise that only the coalition is looking after their interests.

Mr COLEMAN (Banks) (11:52): It is wonderful to have the opportunity to speak on these very important measures that have been championed so effectively by the Minister for Small Business. The measures, which touch on taxation, also afford the opportunity to talk more generally about the importance of creating a low tax environment in Australia and so provide a contrast to some different approaches.

In this bill there are three important measures, the first of which is a simple tax cut on the income of unincorporated small businesses. Incorporated small businesses were provided with 1½ per cent tax cut in the budget from 30 per cent to 28.5 per cent. But 70 per cent of small businesses are not in fact incorporated and so it would not be fair not to provide a commensurate benefit to those unincorporated businesses, and that is precisely what this provision will do. There are many hundreds of thousands of sole traders and millions of entities that fit under this provision, and they will receive a five per cent deduction in their annual tax bill up to $1000—that is $1000 that can be reinvested into growing their business, and that is absolutely appropriate.

There is another important provision related to the deductibility of professional services fees. One thing that we can all confidently state is that there is no small business out there that enjoys paying professional services fees, that these are minimum cost of entry and something you have to do in small business. That is particularly so in setting up a small business: there are issues about the structure of the company, the board, insurance, setting up the accounts correctly, making sure all the right forms have been filled out with ASIC. Frankly, none of that is fun, but all of it is required. Under the existing scheme you pay those fees now, but you are only able to deduct those expenses over a five-year period. So you might pay $30-40,000 to your local lawyer, accountant, et cetera to set up your business and then you have to wait five long years to get the money back, effectively as a loss through your tax return. The underlying concept of depreciation is that certain assets which sit within a business should be expended over the time that reflects their useful life—machinery, computers and so on. Professional services fees really have similar characteristics to other expenses which are expended on a cash basis in the year they occur. This is a very good initiative and will assist many small businesses around the country to get more cash back from tax deduction they claim on the cost of those professional services.

There is also an existing provision in the fringe benefits tax rules, which is a hangover from an earlier era, and it only allows small businesses to provide one work related device to employees without attracting the fringe benefits tax. We know now that devices which are provided to employees are not some feature of a nice salary package; they are absolutely core to people's activities in business. We are spending three or four hours a day on mobile devices, and much of that time is business related. The notion that it is a salary-packaging benefit is illogical, and I suspect there are many employees who would not see the provision of a work iPad as of great personal benefit, as it requires constant attention to work activities. In future for businesses with a turnover of less than $2 million these devices and other products provided to employees will not attract fringe benefits tax.

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CHAMBER
I recently visited Studio Shirts in Padstow in my electorate with the Treasurer. It was a
tremendous visit, where we were able to touch on the impact of these various initiatives for
small business. Roger Touma and his team do a fantastic job in designing and manufacturing
shirts, pyjamas and a range of other clothes. They employ quite a few local residents. Roger
told the Treasurer and me that since the budget he had seen a substantial increase in orders for
his shirts and other garments; he believed it was a consequence of the confidence engendered
by these small business measures. Roger's business has a turnover of more than $2 million
and so does not qualify for these measures, but nonetheless it is benefiting from these
initiatives because many of Roger's clients are businesses with smaller turnovers—small
retailers, mail order companies and so on—that are ordering more shirts now than in May.
That is really good news.

There are lots of great small businesses in my electorate. Constance and Alexis Barberakis
do a fantastic job at the Spot Cafe at Riverwood. These two young entrepreneurs are sisters in
their early 20s, and they are building a business that is much loved by the local community.
We want to support those kinds of businesses. We want to support Aaron Mi and his business,
Taste of Shanghai, at Hurstville, which probably has the most popular dumplings in Banks.
That is saying something, because we have many dumpling restaurants, but the Taste of
Shanghai is a fantastic example of a great small business. We are proud to support them.

These measures are about tax, and there is nothing more fundamental to the activities of the
federal government than getting the tax system right.

It is good to have the Parliamentary Secretary to the Treasurer here for these remarks, but it
seems to me that it is important in any construction of tax policy that we look very carefully at
what impact it will have on business and households. An obvious point is that we must look
very carefully at the impact of tax policy on business and households. It is notable that,
according to Credit Suisse, which conducts a global survey of household wealth, the median
net wealth in Australia is the highest in the world. As of late 2014, the median net wealth in
Australia, according to Credit Suisse, the respected investment bank, was the highest in the
world. That suggests to me that it is incumbent upon government to not do anything which
puts that status at risk, because the fact that we have high median net wealth is a very good
thing indeed.

The largest component of household wealth is owner occupied housing, but the second and
third are very relevant to this discussion, because they are two areas where the opposition is
proposing to introduce taxes that will have substantial negative impact on our community.
According to the ABS, most recently, the average household has about $132,000 in
superannuation and has about $129,000 in investment properties. So the second and third
largest sources of wealth for Australians are superannuation and investment properties.

So, what should a government sensibly to? A government should sensibly minimise tax
and not do anything disruptive that is going to make the accumulation of assets in the second
and third biggest asset classes more difficult for Australians. But the opposition is proposing
to do precisely that. The shadow Treasurer has said very clearly that the opposition proposes
to increase taxes on superannuation for hundreds of thousands of Australians—not only
Australians who have already retired and are drawing on superannuation, for whom there will
be a tax increase if they earn more than $75,000, but also for Australians who are in the phase
of accumulating superannuation, if they should earn more than $250,000. Those are the
figures that the opposition says today, but clearly there is every chance of those changing to the detriment of Australians in future. So, it is a matter of significant increases in taxes affecting hundreds of thousands of Australians in the second largest category of assets for Australian households. That just does not make sense, and that is something this government strongly opposes.

The other tax area that is very fashionable to debate in certain quarters at the moment is so-called negative gearing. The opposition has demonstrated a very clear willingness to look at increasing taxes on housing, effectively by changing negative gearing. It is important to understand what negative gearing is, because it seems to me that there is sometimes a lack of clarity about what negative gearing actually means. It actually means that if you lose money on something through the fact that you are paying more in interest than you earn from it, then you claim a tax deduction. That is it—that is all it means. To repeat, negative gearing means that if you lose money on something because the cost of the interest exceeds the revenue you get from it, you get to claim it as a tax deduction. That principle is completely enshrined in the way that all Australian businesses operate, because you can always claim interest costs against revenue. It is also important to point out that negative gearing does not simply apply to housing. There seems to be a sense that negative gearing is some special thing that is just created for housing. It is not. It is a broader principle in our taxation system that, if you lose money on a profit and loss basis because the interest costs and other costs exceed the revenue, you obviously claim tax because you effectively lost money on it in that year. That is the principle. This government is very strongly committed to defending negative gearing, but the opposition is plainly not committed to that at all.

But what does it mean? Investment property is the third-largest source of wealth for Australian households. What the opposition is proposing potentially to do is increase taxes on people who seek to build an investment portfolio. That is basically what it comes down to, despite the fact that the principle of negative gearing is very simple: if you lose money on something because the cost of interest and other things exceeds the revenue, then you get a tax deduction. It is a very important debate, and, as in all things, clarity is important.

The other thing the opposition seeks to do is reintroduce a massive carbon tax. It is going to be very bad for Australia—

**The DEPUTY SPEAKER (Ms AE Burke):** Can I bring you back to the bill before the chair. If you can draw a line where you are going. I have been very good with latitude but I would like to see the relevance of this one.

**Mr COLEMAN:** Indeed, the bill is about taxation measures to help build the Australian economy.

**The DEPUTY SPEAKER:** Small business.

**Mr COLEMAN:** What I am seeking to do is contrast the very negative impacts on small businesses, and indeed on all Australians, of a massive electricity tax, through the carbon tax. We know that at its recent conference the opposition proudly committed to an extraordinarily high target, which will massively reduce Australian GDP and see power bills go up by 78 per cent. That is something to which we are implacably opposed, and will continue to be. In summary, these are important initiatives for small business and it is very important that they get through the House. I strongly support the bill.
Ms O'DWYER (Higgins—Parliamentary Secretary to the Treasurer) (12:07): I am delighted to stand in this place and speak on the Tax Laws Amendment (Small Business Measures No.3) Bill. The government has introduced legislation for three more measures to support small business as part of the 2015 budget's $5.5 billion Jobs and Small Business package. In essence, this is a bill that cares about small business. But why do we care about small business? First, because every business starts as a small business; second, because the coalition understands small businesses are the engine room of the Australian economy; third, because small businesses provide employment and with it true economic security and opportunity for Australians; and, finally, because the coalition understands that you have to generate wealth for individual and community prosperity and in order to get the revenue that the government needs to provide services and infrastructure you need to be able to have that wealth generated. It is, after all, business and not government that ultimately generates this wealth.

The coalition understands that by growing the economy we grow wealth, which means the government is better able to provide for Australians now and into the future whilst keeping taxes as low as possible. The coalition understands that the government's role is to create the right settings to unshackle business from onerous and/or ineffective regulation and encourage growth. Ninety-six per cent of all Australian businesses are small businesses and they represent the largest employer by sector in our nation's economy. My electorate of Higgins has over 20,800 small businesses, each contributing significantly to our local economy—from the cafes to the restaurants to the retail outlets such as florists, there is an abundance of small business activity in my electorate. I also have shopping precincts in my electorate that are destination points for people who want to do fashion shopping, whether it is High Street Armadale or whether it is Chapel Street in South Yarra. In my electorate I also have the largest shopping centre in the Southern Hemisphere, Chadstone Shopping Centre. All of these strips and centres have small businesses in them that help to grow our economy and employ people. Importantly, many young people begin their working life in small business. Pleasingly, in 2013-14 we saw strong growth in the small business area, with over 280,000 new businesses established providing opportunity for today's youth to get the start they need.

While many issues in this place are of genuine concern to Australia's young people, the ability to find employment and build a career remains rightly fundamental to young Australians and, as we know, that is essential in creating a secure and ultimately happy life. In addition, women represent one in three small business owners and notably it is women who constitute the fastest growing cohort of small business owners in Australia, with an increase of four per cent in the 12 months to June 2015 compared with an increase of 1½ per cent in male business owners over the same period. I am equally pleased that these measures introduced today will help over 400,000 women small business owners, as well as entrepreneurs and job seekers.

This bill will ensure that all small businesses receive a tax cut—no matter how they are structured. This measure will provide an automatic boost to the 1.7 million unincorporated businesses—sole operators and partnerships—to grow. By providing individuals who draw their income from an unincorporated business with a five per cent discount on the tax payable on their taxable income, we are able to create a lower taxing environment. This tax offset will be capped at $1,000 per taxpayer per year. This will give a range of small business owners,
from tradies who operate as a sole trader to the mum-and-dad-run milk bar—similar to the one my grandparents started up all those years ago—through to family businesses operating through a family trust.

In circumstances where we are able to lower taxes, we should. Lower taxing environments encourage innovation and entrepreneurship. The government's measures will encourage and enable small businesses to grow and reinvest in ideas, equipment and people. This tax cut will increase cash flow for small businesses and lead to an increase in economic productivity. The coalition does not believe that you can tax your way to prosperity in order to unleash the potential of individuals and businesses. We need to do everything we can to make sure that we minimise the tax burden on all Australians. All new small businesses will be able to immediately deduct some start-up expenses, such as legal advice and registration fees, that previously had to be depreciated over five years. This will improve cash flow and reduce red tape. This will mean that businesses will not have the burden of having to track these expenses over the five-year period and will be able to spend less time dealing with regulations and more time in other areas such as improving or expanding their businesses.

This bill will also ensure that small business see a reduction in the current regulatory impositions they are faced with when trying to comply with the current fringe benefits tax rules. The government recognises the importance of being able to stay connected in the digital economy and so employers will be able to access an FBT exemption for portable electronic devices they provide to their employees. These amendments build on the successful passage of the first two bills through the Senate, confirming all small businesses' access to an immediate tax deduction for assets costing less than $20,000 and the 1½ per cent tax cut for small businesses with a turnover of less than $2 million. This is the biggest small business package in Australia's history. At the heart of the package are measures to provide tax relief and reduce the red tape and regulatory burden for small businesses. The last of this collection of bills, to enable small businesses to restructure without facing an immediate capital gains tax liability, is scheduled to be introduced in the spring sittings.

The government is committed to ensuring that Australia is the very best place to start and maintain a small business. Our Jobs and Small Business package is creating the right conditions for Australian businesses to thrive and grow. We are focused on creating the right environment for the over two million small businesses across Australia and those who they employ. Since the coalition came to office, around a quarter of a million new jobs have been created. Company registrations reached a record high in 2014. It is clear that we are already seeing results. I am pleased that these small business measures will build on these strong foundations for the benefit of the Australian people now and into the future. I commend this bill to the House.

Mr Ewen Jones (Herbert) (12:15): I rise to speak on the Tax Laws Amendment (Small Business Measures No. 3) Bill 2015. The dry part of the bill is that this bill is the third of four bills the coalition government has introduced as part of the government's $5.5 billion Growing Jobs and Small Business package. When I say it is the dry part: it is a massive change for small business and a massive boost for small business, but it is a reasonably dry bill. This bill amends taxation laws to help provide taxation relief to small businesses and provide less red tape.
As the member for Higgins and Parliamentary Secretary to the Treasurer just said, more than 70 per cent of our two million small businesses are unincorporated. Schedule 1 of this bill will provide a tax offset to small businesses with a turnover below $2 million. The tax offset will be five per cent of the business's tax liability. Schedule 2 amends the Income Tax Assessment Act 1997 to provide an immediate deductibility of expenses to small businesses with a turnover below $2 million. Schedule 3 introduces legislation to allow small businesses to access fringe benefits tax for portable electronic devices, provided they are for work purposes.

In my electorate everyone understands the nature of small business, and lots of my friends have small businesses which do more than $2 million. They would like us to do more in this space—and we would like to do more in this space. I do not think there is anybody in this parliament who does not back small business or understand the urgency small business must have to prosper. We have, in this place, a willingness to put our hand in other people's pockets; that is how we operate, and it is very important. But we must be able to do it from a position where they understand it.

My parents worked very hard in small businesses. The traditional family unit of dad at work and mum at home when the kids got home from school did not apply to us. Mum and dad worked very hard in their businesses. My dad and my mum did not get into small business because they liked filling out forms. They did not get into small business because they liked working long hours. They got into small business because they wanted an opportunity to create wealth, and an opportunity for us, their children, to prosper. That we three boys, my two brothers and I, have done reasonably well in our lives and gone on to those things is in no small measure due to the effort of my parents' work, opening a shop in New Farm in Brisbane at five in the morning and closing at eight o'clock at night 363 days a year, with a half day on Good Friday and a half day on Christmas Day.

In my maiden speech I made the point that what government has to do is get our hands out of small businesses' pockets and get off their backs. Accountants and solicitors must no longer become de facto tax collectors and compliance officers. They must be the ones that allow small businesses to grow and allow small businesses to plan their next move as opposed to making sure they do not get into trouble.

Everyone in this place, I hope, understands that government does not create wealth. Business creates wealth. What government can do is to set up the circumstances around which business can operate. If we do that successfully, business operates, people get employed, wealth is generated and reinvested in our community, and so on. People buy cars; people buy houses; people buy TVs; people buy everything. They send their kids to school; teachers get employed—all that sort of thing. What the government does do is to get some big projects that small business can operate through. Small business cannot do the $500 million dam. Small business cannot do the $16 billion Carmichael mine. But what small business can do is form part of a logistics chain that provides services for those big facilities.

I have said before in this House—and I will say it again until something happens: what we have done in this place, and in the state government in particular, when it has come to the tendering process, is to have made these things so big that the local firms can no longer tender. We think we are saving money by making a $200 million job instead of $10 million or $20 million jobs. We say that that provides good economies of scale and certainty for the
taxpayer. But are we providing the best value for the taxpayer? The way I see it—and I have said it before in this House—is that, when you see those big jobs now and you see those things done—and, again, I will state that I have no actual evidence of this—the profit is taken at the very start; it is not what is left over at the end.

It is about the subcontractors; it is about the person who lives in the city—and I especially talk from a regional perspective here. These jobs come in. We have complied and we have made these things so hard to get there that only big businesses can actually achieve all those things. We get tender documents that are a foot thick. We turn them over; we go to the back; we check the numbers—the lowest number still gets it! But, because the numbers are so big, and the compliance with the regulations is so big, our local firms cannot do these jobs. So we get a Lend Lease, a John Holland or a Thiess to come into towns in regional Australia and in regional Queensland, and they do the job—and we get a great bit of infrastructure. But the profit does not stay in our community. The people do not stay in our community. The infrastructure is there, but the money has only washed through our community once.

What government must do, when we get these big projects, is to make sure that they are structured for the local firms—with the taxpayer being protected at all times and value being given to the taxpayer. If we could break those things down to $20 million or $30 million jobs and let the local contractor have a real shot at these things, I think that we would be able to show that we can get better value for money in our communities and can get these things to wash through. What I mean by that is that the first firm gets it; everyone is employed by them—all the way down to the bloke who drives the pie van that comes out to see them at morning tea who is making some money on the way through. We are all winning.

My seat of Herbert is based in Townsville. When it comes to the north of Australia, what we need to do is make sure we are backing our industry. We need to make sure that we are making it as easy for people to get into business as we possibly can. This bill principally applies to smaller businesses, and we must make sure that when we get these small businesses we are able to back them.

That brings me to something else I want to talk about today, and that is the Carmichael mine. Make no mistake, the approval of Adani’s Carmichael mine was not turned over by the Federal Court. I understand that one part of one briefing note, one bit of paper, was not in the briefing note that went to the minister. We need to make sure that that mine gets approved as quickly as possible. Whether we like it or not, the problem for industry in northern Australia, the problem for industry in Townsville, is that we pay for the wastage of power from the Pine Rivers shire, from the Pine Rivers all the way through. Industry has to pay for all the power that is shed through transmission. We cannot get a real go with that. So, what Townsville Enterprise, the people around Townsville and our region, and I are doing is getting together to do our own energy white paper. We will be feeding this into the northern Australia development people and feeding it into the office of Ian Macfarlane, the Minister for Industry and Science.

When it comes to power in North Queensland, the Carmichael mine, being at Claremont, will need some form of power there. What will most likely happen is that they will build their own power station there and burn the overburden to create electricity. What can we as a government do? With our new renewable energy target, with our new emissions scheme, what
can we do to make that better? What can we do in our region to make these things happen? What can we do in our region to assist with those things?

I have always been of the opinion that what I want in Townsville is a stinking great big coal fired power station right in the heart of Townsville so that we can ensure power is delivered as cheaply as possible. The question I have asked Townsville Enterprise to ask the experts in our area is why that should not be done; why we need a mosaic; why Tully-Millstream, with its hydroelectricity, should be used; why we have the world's best solar power precinct west of Hughenden; why we have even wind, at the Kennedy wind farm; why the Burdekin dam cannot be raised to produce electricity; why we cannot use the ethanol coming from North Queensland Bio-Energy at Ingham; why they cannot all go into a mosaic; and why, through the development of northern Australia, we as a government cannot bring in and provide the connectivity around that so we have a mosaic of power supply to make sure that our energy market is competitive, is cost-effective and gives as much help to big business as humanly possible. If we get big business going, it gets small business started, and that is what this bill is all about. That is what government is supposed to do. Government is supposed to set the agenda so that small business can operate in this space. If we get the big picture right, small business will flourish. We do not have to do anything for them, because they are doing it already.

What we do have to do is tell them to take the handbrake off and tell them there will be certainty. At the moment, my city is seeing a lack of confidence, and that confidence comes from things like this mine, which has been in the offing for an awfully long time now. This is a good project not just for North Queensland, not just for Australia; this is a good project for India and this is a good project for the world. We need to be able to produce this stuff and be able to get this stuff out of here, because that is good for everyone. Coal will still be a major player in our city. It will still be a major player in our country. I am proud to stand here and say that we have a fantastic mine west of Townsville, and I will fight for it every day in my community. If need be, I will fight the election on it—but, gee, I hope we have already started digging by then.

This bill is all about making sure that we are doing as much as possible to get out of the road for small business. If the federal government can get the macro right, the micro will look after itself. We can take these little bits of red tape away from small business, and small business can have that conversation with government: 'I understand now.'

The scary thing is that, in the first year of our omnibus repeal days, we removed over 50,000 pages of legislation, and you know what? No-one noticed. No-one noticed that we removed over 50,000 pages of legislation. No-one noticed that we removed over 75,000 rules and regulations in this place. That is how much work we have had to do. What we are doing now—the job that Christian Porter, the Parliamentary Secretary to the Prime Minister, is doing—is a big job, but it is worth doing because we need to support our industry.

We need to support not just the areas we are already but also the areas we are going to be. If there are going to be five million or six million people in the north of Australia, we are going to need major energy and we are going to need major input. We are going to need good baseload power, but we will need it to be delivered in a mosaic of fashions that makes sure that we are meeting our world targets. I have always said that everything we do in our lives impacts on the environment and it is how we manage those impacts that makes us work.
This bill is about making sure that this parliament, this government, this party, is doing what it can to get out of the road to make sure that small businesses have the opportunity to grow, because, if they can grow, it means their kids are going to school and their kids are getting cars, which means that mechanics are getting work, which means that the service stations are working, which means that everyone in our community benefits. That is what this legislation is about and that is what government has to be about, as far as I am concerned.

I support this legislation. I think it is a great piece of legislation, but it is just start. I thank the House.

Mr BUCHHOLZ (Wright—Chief Government Whip) (12:28): I rise to speak on the Tax Laws Amendment (Small Business Measures No. 3) Bill 2015, No. 3 of the government’s four bills in this space. I acknowledge the contribution by the member for Herbert—a heartfelt contribution. He is a member who is well connected with his electorate, who not only leads from the front but is a generator of ideas. He is a driving force in his electorate. Having been up there recently, I know he is well regarded by his electorate and, I am sure, a strong, bold and humorous personality within the community. I congratulate you on the speech you just made to this House. It was heartfelt and to the point.

The member made some very pertinent points in his contribution around the government’s earlier tax reforms, the No. 2 budget measures which we introduced into the House, which assisted incorporated bodies. These measures were well received at budget by many businesses, including those in my electorate of Wright. One of those measures was the $20,000 instant tax write-off. A company in my electorate by the name of Stark Engineering, trading as Warwick Cattle Crush, put on an extra five staff to handle the increased workload. They are an engineering company that build specialised cattle handling equipment in the way of cattle crushes. Their price point ranges from $5,000 a crush to about $20,000. What they have come up with is partnering with people on the land in what they call 'processing cattle', which is done on a yearly basis and involves taking the calves off the cows and processing the steers. It is quite a labour intensive task. This family has introduced a set of hydraulics into rams so that one person can, from a set of toggles, effectively replace three people in a set of cattle yards, with the use of automated doors and automated crushing. This also reduces the risk of harm to animals. The price point on their top-end range of products is around $20,000.

When the instant tax deductibility write-off came in, benefits flew immediately into my electorate. This demonstrated in a real way how the Stark family set about filling orders for those businesses and operators who chose to take up one of the incentives that we provided through the budget. They were an incorporated company and so were able to take advantage of this measure. There are many in the small business sector who were unable to take advantage of it, and there are measures within this bill that provide for unincorporated companies—partnerships, trusts et cetera—to be able to take advantage of a five per cent tax deduction.

Most on this side of the House come from some type of small business background. I was a transport operator. I started with one vehicle. My wife and I gambled. That is what all small businesses do: they take a gamble. You think: 'I'm going to back myself in small business. I'm going to leave the secure job that I have at the moment and I'm going to try and cut out a life for me and my family and see if I can make it on my own.' That is the genesis, that is the motivator, of people making the transition into small business. I bought one vehicle, one
truck, and started transporting goods up and down the road. A long story short: I ended up building from that single truck to 14 transport depots around the great state Queensland. I employed 105 permanent staff and had a payroll of roughly $80,000 every week. If I had thought I would have ever got to where I ended up then it was never my dream. I was never driven by the smell of success. I was always driven by the fear of failure.

It is that understanding of the value of money, it is that drive, it is that passion which I know is instinctively inherent in the members on this side of the House, because that is where we come from. That is our belief. That is why we generate small business packages that have such an inherent bias towards small business. The small business sector is the engine room of our economy: 80 per cent of the economy is employed through the small business sector. When we look at our macro figures of the national unemployment rate, yes, there are the large companies who employ a sector, but the bulk of it comes from small business. So, if you want to influence change in the unemployment statistics, the easiest way to do it is to incentivise small businesses to put on one extra employee right around Australia. If you assume that, across the nation, the average income is $700 or $800 a week in the small business sector, then to incentivise a small business to do that the government needs to take its hand out of the small business pocket. We are doing it in a number of ways.

The previous speaker mentioned our red tape reduction: 50,000 pages of red tape. That may not have a dollar figure associated with it from a small business perspective, but I know from a time perspective that if someone is out the back office working, toiling away on occasions until midnight each night, trying to process their daily accounts in order to open trading doors the next morning and be prepared, I would say that they are not productive hours. We need to incentivise businesses to have more productive hours that generate more cash flow so that with any savings that they can find they will hopefully do one of a number of things with it. You want them first to put on an extra employee to make their day a little easier. In the event that they cannot do that, let us ask them to hopefully take a holiday. I know in small business that many years can go past where you do not get a holiday. Guess what happens when a small business person goes away on a holiday? They will buy some airline tickets. They will stay at a motel. They will have a waiter wait on them at a restaurant or something like that. Again, it has that flow-on multiplier effect in any economy that they choose to land in. If they have a little bit of extra coin, they might even buy a new vehicle or invest in the community. They could invest in a car dealership that has a number of employees. What I am saying is that the genesis of creating wealth is from making sure that we have a tax environment for our small businesses in which they can prosper and go forward.

This bill speaks to a 1.5 per cent tax rate for unincorporated companies, at a maximum of $1,000 per taxpayer. If you are in a partnership with four partners, it is not $1,000 for the partnership; it is $1,000 for each partner. Also provided in the bill is an immediate deductibility for expenses for small business, and that is in and around professional expenses if you have reached out to a firm to do due diligence for you, or if you have incurred some cost in setting up the business from a professional services perspective, that amount of money would normally be amortised over five years at a rate of 20 per cent. There are provisions in this bill to allow you to bring forward all of that expense and deduct it in the first year. For someone who does not really have their head around tax deductibility, what does that mean? Predominantly, what it means is that—if your net profit was $1,000 for the year and your
additional expenses in that professional services area were $500—you would only pay tax on the $500 rather than on the $1,000.

There are also some provisions for the fringe benefits tax and personal electronics devices. That was more of a tidy up. Previously, if you were a business owner you provided staff some tools of trade—for example, a mobile phone and a laptop or an iPad—bizarrely enough, the fringe benefit provisions only allowed that you were able to claim, as a business owner, on one of those items. This bill will address that. That is not going to change the orbit of our planet, but it is in there. It is a step in the right direction, and it moves us toward a more positive environment for small business.

Right in the heart of my electorate, there is a village called Beaudesert. Off to the right of Beaudesert, there is a planned industrial park. It is exciting, from a small business perspective. At the moment, it is just a cow paddock. It looks like outback Queensland. But the plans and the infrastructure that are set to go in there will provide a base for small business to be incentivised to come to Beaudesert and to Bromelton Park, and invest in the future and provide employment. The community are enthused about the new project that is coming to my area, even those who have finished work and are at the later end of their lives—people who have lived in Beaudesert or in the scenic rim and surrounding areas all of their lives. Property values have gone up predominantly with CPI. But, with the possibility of an extra 12,000 people in the community, we are starting to see upward pressure on housing prices. That is driven by small business. With those increased values, people start to become financially independent and, as a result, they start spending more money around town, and it flows on.

It is all about making sure that we get our first building block platform in place. I believe that the state government has made a $25 million contribution to put in some road infrastructure. There is currently an application before the state department for $9 million for sustainable regions. The local government, led by John Brent, has given a commitment of $6 million, in partnership with Urban Utilities, for water and infrastructure. We have three tiers of government lining up to invest large sums of money with the single purpose of trying to attract small, medium and large business to an industrial park. That just shows the focus on stimulating our economy through small business, not only by this government but by all tiers of government.

We all know that a vibrant community and the quality of life that Australians expect must be underpinned through a strong and robust small business sector. We all know that we must allow businesses to get on and make a profit. Profit should never be seen as a dirty word. We should encourage businesses to make profits—especially from a government perspective. That is because when people are making profits, they are paying taxes. With that tax revenue, government can invest in hospitals, in schools, in state government and in road infrastructure. Taxes are good. Quote me on that! Tax revenue is generated when business makes a profit. Most of our tax receipts come from the business sector—from those businesses that have taken the risk, that have gone on the journey, and that are now making a profit and making a contribution to our nation. It is right that this government—full of businesspeople in their own right before they came to the House—partners with small business to make sure that our nation can be the best that it can possibly be. This bill goes right to the heart of that purpose.
Mrs McNAMARA (Dobell) (12:42): I rise to support the Tax Laws Amendment (Small Business Measures No. 3) Bill 2015. This bill provides for amendments to various taxation legislation, in order to provide tax relief and reduce red tape for small business. The reality is that, if we want more stable jobs that provide meaningful work, we need to enable stronger small business. This government acknowledges the vital role that small business plays in the Australian economy. Australia's two million small businesses produce more than $330 billion in economic output and employ over 4.5 million people. The Minister for Small Business, the Hon. Bruce Billson, stated, 'Australians are well known for their enterprising spirit and their willingness to have a go,' and he was absolutely correct.

The coalition has a strong track record in supporting business. We understand that you cannot have a strong and healthy society without a strong economy to sustain it, and that you do not have a strong economy without profitable businesses. On the New South Wales Central Coast, small business is collectively our largest employer. In Dobell, there are 8,703 businesses each employing between one and 20 people. Small business plays a crucial role in ensuring that there are local jobs available for mums and dads, school leavers and mature Australians returning to the workforce.

We want to see business thrive and grow. At the heart of our economic plans for growth is small business. The 2015 budget is focused on growing jobs and helping small business innovate and grow. The $5.5 billion Jobs and Small Business package is the biggest small business package in our nation's history. This package will create the right conditions for small businesses to thrive and grow, and it will assist Dobell's 8,703 businesses to invest more, grow more and employ more.

In the words of the Business Council of Australia:
The budget is without doubt a shot in the arm to small business, and creates a better environment for business confidence that will drive investment, job creation and economic growth.

As the Minister for Small Business stated when he introduced this bill:

Small business is the engine room of our economy. The contribution of the hardworking women and men of small business cannot be understated.

This bill contains three additional measures to support small business as part of the 2015 budget $5.5 billion Jobs and Small Business package. These measures provide amendments to various taxation laws to provide tax relief and reduce red tape for small businesses. This includes the provision for unincorporated businesses with an annual turnover of under $2 million to receive a five per cent tax discount, capped at $1,000 per tax-paying business owner. This will benefit approximately 70 per cent, which is more than two-thirds, of Australian small businesses. This bill will ensure that all small businesses are entitled to a tax cut.

Other features of this bill are the provision for immediate deductibility of professional expenses for small business. Presently, there are some expenses related to starting a business that have to be depreciated at 20 per cent of the original cost over a five-year period. An example would be legal costs or costs associated with raising capital. This bill will allow for such expenses to be immediately deducted instead of depreciated over five years. Also this bill addresses reducing red tape within the fringe benefits tax system by expanding the FBT exemption for work related portable electronic devices for small business.
Only the coalition government understands the varying needs of Australian small businesses. We know that one size does not fit all, and our budget measures reflect this. With the introduction of the three measures in this bill, five out of six of the small business measures from the budget package have been introduced into parliament. The sixth and final measure will enable small businesses to restructure without facing an immediate capital gains tax liability. That bill is scheduled to be introduced later in the spring sitting.

The government are committed to ensuring that Australia is the best place to start and maintain a small business, and our Jobs and Small Business package is creating the right conditions for Australian businesses to thrive and grow. As stated by the CEO of the Finance Brokers Association of Australia, Mr Peter White:

Tax breaks for small business will help businesses expand and create jobs while the Jobs for Families will ease the burden on the household budget and relieve pressure on mortgage repayments.

In detail, the three new measures contained within this bill provide, firstly, under schedule 1, provisions for a five per cent tax discount for approximately two-thirds of Australian small businesses which are unincorporated. This measure will provide tax relief to thousands of small unincorporated businesses across Australia. Owners of unincorporated small businesses will receive a five per cent tax offset on their small business income. This discount will be capped at $1,000 per individual business owner in an income year, and it is delivered as a tax offset, providing a tax cut to the large majority of unincorporated entities for the 2015-16 income year and beyond.

Small businesses predominantly operate as a sole trader, a partnership, a trust company or a combination of these. Currently, unincorporated business income is taxed at the owner's marginal rate of personal income tax. This feature of Australia's tax system means that a company tax cut will not benefit unincorporated businesses, so all the tradies who operate as sole traders, the mum-and-dad business partnerships and the family businesses operating through a trust would miss out. This tax discount will contribute to increased cash flow for unincorporated small businesses with turnover below $2 million and will have a cost to revenue of $1.8 billion over the forward estimates.

The New South Wales Business Chamber have welcomed the benefits of the cut in the company tax rate by 1.5 per cent for incorporated entities and the tax discount of five per cent, up to $1,000, to small unincorporated entities. Additionally, they are of the view that this may facilitate capacity for the small business owner to employ, to take on an apprentice or to extend the hours of a current employee. They also noted that these are the measures that will be well received in regional Australia, where unemployment is high and job opportunities are limited.

Schedule 2 of this bill will provide immediate deductibility of professional expenses to small businesses with an aggregated turnover below $2 million. Previously, such expenses had to be depreciated evenly over five years. This will potentially affect businesses that incur expenses for professional advice, taxes, fees and charges from Australian government agencies. These expenses are commonly known as the 'blackhole' expenses. This includes those in the process of starting a new business and those intending to start a small business which is not connected with a larger business. Providing an immediate deduction for professional expenses increases the cash flow for business start-ups as soon as they generate taxable income against which to make the deductions. This proposal will take effect for
expenditure incurred in the 2015-16 income year and beyond and will have a cost to revenue of $30 million over the forward estimates.

Schedule 3 of the bill aims to reduce the compliance burden for small businesses within the FBT system by expanding the FBT exemption for work related portable electronic devices for small business. FBT applies to certain cash benefits such as the provision of free or discounted goods and services—including, for example, car parking and entertainment—that are provided by an employer to an employee in substitution for salary and wages. FBT was introduced in 1986 as the means to tax such non-cash benefits and, in doing so, endeavours to maintain the fairness and integrity of our tax system. In its 2014 report, *Review of tax impediments facing small business*, the Board of Taxation noted stakeholder concerns about the complexity of FBT and the disproportionate compliance burden it placed on small business when compared with larger businesses. Currently, employers can exempt one qualifying work-related item per FBT year, where the item is substantially different from other, exempt work-related items. The proposal within schedule 3 seeks to simplify the current rules and provide employers with more flexibility. Schedule 3 also provides an FBT exemption for small businesses that provide their employees with multiple work-related devices, even where the items have substantially similar functions. This applies to small businesses that have an aggregated turnover of less than $2 million per annum. This will create a red-tape reduction and compliance saving for many small businesses, and will provide encouragement and certainty for small businesses to provide their staff with all the necessary tools to grow, to build their businesses and to have a go. This measure will commence at the beginning of the next FBT year on 1 April 2016.

This bill builds on the successful passage of the first two bills through the Senate confirming that all small businesses will have access to an immediate tax deduction for assets costing less than $20,000, as well as the 1.5 per cent tax cut for small companies with a turnover of less than $2 million. I am a committed supporter of small business, because I understand and I know firsthand how much they contribute to our local communities and to our economy. I appreciate and understand the opportunities which a thriving small business can create in the electorate of Dobell. I am proud to be part of a government that is providing these opportunities for so many people who want to have a go and start a new business. As previously stated, the $5.5 billion Jobs and Small Business package is the biggest small business package in our nation's history. It is all about helping Australians have a go. It is about support for those who have the will, vision, and drive to start a new small business. This is especially true in regional areas, such as the New South Wales Central Coast, and particularly in my electorate of Dobell where, as I have mentioned before, collectively, small business is our largest employer. Since my election, I have been working alongside many of the small businesses in Dobell to identify and address the barriers that prohibit growth and employment opportunities. It is estimated that this bill will assist approximately 95 per cent of Dobell's businesses to invest more, to grow more and to employ more. Our support for small business is matched with support for job seekers. This is why we are helping all Australian participate through over $330 million in targeted spending on new job initiatives. This is targeted at employers and job seekers to support the transition into work. We have also introduced incentives for employers to help mature-age job seekers over the age of 50 to get back into work.
While it is businesses which create jobs, there is a need for government to reduce the impediments and to encourage the right conditions for Australia's small businesses to grow and to become more productive. This bill provides other means to achieving this. Reducing the tax rate for more than 90 per cent of incorporated businesses with an annual turnover of under $2 million is definitely a game changer; and allowing small businesses with an annual turnover of under $2 million to immediately deduct each and every asset costing less than $20,000 that they purchase from 12 May 2015 until 30 June 2017 has been the encouragement that many need to re-equip and update. Only the Abbott coalition government has a responsible, long-term economic plan that will grow the economy and fix Labor's mess. Statistics released by the ABS on 29 June 2015 revealed that the Abbott government has overseen a period where the number of jobs in small business has increased by 46,000—this is in contrast to the loss of almost half a million jobs in small business under the Rudd-Gillard-Rudd government. In addition to this great news, small business start-ups are up by 18.17 per cent, and small business closures are down by 12.5 per cent. These are positive indicators of green shoots in our economy. The NAB Monthly Business Survey for May 2015 reported that 'the recent federal budget and interest rate cut appears to have had a positive impact on business confidence', and that 'this the highest level of confidence since August 2014'. This government has a plan for our future and is keeping our commitments to the Australian people.

Another thing we have done is to secure free trade agreements with China, South Korea and Japan. This is also very positive for many of the small businesses in Dobell, as it is allowing them an opportunity to grow overseas as well. Our Jobs for Families reform is about delivering a simpler, more affordable, and more accessible childcare system, giving parents more choice when it comes to balancing work and family. I well recall, with much affection and great appreciation, the enthusiasm of the now Minister for Small Business as he campaigned with me in Dobell during the 2013 election campaign. He projected his support and enthusiasm for small business, which inspired and gave hope to the many small businesses that he met with in Dobell. I would like to congratulate the Minister for Small Business for keeping the commitments he made to my electorate, and for the outstanding work that he has done. I commend this bill to the House.

Mr CRAIG KELLY (Hughes) (12:58): I am pleased to rise and speak on Tax Laws Amendment (Small Business Measures No. 3) Bill 2015. I would like to start with the three schedules and the three things this bill actually does. The first thing the bill does is to provide a discount on the tax rate for unincorporated small businesses. We have seen what this government has done in understanding the importance of small business; we have lowered the corporate tax rate from 30 per cent down to 28½ per cent. But we recognise that many small businesses—in fact, the majority of small businesses—are not incorporated, and that therefore they would not get the benefit of that reduction in the tax rate. So we have passed that on with a five per cent discount on the tax liabilities on small businesses, capped at $1,000 per taxpayer per year—so that those unincorporated small businesses can get the benefit of that tax rate reduction. We have put this in the budget at a cost of $1.8 billion, but I would like to make a prediction: that this reduction in the corporate tax rate, after time, will not cost the budget one single cent. In fact, I believe it will result in greater taxation revenues flowing into the Treasury.
The reason I say that is that we simply have to look at our history. Think back to when our corporate taxation rates were in the high 40 per cent range. Then under the Hawke government they were lowered, and under the Howard-Costello government they were lowered. Every single time we lowered those corporate tax rates, from the high 40 per cent range to their current rate of 30 per cent, guess what happened. We actually had more taxation revenue, not just in overall terms but also as a percentage of GDP, flowing into the government coffers. So the lower the corporate tax rate was, the more money we actually had flowing into government revenue. The reason is simple: incentives count. The economy is not a fixed pie, as many on the other side of the chamber seem to think. They think that the pie is fixed and you slice it up and then you are just arguing about what proportion of the pie people get. We can grow the pie and we can shrink the pie. One of the best ways to grow that pie is to encourage people to have a go in business. That is what reducing the corporate tax rate does: it attracts investment. In our economic history, that has happened every time, and I believe it will happen again this time. Time will tell.

The second thing about this bill is that it brings an immediate deductibility of professional expenses. Previously, when a business was starting up it could only depreciate some of their set-up expenses over five years. They may have accounting costs and set-up costs. Those costs can run into the hundreds of thousands of dollars, even for a small business. They could only write that off and depreciate that over five years. We are saying that small business can now depreciate those costs up-front in year 1. Why is this important? It is important because it gives incentives to start businesses. That is what we need in this economy, to create and grow jobs. Those start-up businesses—those businesses that do not exist today but will be started in the years to come—will drive the prosperity of this country going forward. So we have to do everything we possibly can to encourage as many businesses as we can to start up, to experiment, to innovate and to try new ideas. We have to realise that many of them will not succeed. In fact, most of them will fail. But that is to be expected. Just a few of those—a tiny fraction—will strike gold. They will come up with the innovations, the new business ideas, the new methods and the new technologies that will drive this economy forward. Therefore, everything this government can do to encourage people and make it easier for people to start up a small business and have a go increases the prosperity of future Australians. That is what this bill does.

The third thing the bill does is provide a fringe benefit tax exemption for portable electronic devices for small businesses—a small but important step to define what is not taxable for fringe benefits purposes. These are three simple but important measures to encourage the small business community of our country.

It is interesting, when I look at the speakers list, that there are very few Labor members speaking on this bill. But there is some commentary by a former Labor leader, the former member for Werriwa, one Mark Latham. He criticised all of the coalition's provisions in perhaps one of the most delusional, error-ridden, misguided, ignorant and, I would say, embarrassing pieces that I have ever read. Mark Latham wrote, 'Big is best.' This is how the former member for Werriwa describes small business people:

... a pack of blank-faced losers serving up kebabs and pizza slices in greasy food halls and shopping malls.

That is what the former Labor member for Werriwa thinks about small business. He goes on:
Small businesses, in effect, are the garden gnomes of the modern economy – purely ornamental and totally dispensable.

That is the attitude that we saw during the past six years of government when this Labor mob was running the show. They thought small business was ornamental and dispensable. How else could you explain that in the six years that the Labor Party was running this country no fewer than 519,000 people in small business—citizens of this country—lost their jobs? We could fill the MCG more than five times over with the number of people employed in small business at the start 2007 who became unemployed because of the policies of the Labor government and its disdain for small business.

I would like to add that the current boundaries of the seat that I represent here in the parliament, the seat of Hughes, overlap with where the former member for Werriwa represented. In fact, when I have been out doorknocking I have had people tell me that the only other politician they had seen doorknocking was the former member for Werriwa, Mark Latham. But they added that they had chased him out with a broomstick. The former member for Werriwa, Mark Latham, gives his reasons as to why big is best. He cites the Big Banana, the Big Pineapple and the Big Peanut. I think that says it all—that the former member for Werriwa thinks the Big Peanut is an example of why big is best.

This delusion that big is best is a real danger to our economy. We have seen this mistake, this ideological failure—this fallacy that big is best—in the former socialist economies behind the Iron Curtain where they thought if you have giant economies of scale, you have big industries and you make everything big, that you simply become more efficient and can outproduce the West. History tells us that that failed. What becomes efficient is innovation. Small business drives innovation. That is what Mark Latham and many on the Labor side of politics today simply do not realise. It also happened in the Chinese economy. The reason why the Chinese economy is so successful today is that they realised that big is not best.

I come from a background in the furniture, lighting and homewares industry. I can remember in the 1980s there were many giant factories where the Chinese communist government thought the way to go, the way to be efficient was to have these giant factories, run by the government. But, as we see, bureaucracy takes over, innovation gets stifled. The Chinese worked out that the true way to progress is to have thousands and thousands of small and medium sized factories, all competing against each other. We often say, 'Made in China,' thinking that it is just one or two factories that produce everything. It is the complete opposite. The Chinese have been successful because they understand that you do not allow your industries to become overly concentrated and that you have thousands and thousands of players in every industry sector.

With respect to the delusion that 'big is best,' we could perhaps take a few lessons from nature. Island gigantism is a feature we see in nature on remote islands where animals there tend to grow oversize, compared to similar species on the mainland. We have seen examples—the elephant bird of Madagascar; the moa of New Zealand, which is like a giant emu; the giant gecko of New Zealand; the giant rabbits of the Mediterranean island; and of course the famed dodo bird. These animals living on remote islands, shielded from competition, simply grew and became oversized. When there was a change in the environment, when other civilisations settled on those islands and there was more movement of ships, overgrown species simply could not compete and they became extinct. This country
is in danger, whereby sectors of our economy will fall into that situation of island gigantism. If we look at industry after industry in this country we see dangerous levels of concentration that are harming our economy and innovation and are threatening our future prosperity. This is not because of the idea that big is best, it is not because of the way things are; it is because of decades of deliberate policies of government.

I will go through a few things. We need a level playing field between small and big business so that competition is there to keep those larger companies on their toes. That is what small business does.

Look at bank fees and charges in Australia. Over the last 15 to 20 years we have seen the margin on loans that the banks charge, the profitability of the loans to small business from the big end of town banks—the four larger banks—increase, increase and increase every year. Going back, there used to be very little difference between the margins on loans to small business and loans to big business. There is now quite a substantial margin where we know the banks make a lot more profit from charging small business.

We all talk about the importance of the rule of law. But in a legal dispute between a small business and a large business, our rule of law has broken down. The small business can lose in that dispute, even though they have right on their side and the law on their side, because they cannot afford the legal fees because of the way we set up the legal system. We have seen it with retail rents where we have had government regulation to protect and shield the large retailers from competition. That has resulted in the most distorted market that you could possibly see where a large retailer would be paying between 2½ and five per cent of their turnover in rent but a small retailer, selling dollar for dollar the same product, would be forced to pay 20 to 25 per cent of their turnover in retail rent, for no other reason than the fact they are small.

We have also seen this in our competition laws where we have failed by allowing the evils of anticompetitive price discrimination to white-ant the free market, to give favour to the larger corporations. We need to turn this around. That is what this bill does. We need to level the playing field between small business and big business, to ensure that those small businesses have that opportunity. We want to give new migrants to this country a chance. Migrants in the past have come to this country, set up businesses and made a success of themselves. We need to pass that on to the new migrants of this country, arriving today, to ensure that they have the same opportunities that past migrants have had. That is what this bill is all about. It is one of our steps to strengthen the small business community, to give them a greater opportunity to compete and to give them greater incentive to have a go. I commend this bill to the House.

Mr HOWARTH (Petrie) (13:13): I rise with pleasure to speak on the Tax Laws Amendment (Small Business Measures No. 3) Bill 2015. We hear again and again in this place that small business is the engine room of the Australian economy. There are literally thousands of small businesses in the Petrie electorate and the value they provide to our local communities is enormous. As the federal member for Petrie I do want to take this opportunity to place on record my thanks to the small businesses, the sole traders, the partnerships and the other individuals who operate businesses within the Petrie electorate for the work they do. Thank you to the people you employ in the business you run, because it creates a big difference to the Australian economy. You are not only providing yourself with a wage or a
business income; you are also paying tax, which enables the federal government to invest in
defence, health and everything else. However, in many cases you are also providing jobs for
local people who live in the Petrie electorate and for that I certainly do thank you. Coming
from a small business background myself, I am a huge advocate for them and for the staff
who work in those businesses. Any good business owner, whether from a small business or a
large business, knows that staff are the backbone of any business. Without good staff, you
will not have a great business. I conduct regular small-business breakfasts in my electorate,
and the issues that small business owners raise with me again and again are that red tape
should be reduced, that productivity, where it can be, should be increased and that taxes
should always be kept as low as possible.

The federal coalition government does understand the value of Australian businesses, small
and large, but also all private enterprise. Already we have seen the first two bills of our jobs
and small business package pass through this parliament, which we are very pleased about.
We have ensured that all small businesses have access to the immediate tax deduction for
assets costing less than $20,000. I think the small business instant tax write-off is really
significant for small business. If they can buy an asset that will be used in their business and it
can be instantly written off, that is a great thing. I recently visited a dental surgery in my
electorate and they had invested recently in a new microscope which looks for oral cancers
and other defects in patients' mouths, so they were able to write that microscope off instantly.
I went to another small business where they installed a 10-kilowatt solar system on their roof.
They were able to take advantage of solar power in their business, using it daily. That means
cheaper power bills, but, because the solar package came to less than $20,000, they were able
to write that off instantly and take advantage of the instant asset tax write-off. Yet another
business that I visited were able to update their computer systems and put in a new server,
which is very important as well, to manage their IT needs. Because that server was under
$20,000, they were able to instantly write it off, reinvest back into the business and,
hopefully, expand their business to hire more staff, which is always a great opportunity for
local people seeking work.

We have legislated as well a 1½ per cent tax cut for small companies with a turnover of
less than $2 million. Significantly, that means that, if they have made a $100,000 profit for the
year and they are normally paying $30,000 in company tax, which all companies pay to the
Australian government, they will be required to pay only $28½ thousand in tax, so they will
save $1,500, which they can reinvest back into their business, perhaps to pay off a business
loan or some other measure. And we have progressively been cutting red tape, to the tune of
something like $2.45 billion as at the end of March this year.

This measure, however—No. 3—adds to this. We know that something like 70 per cent of
small businesses are not actually companies. They are not proprietary limited companies and
would, therefore, not benefit from the company tax cut. This includes businesses like sole
traders, partnerships, family trusts or even subcontractors. All of these set-ups provide an
important service to the community. I think of subcontractors in particular. I know that the
member for Bendigo does not support subcontractors. I was listening to her maiden speech as
she said there should be no subcontractors in Australia. I say to the member for Bendigo that
she should get out and actually meet some of the subcontractors in her electorate, because
they do provide a valuable service to many industries throughout this country. Yes, they are a
more flexible workforce, but, yes, they are also generally rewarded at a much higher rate. Organisations like these—sole traders or partnerships—will be able to take advantage of the $1,000 tax offset which we are introducing here.

Basically, we are providing a tax discount for unincorporated small businesses. It will help improve small businesses’ cash flow by reducing the amount of tax payable in the financial year and will help alleviate the problem of higher regulatory costs. This bill will see a tax offset of five per cent of the income tax payable on the portion of an individual's small-business income, capped at $1,000. This will see small business owners having higher after-tax earnings, which they can then, of course, reinvest back into their business. This is so important if we are to give small businesses a foothold in the unpredictable global business environment. It might not even be $1,000; it could be $500 that they save. All of this adds up. Every dollar they can keep in their business and not have to pay to the government can be reinvested—for example, in fuel. Five hundred dollars worth of fuel might see that small business fill up their vehicle for the next five or six weeks. They might want to update their website. If they have saved $700 or $800 that financial year, they could reinvest that into updating their website. Or they might want new public relations merchandise such as new shirts or clothing, or perhaps a pop-up tent or something that they can use at a market, all to promote their small business. It is the little things that count; that is the point that I am making here—and this small initiative will help those businesses that are not incorporated.

The bill has the full support of the Australian Chamber of Commerce and Industry, and I would like to quote some words from CEO Kate Carnell:

It is encouraging that the government is looking after those 1.7 million unincorporated small businesses, including tradies, sole operators and partnerships, with other support. Making it easier for small businesses to claim tax deductions for their expenses will make it easier for small businesses to invest. Kate continued:

These deductions are particularly powerful when combined with recently announced measures to help new businesses, including allowing new start-ups to immediately deduct professional costs, such as for legal and accounting services, as well as streamlined company registration and removing barriers to crowd-sourced equity funding.

I want to take this opportunity to congratulate one of the cabinet ministers in the coalition government, the Minister for Small Business, the Hon. Bruce Billson, for his dedication and passion for his portfolio. I know from personal experience that he is always keen to hear what is going on in the Petrie electorate and to listen to feedback from my local small business owners. He was in the electorate recently for a small business forum and he chatted to, probably, 30 or 40 small business owners and was very intent in listening to their needs.

I know that both the small business minister and the rest of the cabinet are always looking to the next thing that they can do in this space and how else the government can support small businesses. We know that, while the public service is essential for jobs and for maintaining important services, small businesses are where we want to see more jobs created. I always encourage small businesses in my electorate, which may be sole traders or partnerships, to look at how they can grow their business and at how they can put on more staff that may be able to assist in the business. That is the purpose of any changes like this, to see how we can stimulate more growth for jobs which will, indeed, support local people and help reduce
unemployment. We know that small business is the backbone of this, and I certainly do thank
them for that.

The government is committed to ensuring Australia is the very best place to maintain, run
and invest in a small business. Our Jobs and Small Business package is creating the right
conditions for Australian business to thrive and grow. Thank you.

Mr WILLIAMS (Hindmarsh) (13:24): At the heart of the growing Jobs and Small
Business package are tax cuts for over two million Australian small businesses which will
help drive investment and employment across our country, and this is much needed. The
budget delivers $3.25 billion in tax cuts for small business and $1.75 billion in accelerated
depreciation measures, in addition to the benefits Australian small businesses are gaining
from the abolition of the carbon tax.

I want to go through a few key initiatives that will encourage business start-ups and
entrepreneurships, which are what our country needs to promote more. We are doing this
through a number of initiatives. Start-ups will be able to immediately deduct professional
expenses incurred when they begin a business. Streamlined business registration processes
will make it quicker and simpler to set up a new business. The government will remove
obstacles to crowd-sourced equity funding, and there will be expanded tax concessions for
employee share schemes. These are all important and crucial initiatives.

Let us remember that a lot of big businesses commenced their life as start-ups and small
businesses. A quick overview of history shows that the Microsofts or Apples of this world
often started in a garage somewhere around the world. Obviously these examples were in the
United states, and Westfield is a great success story of the Australian business community. It
started in the suburbs of Western Sydney as a delicatessen selling specialised food products. I
have just returned from a meeting with a number of US senators, and it was interesting to hear
them reflect on the successes of some of their American states, whether it be Texas or North
Carolina. Lower taxes and better regulation were all key ingredients behind stimulating the
economy for more jobs and improving employment for greater prosperity in their regions.

As the member for Petrie mentioned, there are important measures in this bill, such as the
unincorporated tax discount for small businesses with a five per cent discount on tax payable
on their taxable income. We have had considerable community support on these measures,
whether it be from ACCI, or from the Small Business Council. When I have been touring my
electorate and talking to numerous small businesses over the many months since the budget,
whether it be in hospitality, or retail, or a general service area, they have all been extremely
optimistic and positive about the benefits of this budget for them, whether it be the tax cuts or
the incentives, and they have been buoyed by the commitment the government has given to
support them.

In that respect these are very important initiatives that the federal government has
introduced. We know that small businesses are the heart of our economy. In my state they are
98 per cent and across Australia they are 96 per cent. Imagine if every small business
expanded and grew. What a difference that could make to our economy, What a difference
that could make to our employment prospects. This is why we are focused so strongly on this
key element of the economy. These are hard-working mums and dads and hard-working
families who work six or seven days a week to continue the small business that their previous
generation set up. They need this support, they deserve it and they will benefit from it.
In terms of a couple of other measures that I will specifically address in relation to this bill, there is the cut to the company tax rate for 780,000 incorporated businesses by 1.5 per cent, which is significant in its own right. There is also the immediate deduction for every asset up to $20,000. We had a look at the results of purchases of equipment from JB Hi-Fi recently, whether they be computers or telecommunications equipment. Small businesses have seized on this opportunity, have spent and have helped stimulate our economy. This is part of what this measure was intended to do. One of the major objectives was to stimulate the economy, to encourage businesses to go out with confidence and spend knowing that they would get returns on their investment.

We are the party of lower taxes and lower regulation. We are working in order to improve that as best we can, and it is delivering results. We have had increased employment numbers and we have increased consumer confidence. Whenever a business indicator comes out there is a bit of optimism knowing that our economy will benefit from these important measures.

I commend this bill to the House. It is a great initiative by the federal government.

The DEPUTY SPEAKER: The debate is interrupted in accordance with standing order 43. The debate may be resumed at a later hour, and the member will have leave to continue his remarks at that time.

STATMENTS BY MEMBERS

Higher Education

Ms RISHWORTH (Kingston) (13:30): This week, celebrated right across our campuses, is Bluestocking Week—an important time to acknowledge and celebrate the participation and contribution that women have made to higher education in Australia and also, importantly, to look at the barriers that still exist for women at universities and right across our country. There are a number of areas where women are still fighting to be equally represented. One of those areas in particular is the STEM disciplines. To give an example, in engineering and related technologies women comprise a mere 20 per cent of university enrolments. They are just 14 per cent of information technology enrolments.

Labor has a plan to boost participation of women in higher education, particularly in the STEM disciplines. Importantly, a Shorten Labor government will boost women's participation in STEM by committing to 20,000 STEM award degrees every year for five years, with a target of encouraging women to participate. This is in stark contrast to the Liberal Party's plan. Their only plan for higher education is to make cuts to our universities and foist $100,000 degrees on students. This will not improve women's participation in higher education. It will only take us backwards. In this Bluestocking Week I thank the NUS and the NTEU for keeping a focus on women's participation in higher education.

Marriage

Mr LAMING (Bowman) (13:31): This week I concluded my marriage equality survey in the seat of Bowman, the largest survey of its kind in any electorate in this country. I have been surveying this topic now for four years, and those favouring marriage equality have narrowly lost, with 48 per cent support on each of those occasions. This year it was a far bigger survey, and I prospectively committed to giving my vote to the side that was successful if, indeed, we secured a conscience vote. Today I have to announce those results, which were 58 per cent supporting marriage as it stands and 42 per cent supporting a change. So, of
course, I will be supporting the coalition in preserving marriage in its current definition, as we should.

Australians will have a simple choice here. I am a coalition MP who asks my electorate—something that is very unfashionable on the other side. You do not listen to your electorate; you presume a view; you leave a half of your electorate in the dark and they have no say. In my electorate they now know that a vote for the coalition at the next election gives the opportunity of a free vote for Australia. Australians should have a say on this issue, and Labor will deny that—

Ms Butler interjecting—

The DEPUTY SPEAKER: Order on my left! The member for Griffith!

Mr LAMING: What are you frightened of? I ask that simple question. Give every Australian a say. It does not belong with the politicians. You will do whatever you can, your party will do whatever it can, trying to ram it through this House. It will be bogged in the Senate. It will never get through, even if you are in government. I say that the right move is a plebiscite. Only the coalition will deliver it. We will not turn on a dime after being elected with a different policy. We are consistent in our view on marriage. We will not change the definition, but Australians get their say. They will not get that under a Labor government.

Live Animal Exports

Ms PARKE (Fremantle) (13:31): Over the weekend Western Australia saw rare snow falling across the Stirling Ranges. At the same time Emmanuel Exports was loading its Al Messilah livestock ship in Fremantle port in readiness for setting sail for the extreme heatwave conditions of the Middle East. Two more loaded ships are already en route. This week it is 49 degrees Celsius in Kuwait.

Last week, Animals Australia documented Australian sheep being openly sold through Kuwait's illegal Al Rai market. They were suffering from heat stress, sitting unshaded in cars, and were destined to be slaughtered by amateurs. Export permits should not be granted during such weather extremes. It was during this period two years ago that 4,000 sheep literally baked to death on board the Bader III.

ESCAS was implemented in the Middle East following the horrendous vision of Australian sheep being trussed and shoved into car boots in 50-degree-plus conditions at Al Rai. Those sheep were also exported by Emmanuel Exports. It defies belief that the same practices and the same abuses persist. Notwithstanding the fact that shocking breaches continue to occur in Kuwait, Israel, Gaza, Jordan and Vietnam, not one exporter has been prosecuted. We can only conclude that ESCAS is failing in all four of its objectives—animal welfare, control and traceability through the supply chain, and independent auditing. When it makes so much sense, in terms of both animal welfare and Australian jobs, to transition to an expanded chilled and frozen meat trade, the question of why we continue the cruel, poorly managed and unnecessary live export trade, sadly, remains unanswered.

Carbon Pricing

Ms LANDRY (Capricornia) (13:31): Labor's plan for a new carbon tax will hurt hardworking Australians, especially families, seniors, small business owners and communities. Modelling commissioned by Labor shows that its policy to cut carbon emissions by 40 to 60 per cent by 2030 would strip up to $600 million from economic growth,
drive up the cost of electricity, close up to 37 power stations and slash thousands of jobs. In Capricornia, Labor will drive up electricity costs in the homes of hardworking Central Queensland families and pensioners and will kill off coal jobs. Labor must have known this impact when it adopted its new version of the carbon tax. Labor must now fess up to the terrible repercussions of its policy in Central Queensland. Labor's candidate for Capricornia must now come clean and tell families how much their power bills will skyrocket, tell the local butcher how much his escalating power bill will further add to the cost of running his business, tell us how many coal jobs we are going to lose and tell us how many meat processing jobs in Rockhampton will be axed under Labor's second carbon tax plan.

Marriage

Mr GILES (Scullin) (13:36): Love is love. It does not discriminate, and neither should we in this place. It is unconscionable and also, I am glad to say, unsustainable for this parliament to stand in the way of marriage equality. In saying this I want to acknowledge the work over many years of activists in the community. They have won the case with the Australian people: 72 per cent of Australians, according to the Liberal Party pollster, support marriage equality. They have demonstrated through courage, particularly some years ago, the power of hope—

Ms Markus interjecting—

Mr GILES: the power of love, I say to the member opposite, over fear—the currency of this government and its Prime Minister. I say to these activists in the community, the millions of Australians who are passionate about this issue, that we will win this case in this parliament too. Within a hundred days of a Shorten Labor government we will see marriage equality through a government bill. But why should we wait? Why should people remain second-class citizens until then? Less than equal must never be acceptable. I say this to members opposite: in this debate it is not all views that should be respected, it is all people.

Reid Electorate: Mutton, Mr Lerryn William, OAM

Mr LAUNDY (Reid) (13:37): Today I would like to reflect on the life of a local Reid legend. Mr Lerryn William Mutton OAM passed away on 26 July aged 90 years. Lerryn was born in Concord and educated at North Strathfield Public School and Fort Street Boys High School. After graduating from school, Lerryn joined the RAAF and served from 1942 until 1946 in the 93rd squadron as a pilot in Borneo.

After serving with distinction and courage Lerryn continued to give generously to his community. He served as an alderman of Concord council from 1953 until 1968, serving as mayor from 1961 to 1962. He was an executive member of the Local Government Association from 1962 until 1968.

Not yet satisfied with this service to his community, he then served in the New South Wales state parliament as the member for Yaralla, in the legislative assembly, from 1968 to 1978. As a proud Liberal, Lerryn also served as president of the North Strathfield branch and president of the Concord electorate conference. Lerryn was an active member of the Master Builders Association and a proud Rotarian, and he continued to be active in community activities until very late in life.

In 2010 Lerryn was awarded the Medal of the Order of Australia for service to the communities of Concord and Kincumber. Lerryn was a much loved husband of Mavis, father
to Brice, Ross, Merrilyn and David, and a loved brother of my dear friend—and another local
legend—Lorna Wright. May he rest in peace.

Penalty Rates

Mrs ELLIOT (Richmond) (13:39): I rise to talk about the fact that penalty rates are,
again, under attack from the Liberal-Nationals government. This all results from the recent
review of workplace relations conducted by the Productivity Commission. This review shows
us that the Abbott government is determined to bring back Work Choices—that is, in fact,
their agenda. They have been looking to take us back to the harsh, cruel days of Work
Choices.

The report makes a number of recommendations, including a two-tier penalty rate system.
One group of workers will have their wages cut—the hospitality and retail workers—and,
after that, we know that this government will move onto the next group of workers—the
nurses, firefighters and emergency service workers. In my electorate, in Richmond, on the
New South Wales North Coast, the National Party has a long history of cutting penalty rates
and workers' take-home pay. But Labor will continue to fight these unfair changes and will
not support a two-tier penalty rate system. We will support locals against the National Party's
attempts to cut their pay.

Many locals in my area are employed in the hospitality and retail sector, and they and their
families rely on penalty rates to make ends meet. It is not just the workers who are impacted
by cutting their pay, these are the people who are also the customers of other businesses—so
the whole economy will suffer.

Rather than a race to the bottom on wages, Labor believes the government should focus on
jobs and economic growth. It should be investing in skills, training, infrastructure and
innovation. That should be its direction, not cutting penalty rates.

Environment

Ms MARINO (Forrest—Government Whip) (13:40): Proper protection for the marine
environment in balance with the ability of people to use it sustainably is important to all the
people in the South-West, both current and future. For this reason, a science based approach
to marine planning is essential, and the Minister for the Environment, Mr Greg Hunt, is to be
commended for this approach.

When this policy of scientific review was first announced in 2010 I received a commitment
from the then shadow and now minister that the South-West would lead the way in marine
bioregional planning processes. Even if this review changes very little of the 2012 proposals
but inspires confidence in the science behind the process, it will have achieved its goal.

I still hope to see the South-West lead the way in sound science based marine planning,
with the proposals due out soon. I also hope to see us discuss the massive potential that exists
in artificial reef development along the South-West coast. The state government already has
reef templates in place. This will provide a base for coral spawn swept down the Leeuwin
Current to establish new colonies that will future-proof the amazing reef assets of the West
for millennia. That would be some outstanding marine planning and would also address some
of the adaptation measures to climate change.
**Lalor Electorate: Rainbow Club**

Ms RYAN (Lalor—Opposition Whip) (13:42): I rise today to share with the House an initiative in my electorate that I found incredibly impressive. Last week I met members of the Rainbow Club. This is a swimming club run by parents and designed to teach children with autism to swim.

It was an absolute pleasure to visit the swimming pool and to meet the president, Steve Morgan. Steve founded the Rainbow Club after having previously founded Basecamp 3030, which was a philanthropically funded respite care service for families living with disabilities in Wyndham. He later hired a private swim instructor to help teach his autistc son, Cory, to become more ‘drown proof’.

I know there are many families who have these fears and that those fears can be more acute for families with children who have a disability. I take my hat off to Steve Morgan for his inspired action in our community. He began by getting a swim instructor to teach his own son. By the second lesson there were two other students involved and now they have 17 teachers, teaching more than 100 children, three days a week, year round. This is an important piece of work run by parents, for parents. Being involved allows the children to learn to swim and it allows the parents to form a community group. They have plans for the future to expend their work.

**100 Years of Women in Policing**

Mrs MARKUS (Macquarie) (13:43): This year the New South Wales Police Force has been celebrating 100 years of women in policing. Compassion, courage and strength are all qualities displayed by the women in blue and plain clothes that save lives, fight crime and work for the good of the community, particularly in the Hawkesbury and the Blue Mountains.

It was in 1915 when women were first given an opportunity to join what was then known as the New South Wales Police Department. Almost 500 women applied for the two available positions. The two successful applicants, Lillian Armfield and Maude Rhodes, were assigned to deal with matters solely involving the welfare of women and children. They were not issued with a uniform and had to sign an indemnity releasing the department of responsibility for their safety. That is something, I am sure, that would not happen today.

In New South Wales in 2015, there are 4,542 female sworn officers and 2,581 unsworn officers who hold positions in the many diverse areas of the force, including the dog unit, the rescue squad, electronic evidence, the mounted unit and detectives.

To mark the centenary a custom-made baton has been making its way throughout the 76 local area commands across the state. The baton relay reached both the Hawkesbury and the Blue Mountains last month and the community was involved in the celebrations. I extend my appreciation to all female officers, particularly in the electorate of Macquarie and across the state, who continue to look after the best interests of our community. *(Time expired)*

**Shortland Electorate: Bilton, Mr Norman**

Ms HALL (Shortland—Opposition Whip) (13:45): Today I would like to pay tribute to Norman Alexander Bilton who died on 24 June this year, aged 97. I am making this statement in the House today as politics and parliament were so important to him. Norm was a true friend, a Labor Party stalwart and a life member who had been a member of the party for 65
years. His sons talked about his commitment to the ideals and values of the Labor Party and his undying commitment to social justice and a fair go for all Australians.

Norm was a real gentleman. He was quietly spoken and was an articulate man whose opinion was always valued, and he invariably won an argument without people recognising that he was doing so. Politics was not Norm's only love—he adored his wife, Ina, their children, Norm and Robert, and his grandchildren and great-grandchildren. In addition he loved the Canterbury Bulldogs.

Norm was a vibrant 97-year-old until he became ill. He had a driver licence until December last year. He was a progressive man, both in his politics and in his social values. He was a strong advocate for voluntary euthanasia and regularly attended meetings. Unfortunately, when Norm became seriously ill he did not have access to this and lived a painful and debilitating existence for the last six months of his life. Norm was one of my heroes—a great Australian who fought for our country and made a lifetime commitment to Australia.

Macarthur Electorate: Camp Quality Primary School Education Program

Mr MATHESON (Macarthur) (13:46): Recently I had the pleasure of attending Blairmount Public School in my electorate of Macarthur to watch a Camp Quality puppet show. Camp Quality is a wonderful organisation that focuses on creating a better life for children affected by cancer. The Camp Quality Primary School Education Program is a touring puppet show that helps educate students to look at the illness in a different light. It takes cancer out of its normal context and brings it into a world of imaginary characters who are honest, courageous and funny. Camp Quality does a fantastic job of using puppets as a way of building trust and engaging children. The puppets help explain cancer, dispel myths and enable children to learn the value of being a supportive friend.

At the Camp Quality puppet show I had the privilege of meeting a beautiful young lady, Tanesha Lovas, who is a brave and inspiring 10-year-old girl overcoming cancer. It was fantastic seeing the show bring a smile to Tanesha's face and to hear her laugh. I will never forget how moving it was to see this little girl being so positive and tenacious in the face of such adversity. For me, this is the magic of the show as it lets other children learn how to create a supportive school environment for Tanesha and many other students in a similar position across Australia.

At the conclusion of the show I spoke to Tanesha's parents, Steve and Judy, who were kind enough to give a firsthand account of the impact that childhood cancer has on a family. The fact that the Camp Quality puppet show made a little girl happy and helps her friends support her is truly a remarkable thing. I congratulate Camp Quality on the wonderful work that they are doing right across Australia.

Same-Sex Relationships

Ms MacTIERNAN (Perth) (13:48): If we can suspend our disbelief for a moment and assume that the Prime Minister is genuine about wanting to take the issue of marriage equality to the people, why not do it now? We could legislate to make the result of the plebiscite on same-sex marriage binding on this parliament and we could put a vote to the people before the year is out. If this is anything besides another delay tactic or a case of playing partisan politics, the Prime Minister must put this matter to the people now.
While I firmly believe parliament should get on with this and put forward legislation that has overwhelming public support, there could be some positives in a plebiscite held this year. In Ireland we saw the campaign characterised by decency and generosity of spirit, with gay and straight people alike getting behind the push for equality. Ireland's Una Mullally had this to say:

... straight ... people just wanted ... the opportunity to show that they were not prejudiced, that they had no issue with people who were gay having their relationships recognized, that they wanted to live in a country where all citizens are valued equally.

Prime Minister, Australians want this same thing too. Please stop playing games with the lives and loves of the gay community and, one way or another, deal with this matter now.

**Dobell Electorate: School Speech Competition**

**Mrs McNAMARA** (Dobell) (13:49): I am always proud to promote in his place the great achievements of Dobell's local students. Recently I provided students with the opportunity to have their voices heard in our federal parliament. This year I launched the Dobell School Speech Competition and invited years 5 and 6 students to write a short speech on the topic 'Kids can make a difference', with the winning speech to be delivered in parliament. I received a number of great speeches from local students capturing how they see the world, full of imagination and hope for the future. The winning speech was written by Erica Field from Tuggerah Public School. I had the pleasure of recently reading Erica's speech in parliament.

Congratulations also to the following students from Tuggerah, Jilliby, Blue Haven Public Schools, St Cecilia's and Lady of the Rosary Shelley Beach for their participation and submission of outstanding speeches: Cooper Brown, Declan Chown, Ebony Cullen, Monique Devries, Taen Downes, Jamie Durham, Keumala Dyer-Darmawan, Jordan Godbill, Noah Hamilton, Corey Hucker, Reilly Jones, Ben Logan, Elliot Mylchreest, Zoe Rosee and Satene White. To each of the participating students, thank you for sharing your thoughts with adults on how kids can make a difference. I must say to these outstanding schools that we have in Dobell: we have many talented young kids and it is about time that we promote them more. I would like to see other members promote their schools more too.

**Kingsford Smith Electorate: Kidney Transplant Service**

**Mr THISTLETHWAITE** (Kingsford Smith) (13:51): On 5 August I was fortunate to attend the Prince of Wales Hospital in our community to celebrate the golden jubilee of the first kidney transplant in New South Wales. This was performed at the Prince Henry Hospital in Little Bay in my electorate in 1965. The Department of Nephrology was established at the Prince Henry Hospital in 1962 and moved to Randwick to join the Prince of Wales Hospital and Sydney Children's Hospital in 1998. It is now the longest continuously active kidney transplant service in NSW. Throughout its 50-year history, the Department of Nephrology has performed some world and national firsts, including the first successful kidney transplant on a baby in the world in 1967. Considering that the previous 10 attempts throughout the world had failed and resulted in the death of the baby, this was a ground-breaking medical achievement. It performed the first live donor adult kidney transplant in Australia in 1967. In 1968, the first baby was born in Australia to a woman with a kidney transplant. In 2013, the Sydney Children's Hospital conducted the world's first adult-to-child kidney transplant with an unmatched blood type.
Together, the departments of nephrology at the Prince of Wales Hospital and the Sydney Children's Hospital have performed 1,400 kidney transplants. They have saved many lives. I wish to pay tribute to the medical staff over the last 50 years who have been involved in this wonderful, groundbreaking medical research and performance.

**Bass Electorate: braaap Motorcycles**

Mr NIKOLIC (Bass—Government Whip) (13:52): In July this year the Launceston motorcycle company braaap launched its latest model, the Moto3, which will see it competing in Australia's largest motorcycle category—the learner-approved sports bike market. The company also celebrated its 10th Anniversary. In the last decade, braaap has enjoyed local and international success in the children's dirt bike and superlite dirt bike categories. Last year, it introduced a full-size cafe racer model called the Mercury and now has two road bikes in its range. It had a 400 per cent growth in unit sales during the past year. It employs 32 staff and is in the process of recruiting more. Last year, the motorcycles it produced outsold similar models from major international manufacturers.

The company was founded by CEO Brad Smith, then aged 18, in the family garage at Legana in my electorate of Bass. Brad has twice been Australian Young Entrepreneur of the Year and runner-up International Young Entrepreneur of the Year. Last year, he was appointed to the Reserve Bank of Australia's advisory board. How exciting to see this Tasmanian company flourishing and employing more Tasmanians in the process. Brad Smith and his company, braaap, are fantastic examples of a young entrepreneur and a young company achieving international success that bring significant benefits to my community of Northern Tasmania.

**Newcastle Electorate: Brass Blokes Award**

Ms CLAYDON (Newcastle) (13:54): On Friday, 17 July, I joined with my community at Lifeline's Brass Blokes Gala awards night in Newcastle. The Brass Blokes Award recognises the amazing spirit of blokes within our region. The event raises awareness of men's mental health and helps raise funds for Lifeline in Newcastle and the Hunter region. Lifeline volunteers provide a vital counselling service, and statistics show that men are in particular need. In 2013, 2,522 Australian lives were lost from suicide, with 74 per cent of them male. On the night, we heard from a number of local heroes. Mark Hughes told of his struggle with brain cancer and then setting up his own foundation following a successful NRL career. Nick Newling shared the pain of losing his brother as a teenager and dealing with a mood disorder. Paralympian Kurt Fearnley spoke about resilience and men's health.

The 2015 Brass Blokes Award went to Phil Camden. Since being diagnosed with motor neurone disease three years ago, Phil has raised $30,000 for MND research. I also wish to pay tribute to all of the finalists at the 2015 Brass Blokes Award: Gary Brown, Steve Harrison, Luke Reynolds-McFadden and Mark Hughes. Thank you to Lifeline, Phil, Mark, Nick, Kurt and all nominees for the tremendous work you do in the Newcastle community. Finally, I thank India Jones from year 10 at Kotara High School, who researched and helped prepare this speech while doing work experience in my office. (Time expired)

**Flynn Electorate: Coal Mining**

Mr O'DOWD (Flynn) (13:55): The attack on coal fired power stations and the attack on coalmines has left many in my electorate of Flynn asking why. Let me remind the rest of
Australia that the coal industry is vital to the Australian economy, especially in Central Queensland. Coal is Australia’s second largest export and makes a valuable contribution to my electorate. Coal contributed $40 billion to the national income in 2013-14. It will contribute $47 billion a year by 2019-20. The coal industry directly contributed more than $4 billion to my electorate in 2013-14.

Coal is supporting families in Central Queensland. Coal accounts for nearly 3,500 full-time workers in Flynn. In 2013-14, they were paid $418 million in wages. Coal also adds $1.9 billion to the profits of nearly 1,000 local businesses through the purchase of goods and services. There are also flow-on contributions, including $2 billion to support more than 63,000 full-time employees in Flynn.

The industry paid $3.1 billion in royalties in the last financial year, including $1.8 billion to the Queensland government. Over the next four years, black coal royalties will total $18.1 billion, including $11.3 billion to Queensland. Banks continue to support new and existing projects. (Time expired)

Marriage Equality

Ms PLIBERSEK (Sydney—Deputy Leader of the Opposition) (13:57): I just want to take a moment today to talk directly to same-sex attracted young people, to gay and lesbian teenagers, about the decision that the Liberal and National parties made last night. It may be that you feel very disappointed. It may be that you feel very let down. It may be that you feel that you have been treated by this parliament as second-class citizens. I want to say to you today that that is not true. There are many people in this place to defend your rights and to stand up for you.

I also want to say to the children who have two mums or two dads that your families are just fine. We are proud of you. We are determined to ensure that your mums and your dads will be able to be married in the same way that the kids who you go to school with have parents who are married.

I know it was a very disappointing decision for many last night, but the fight for marriage equality is not over. The fight for marriage equality will continue, not just in this parliament but beyond this parliament in the broader community, because we know that there are many Australians—gay, straight or whatever—who do not support discrimination against any group in our community. Discrimination based on age, racial background or gender is completely unacceptable for any law-abiding citizen. The idea that one group in our community will be discriminated against simply based on their gender— (Time expired)

Barker Electorate: Meningie Area School

Mr PASIN (Barker) (13:59): Mr Speaker, on 29 July I hosted the Joint Standing Committee on Electoral Matters, chaired by your good self, in my electorate of Barker. The committee was looking at the delivery of electoral education. I was delighted to be able to take the committee to the Meningie Area School to meet the student and get their thoughts and to answer questions on how the electoral and parliamentary processes work in practice.

During the discussion, students asked about question time in relation to other means available to members to speak in this place. As a humble backbencher, I extolled the virtues of the 90-second statement. I indicated that opportunities such as 90-second statements provide us with a chance to highlight local groups, schools and individuals and their
noteworthy contributions. I then struck a deal with the students at Meningie. I said I would speak about the fantastic time I had at Meningie, provided they prepared 90-second statements to share with me. I look forward to sharing theirs on social media.

The SPEAKER: The debate is interrupted in accordance with standing order 43.

CONDOLENCES

Schultz, Mr Albert 'Alby' John

Mr ABBOTT (Warringah—Prime Minister) (14:00): Members on both sides of this chamber were sorry to hear of the passing just a few weeks ago of one of the great characters of this place, former member for Hume, Alby Schultz. Alby's retirement due to ill health at the 2013 election ended three decades of service in local, state and federal government. For the last 15 years of his career, Alby represented Hume, and that made him the longest serving member for that seat since Federation. As you would expect in a member for Hume, Alby was as much at home in a shearing shed as he was in the corridors of power and in this particular chamber.

He was born in May 1939 in Melbourne, the son of a wool store labourer. His first job was as a meatworker. He spent much of his early life working in abattoirs. He was, in his own words, a working-class Liberal, and this was the secret of his success. He became a Liberal because he did not like the union, which was always calling his mates out on strike. Alby was one of those people who loved to see others get ahead by having a go.

With Alby, you always knew where you stood. He was famously irascible. On a number of occasions during my time as leader, Alby would storm out of party room meetings. I occasionally would make the trek to his office afterwards, but by the time I had arrived he would usually have calmed down and you could invariably have a good talk to him.

Especially in his last few years, Alby had two particular passions. The first was fighting ferociously for his electorate and the second was choosing his successor. His successor needed, in Alby's view, two prerequisites. First, he or she had to be a potential cabinet minister and, second, he or she could not be a member of the National Party under any circumstances!

Honourable members interjecting—

Mr ABBOTT: For all his many qualities, Alby was at times a reluctant coalitionist.

Alby was first and foremost a family man. His wife, Gloria, was a partner in every aspect of his life, especially in the electorate. As Alby famously told everyone he met, when you got Alby, you got two for the price of one—you got Gloria as well. He said that his sons, Grant and Dean, were more like brothers than children. Yes, he was a tough man, Alby, but he had deep humanity. From collecting food and clothing for drought-stricken families to helping men driven to despair by family breakdown, he was a voice for the voiceless and he gave a hand up to those who needed help. Even when Alby was very ill, he was still helping people, most recently men with prostate cancer.

The behalf of the House, on behalf of the government and on behalf of the nation, I extend our deepest condolences to Gloria, to Grant and Dean and to Alby's five grandchildren.

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:04): On behalf of the opposition, I join with the Prime Minister in offering my sincere condolences to the friends
and loved ones of Alby Schultz. We pay respect to his memory. We salute his nearly 15 years of service in this place and in his community.

When Alby Schultz rose in this chamber to give his valedictory speech, he told the parliament it was the second one that he had written. Alby said:
I wrote one, and my wife read it and she said to me, 'You're not seriously going to bring that into the chamber, are you?' She said, 'You really do have to write something a little bit softer than that, love.'
And, as he did so often in their 53 years of marriage, Alby deferred to Gloria's judgement.

Alby Schultz was a great-hearted warrior for his convictions. He was a forthright advocate for his community and he was a combatant to the last. He also used to occasionally disagree with Labor! Because Alby Schultz had a gift—perhaps an increasingly rare gift—for forging friendships on both sides of the chamber, he was a man devoid of pretention. He valued hard work and honesty far above political differences.

I know that Alby will be greatly missed by his former colleagues, his many friends and his loving family. Our sympathies are with all of you. May he rest in peace.

Mr TAYLOR (Hume) (14:05): I stand today to pay tribute to Alby Schultz, my predecessor in the seat of Hume. I acknowledge Alby's wife Gloria, his sons Grant and Dean and other family members here in the gallery. These are precious times for the Schultz family.

As we all know, Alby commanded enormous respect in this chamber. It is a privilege to say a few words, with his family here, on behalf of the people of Hume.

Alby meant so many things to so many different people. I first met him here in Parliament House, and from the start I knew exactly where I stood. There was no ambiguity with Alby. He asked for loyalty and he gave it as well. One of his former state colleagues recently said, 'When you had Alby on your side, you had his whole heart. Half measures weren't possible.'
To me, that pretty much sums him up.

Alby's courage was legendary. He saw off his eye accident with stoicism; he stood up relentlessly for issues that he believed in, despite great resistance. He fought his cancer with courage. He was brave all the way. And bravery is one of the finest attributes we can have as a representative of others and in life.

Following, as I do, in his footsteps, I have heard so many stories about Alby helping people. From his earliest days in public life he loved to help people in need. I can't go into a town or village in my electorate—without hearing a story about what he did for someone. And that was before we lost him. The tributes and emails are rolling in. Whether it was lobbying to list a new drug, being a pioneer for breast cancer research and the mobile mammogram service or personally distributing drought relief parcels to local farmers, Alby was there and, I might add, so was Gloria.

With that big, big heart Alby loved people. He loved his town of Cootamundra, he loved his constituents—or, at least, most of them. He loved his boys, Grant and Dean, and his daughters-in-law, Bec and Dev, and he adored each and every one of his grandchildren. More than anything, he loved Glo. They were a team, and we all benefited from that team—friends, family and the community.

On behalf of the people of Hume, I say to Glo, to Grant and Dean and your families, we are all the better for knowing Alby. He was courageous, he was caring and he was so widely loved. It is humbling to walk in his shoes.
Mr PYNE (Sturt—Leader of the House and Minister for Education and Training) (14:08): I would like to add myself to the condolences for the family. Obviously, I served with Alby in this parliament. For the information of members I would like to propose a time for further statements on indulgence on the death of Alby Schultz be made available on a later day.

The SPEAKER (14:08): Could I thank the Prime Minister, the Leader of the Opposition, the member for Hume and I would like to acknowledge Gloria Schultz who is in the gallery today. We will have further statements on another day.

QUESTIONS WITHOUT NOTICE

Marriage

Ms BUTLER (Griffith) (14:09): My question is to the Prime Minister. Will the Prime Minister guarantee that the private member's bill on marriage equality that the member for Leichhardt and I cosponsored will come before the House for a vote this year?

Mr ABBOTT (Warringah—Prime Minister) (14:09): Mr Speaker, I am very happy inform the member that this private member's bill will be treated in the same way that all private members' bills are treated in this chamber.

Opposition members interjecting—

Mr ABBOTT: That is the way it should be. There will be no special treatment or favouritism—just exactly the same treatment that private members' bills are always accorded in this chamber.

Climate Change

Ms GAMBARO (Brisbane) (14:10): I want to add my congratulations to your elevation to the chair, Mr Speaker. My question is to the Prime Minister. Will the Prime Minister update the House on the response to the government's plan to reduce Australia's carbon emissions and how will this plan help the environment while protecting jobs and growth?

Mr Perrett interjecting—

The SPEAKER: I call the Prime Minister. The member on my left will not interject.

A government member: You are a class act, Graham.

Mr Perrett: Thank you.

The SPEAKER: If members would stop interjecting, the Prime Minister can answer the question he has been asked.

Mr ABBOTT (Warringah—Prime Minister) (14:10): I can assure the House that as far as the government is concerned, climate change is real. Mankind makes a contribution, and it is important to have strong and effective action to deal with it. This government has a very strong record when it comes to reducing emissions.

Opposition members interjecting—

Mr ABBOTT: We have met and beaten our Kyoto targets; we are on track to more than meet our current commitments to reduce our emissions by 13 per cent on 2005 levels. We are on track to meet and beat our current commitments to reduce emissions by 2020 by 13 per cent on 2005 levels.
Yesterday we announced our targets for 2030 to take to the Paris conference at the end of the year. We will reduce our emissions by 26 to 28 per cent. This is a very strong and responsible target; it is environmentally responsible; it is economically responsible. It is better than Japan; it is much better than Korea; and it is vastly better than China. It is better than Japan's 25 per cent; it is much better than Korea's four per cent; and, of course, it is vastly better than China, which will actually increase its emissions by 150 per cent by 2030. Yes, it is a whisker below Canada and New Zealand; it is a little below the European level, but, unlike Europe, this country is growing strongly both economically and in terms of population. We will reduce our emissions per person by 50 per cent at least by 2030. This is the best outcome of any country that has so far said what its targets will be for the end of the year. The costs are not insignificant but they are manageable. Unlike members opposite, who want to clobber our economy with a $200 a tonne carbon tax and who want an $85 billion—

Opposition members interjecting—

The SPEAKER: The Prime Minister will resume his seat.

Mr Conroy: Mr Speaker, on a point of order—relevance. The question was about his dog of a policy, not any other policy.

The SPEAKER: The member for Charlton is using offensive language. He will withdraw that immediately.

Mr Conroy: I will withdraw it in a qualified way.

The SPEAKER: He will withdraw in an unqualified way.

Mr Conroy: I withdraw unqualified.

The SPEAKER: As I said yesterday—

Mr Sukkar interjecting—

Mr Burke: The member for Deakin should withdraw.

The SPEAKER: I did not hear what the member for Deakin said. The member for Deakin, if you made an offensive remark, could you withdraw it, please?

Mr Sukkar: I withdraw.

The SPEAKER: I have taken the point of order. I ruled on this yesterday and I will make a statement at the end of the Prime Minister's answer.

Mr ABBOTT: The Australian Chamber of Commerce and Industry said:

Australia's position for global climate talks later this year is a reasonable one that balances the need for action to contain emissions with the need to minimise damage to jobs and economic growth.

The Minerals Council of Australia said:

The national emissions target...is an ambitious goal.

It is, Mr Speaker, and we will achieve it.

Marriage

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:14): My question is to the Prime Minister. How can the Prime Minister claim to lead the party of the individual when he will not allow individual members of his party to exercise a free vote on marriage equality?
Mr ABBOTT (Warringah—Prime Minister) (14:15): As is well known, when I was asked about this prior to the election, I said that if this matter—

Ms Plibersek interjecting—

The SPEAKER: The member for Sydney will cease interjecting.

Mr ABBOTT: The government have exactly done what we said we would do before the election. Before the election, I said that if this matter was to come up in this parliament it would be dealt with by the coalition party room in the usual way. I said before the election on a number of occasions that if this matter was to come up in this parliament it would be dealt with by the coalition party room in the usual way. I have got to say that it was dealt with by the coalition party room in a very decent and respectful way over six hours yesterday.

Mr Albanese: Mr Speaker, I rise on a point of order: the Prime Minister said at this dispatch box it was a matter for this parliament.

The SPEAKER: That is not a point of order.

Mr ABBOTT: This matter was discussed by our party room in a very decent and respectful way for fully six hours yesterday; some 90 members of the party room had their say. By a very strong majority, essentially by two to one, we decided to confirm our existing position for this term of parliament, the position that we took to the election, that marriage is between a man and a woman. Our strong disposition is to go into the next election with a commitment to put this to the people. That is our disposition. Our strong disposition going into the next election is to put this to the people. Going into the next election there will be two parties with very different positions. Members opposite will want the politicians to decide. This government wants the people to decide. Over here we want the people's choice, and what could be fairer than leaving this to the people of Australia?

Carbon Pricing

Mr HOWARTH (Petrie) (14:18): My question is to the Minister for the Environment. Will the minister please update the House on the savings delivered to householders and businesses in my electorate of Petrie from the repeal of the carbon tax. Are there any threats to these savings?

The SPEAKER: The Member for Hotham on a point of order.

Ms O'Neil: Mr Speaker, I refer to page 555 of the Practice. It is very clearly stated in the Practice:

… it is not in order for Ministers to be questioned on opposition policies, for which they are not responsible.

I would ask you to rule the latter part of that question out of order.

Mr Ewen Jones interjecting—

The SPEAKER: The member for Herbert will cease interjecting, particularly on me. This came up yesterday. I am going to address this matter without interjection and we are not going to revisit it after each question. The member for Hotham raised a point of order similar to some points of order that were raised yesterday. There are two points for members opposite to consider. The question did not specifically ask about opposition policies, it asked about alternatives. As I said yesterday, Speaker Jenkins, in February 2008, indicated that he did not
like that practice. He did indicate that, but when he indicated that, he did also acknowledge
that that traditionally was the practice—to ask for alternatives or any threats to a particular
policy. He indicated that. The reference in Practice is footnoted and it refers specifically to
Speaker Jenkins. Indeed, if you go back and look at Hansard you will find numerous
examples of questions that were in order that asked whether there were any alternatives or any
threats. It has been the practice for a very long time, and some of us who have been here in
different capacities know that. Indeed, in 2000 Speaker Andrew, when asked about this, said:
I do not think it inappropriate if a member identifies an area within a minister's official responsibility
and asks a question relating to alternative views, as the key consideration is the government's response
to these views.

That is the practice I am adopting.

Mr Burke: Mr Speaker, I rise on a point of order on the point of order. In referring to that,
can I ask that you refer specifically to standing order 98? Standing order 98(c) makes clear
what a minister can be questioned about. You have not referred to the reason why Speaker
Jenkins made that ruling. The reason the ruling was made is that a minister can only be
questioned—

Mr Ewen Jones interjecting—

The SPEAKER: The member for Herbert will cease interjecting. I am trying to listen to
the Manager of Opposition Business.

Mr Burke: Thank you, Mr Speaker. Standing order 98(c) says:
A Minister can only be questioned on the following matters, for which he or she is responsible or
officially connected—

That cannot involve opposition policy. They cannot be responsible for opposition policy—

The SPEAKER: No, resume your seat.

Ms Henderson interjecting—

The SPEAKER: The member for Corangamite will cease interjecting. If the question, as I
said at the outset—I am not going to revisit this—had referred to an opposition policy you
would have a point, but it referred to alternatives. This has been a longstanding practice, and
the minister is responsible for the environment and he is entitled to speak about the
government's policy and any alternatives as part of his responsibility as minister.

Mr Hunt (Flinders—Minister for the Environment) (14:23): I particularly want to thank
the member for Petrie, who is a great advocate for the Green Army. He is overseeing three
projects in his electorate, and he is proud of the work of these young Australians. He is hands-
on, he visits the sites, he is a wonderful environmentalist and he actually cares about what
occurs on the ground. The other thing that the member for Petrie did was he voted to repeal
the carbon tax, and he voted for lower electricity prices and he voted for lower gas prices.
One thing which happened over recent weeks was that the ACCC confirmed that the $550
which we said would come with the repeal of the carbon tax on average did come to
Australian families. We said we would repeal the carbon tax and deliver that benefit; we did
repeal it and the ACCC has confirmed that that benefit has flowed through.

There is a question as to whether or not there are any threats to these reductions in
electricity and gas and refrigerant prices—and there is a threat. I have to say this: in looking at
this threat we had a moment of truth from the member for Hunter, and I shall keep going back to that over coming weeks, because he was asked whether the policy of those on that side was a tax. What did he say? He said you can call it a tax—he did not say it once or twice; he said it three times. He went on to say, when asked about the cost, that no-one knows. No-one knows, they say. However, on that occasion he may not have been entirely accurate, because we know. What did we see this week? 'ALP's $600 billion carbon bill.' There he is, a $600 billion carbon bill—

The SPEAKER: The minister will refrain from using props.

Mr HUNT: I will henceforth and I thank you, Mr Speaker, for that admonition.

The SPEAKER: The minister might want to hand it to one of his colleagues, to be safe. And his colleague can put it on the seat.

Mr HUNT: I will happily hand it to the Leader of the House, who will peruse it with great interest.

The SPEAKER: Put it on the seat!

Mr HUNT: What is the cost to this threat to Australian household savings? What we see is a $600 billion cost, we see a $209 carbon price, we see $5,000 per family by 2030, and what else do we see? A 78 per cent increase in wholesale electricity prices. And it is their modelling of their target for the carbon tax. This is the work they did in government but about which they are ashamed. We are absolutely clear—we are reducing costs, we are reducing electricity prices and they are increasing costs and he is increasing electricity prices.

Marriage

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:26): My question is to the Prime Minister. Can the Prime Minister confirm that he will sack any cabinet minister who crosses the floor and votes in favour of marriage equality?

Government members interjecting—

Mr Mitchell: Mr Speaker, I rise on a point of order. I ask that you ask the Treasurer to withdraw the term that he used then.

Mr Hockey: Hypocrite?

Mr Mitchell: Exactly right—it has been ruled out before, you can ask your friends behind you. It has been ruled out as unparliamentary in this term of parliament.

The SPEAKER: I ask the Treasurer, in the interests of the House, to withdraw.

Mr Hockey: I withdraw 'hypocrite'.

The SPEAKER: The Treasurer will withdraw in an unqualified way.

Mr Hockey: I withdraw.

Ms Butler interjecting—

The SPEAKER: I do not need advice in the form of an interjection from probably the biggest interjector yesterday. I remind all members to withdraw without reservation.

Ms O'Neil: Mr Speaker, I rise on a point of order.

The SPEAKER: No, I am not taking a point of order; I am calling the Prime Minister.
Mr ABBOTT (Warringah—Prime Minister) (14:27): Unlike members opposite, I do not run a Stalinist party.

Opposition members interjecting—

Mr ABBOTT: I don't. Members opposite have these Stalinist rules but backbench members of the coalition always have a conscience vote. Members of the executive, as usual, as always, are bound by the policy of the government.

Parliamentarians' Entitlements

Mr PALMER (Fairfax) (14:28): My question is to the Prime Minister. How many trips and entitlements has the Prime Minister's Chief of Staff approved for government backbenchers, ministers and families, and are such approvals, or the failure to reveal them, acceptable to the government? Is the government using entitlements to support the office of the Prime Minister?

Mr Pyne: Mr Speaker, on a point of order: the question asked by the member for Fairfax is not within the responsibilities of the Prime Minister and is factually wrong. Therefore it is almost impossible for the Prime Minister to answer it.

The SPEAKER: I was about to say not only that the question asked for a whole lot of detail that the Prime Minister would not have at hand but also that there are questions on notice and I would urge the member for Fairfax to consider lodging questions on notice and to direct them to the relevant minister.

Employment

Ms LANDRY (Capricornia) (14:29): My question is to the Deputy Prime Minister and Minister for Infrastructure and Regional Development. Will the minister update the House on how the government is helping to create jobs in my electorate of Capricornia and across Central Queensland? Is the minister aware of any threats to these jobs being delivered?

Mr TRUSS (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (14:29): It was a great pleasure to be with the member for Capricornia and the member for Flynn for the opening of the Yeppen flood plain bridge just a few days ago.

Mr Albanese: Funded by us!

Opposition members interjecting—

Mr TRUSS: Built by us!

Government members interjecting—

Mr TRUSS: And funded by this side of parliament! Absolutely!

Honourable members interjecting—

Mr Albanese: Mr Speaker—

The SPEAKER: I have not called you. I am not going to attempt to listen over constant interjections.

Mr Albanese: Mr Speaker, I raise a point of order. It goes to whether the minister is misleading the House. It was built by workers funded by us. All you did was—
The SPEAKER: Resume your seat! The member for Grayndler knows more than most members in this House, because he made the point himself when he had a different role, that, if he wants to take that action, there are other forms of the House to do it in—not in question time.

Mr TRUSS: Just to correct the record: the reality is that I turned the first sod on this project. The workers built the project and the taxpayers are paying for it—and this government is including it in the budget. They talked; we acted. We built it! The honourable member for Capricornia and the honourable member for Flynn were strong advocates of this project, which is, incidentally, the largest bridge in regional Queensland—and it is certainly a great tribute to all of those people who were involved in building this project. This government created 200 jobs for people by constructing that bridge. Those are real jobs for people in Central Queensland.

But that is not all we have done in that area. We have a large number of significant road projects underway: there is $428 million for the Mackay Ring Road, which will create 600 jobs—and that, I know, was very much appreciated by the member for Dawson; $166 million for the Peak Downs Highway; the Kin Kora roundabout in Flynn—another 78 jobs; the Sarina Northern Access—another 32 jobs.

We are creating jobs by building the infrastructure that those regions need. We are doing that because we have the capacity, because we are running an economy that is capable of funding these worthwhile projects.

But there are threats to these jobs. The other side, at its conference, is now proposing to implement a carbon tax—to go back and introduce a turbocharged carbon tax, which will add to the cost of every road construction project in Australia. Every road construction cost will be more expensive.

Ms Macklin interjecting—

The SPEAKER: In response to the member for Jagajaga, I am not going to recognise a point of order while she and her colleagues are interjecting.

Ms Macklin interjecting—

The SPEAKER: I recognise your voice!

Ms O'Neil: Mr Speaker—

The SPEAKER: I have not called you. Member for Hotham, on a point of order—and it needs to be a point of order, not an attempt to revisit your last point of order.

Ms O'Neil: No; it is under an entirely different provision of the standing orders. Mr Speaker, I raise a point of order on relevance. You have made the point in your previous ruling about whether or not people are allowed to—

Honourable members interjecting—

The SPEAKER: If I could listen!

Ms O'Neil: You made a distinction in your response to the points of order regarding whether people on the other side are allowed to ask questions about opposition policy. You appear to have ruled that in order, which is disappointing. However, in your answer, you made a distinction between specific references to opposition policy and more abstract endings to the question.
The SPEAKER: If you had listened carefully to what I said, you would have heard the reference to opposition in the question. If you have an extensive look at the material I have looked at, there was no—

An honourable member interjecting—

The SPEAKER: Precisely! That was disorderly. It is disorderly. I am not going to be interjected on. The Deputy Prime Minister is in order—and I am listening carefully.

Mr TRUSS: A turbocharged carbon tax will cost thousands of jobs with the closure, under Labor's policy, of power stations in places like Callide and Gladstone and Tarong and Stanwell—thousands of jobs will be lost. On the one hand, the coalition government is creating jobs and building infrastructure. The other side is offering us an alternative: fewer jobs, because projects will become more expensive—less affordable—and will not happen.

Goods and Services Tax

Mr BOWEN (McMahon) (14:35): My question is to the Prime Minister. Last night the Prime Minister said, 'A lot of the people who voted for us were going to feel dudged.' Given the Prime Minister promised on 33 separate occasions before the last election not to change the GST, why won't the Prime Minister rule out dudging the Australian people by increasing the GST to 15 per cent?

Mr ABBOTT (Warringah—Prime Minister) (14:36): What I am not going to do is to rule out a sensible conversation about a better tax system. I am not going to rule out a sensible conversation about better taxation, a more efficient tax system, a tax system which involves a lower overall burden of tax and a tax system where taxes are lower, simpler and fairer.

I have to say: this government already has good form as a tax-cutting government. We got rid of the carbon tax. Members opposite want to put it back, at $200 a tonne. We got rid of the mining tax. Members opposite want to put it back. We have got rid of the Leader of the Opposition's 'trouser tax', and he wants to bring that back as well—the money that he was 'trousering' out of people's not-often-used bank accounts.

This is a government which is absolutely determined to get the overall burden of tax down. But, within getting taxes down, we are prepared to look at sensible suggestions from the state premiers. We do not rule things out. We do not rule things out in advance. What we do say is that we will not propose any tax change, other than a tax cut, that we do not take to the Australian people at an election, because we keep faith with the people.

I have been asked a few questions about another subject this morning. This is a government which keeps faith with the people. We made a commitment before the last election. We are going to keep that commitment for this term of parliament. And I have to say on the subject that I have been questioned about several times today: come the election, there will be a very clear choice. Members opposite want a politician's choice; this side of the parliament wants a people's choice when it comes to subjects that are as important as that.

Economy

Mr VAN MANEN (Forde) (14:38): My question is to the Treasurer. Will the Treasurer outline how the government is building a stronger economy, and what does a stronger economy mean for my constituents of Ford? What threats are there to future economic growth?
Mr HOCKEY (North Sydney—The Treasurer) (14:38): I thank the honourable member for Forde for his question and recognise that as a member of the government he is a constant source of good advice to me and the government on good economic policy. When Labor were last in government and the Leader of the Opposition was minister for employment, there were only 3,600 jobs created in Australia every month. When Labor were last in government, there were only 3,600 jobs created in Australia every month. Last month, 38,000 jobs were created in Australia, more than 10 times the number created under the now Leader of the Opposition—10 times the number of new jobs created in one month compared to the number created under this Leader of the Opposition. So our economic plan is working.

When we came to government, we said that we had to stop writing out cheques to industry; we could not continue to pay out welfare cheques to people that were unfunded. We also said that it was unfair to Australian businesses to have tens of thousands of pages of regulation and red tape that they could never comply with but that they were burdened with. We got rid of that. We got rid of the carbon tax, we got rid of the mining tax and we are opening up the door for Australian businesses with new free trade agreements with Korea, Japan and China. They are opportunities. They are the growth opportunities that Australians are crying out for in order to create the jobs of the future.

On top of all of that, we have the biggest infrastructure rollout in the history of the nation. We are putting more money into new, productive infrastructure than any other government in Australia’s history. And we have delivered the real micro-economic reform so necessary to get the states moving, through an asset recycling program that has facilitated the sale of assets and the redeployment of that capital into new, productive infrastructure.

At the same time, we are building further infrastructure, the social infrastructure of the future, as evidenced by what just happened in the Senate today, when the Medical Research Future Fund bills were passed by the Senate. That is a $20 billion lasting endowment fund that is going to fund the medical research that will change the future of the nation forever. We know that if we save the money now, if we are careful and prudent with taxpayers’ money, we can invest in the future of our nation and, as we have on this occasion, ensure that our children have an even better quality of life than we have today.

DISTINGUISHED VISITORS

The SPEAKER (14:41): I acknowledge and welcome to the gallery the former member for Macarthur, the Hon. Pat Farmer. I also welcome Mr Steven Marshall, the state Liberal leader of South Australia and member for Dunstan. I also welcome three members of the Queensland state parliament: Mr Ian Rickuss MP, Mr Steve Minnikin MP and Miss Verity Barton MP.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Goods and Services Tax

Mr BURKE (Watson—Manager of Opposition Business) (14:42): My question is to the Prime Minister. I refer to the Prime Minister’s claim in his previous answer that he will not rule out changes to the GST. If this is true, why did the Prime Minister promise 33 times that there would be no changes to the GST?
The SPEAKER: It is a question going close to having been directly answered, but I call the Prime Minister.

Mr ABBOTT (Warringah—Prime Minister) (14:42): I just make the obvious point, partly repeating what I said before: if any proposal is supported by this government in respect of any change to that tax, it would go to the people, as you would expect, at the next election. But no proposal will come forward from this government in respect of that tax that is not supported by the states and territories, because it is a tax which is raised for the states and territories, to be spent by the states and territories.

What we certainly want to encourage and what members opposite would want to see, if they had any serious concern for economic reform, is a proper, national conversation about how our economy can work better. We are prepared to talk about what would make our economy work better, and all that the members opposite are prepared to do is engage in a long and useless complaint. This is a government which has already increased jobs growth from 43,000 in the last year that Labor were in power to 243,000 in the past year. We have increased economic growth. This is a government which is about jobs and growth, and members opposite should be part of the conversation. They should be part of the conversation about what we do to build a stronger and more prosperous economy, what we do to bring about more jobs and more growth in our country. This government is prepared to have the conversation. All the members opposite want to do is complain. Well, it is about time they stopped being the national complaints bureau and started getting on with the business of being serious members of this parliament.

Budget

Mr VARVARIS (Barton) (14:44): My question is to the Treasurer. Will the Treasurer outline the impact of the budget on small businesses in Barton and other areas around the country.

Mr HOCKEY (North Sydney—The Treasurer) (14:45): I really do thank the member for Barton for his question. It was just a fortnight ago that the member for Barton and I visited a number of his own small businesses. Shelly and Guy from Admire Florist in Bexley North were very excited to see us. They gave me some flowers, which I cannot recall ever getting from anyone. They were very excited about the budget and the $20,000 instant asset write-off. They were considering purchasing a new delivery van for their business. It was a terrific Australian story of a migrant coming to Australia and having a go in a small business. Then we went around the corner to Macchina Espresso, in Kingsgrove, and met with Harry and Jo-Anne. The coffee there is ground on site and distributed to a number of businesses in the area. He had purchased new coffee machines with the $20,000 instant asset write-off. It was a great story, because we could see in front of us the real impact of our budget and the way it was helping small business.

It is not just the $20,000 instant asset write-off, as you can tell from the reports of JB Hi-Fi and comments by Gerry Harvey at Harvey Norman, that has had a powerful impact on retail sales. The Labor Party hates that. The Labor Party hates businesses being successful. We know that. That is why they constantly complain and constantly whinge about business—but they employ thousands of people. The government does not directly employ a hell of a lot of people in Australia, but, I tell you what, business does. If you want to lift jobs, if you want to create more jobs, you have got to give business the incentive to have a go. That is why in the
last month alone 38,000 new jobs were created compared with 3,600, which was the average in the last year under Labor. It does not come about easily. For a start, you have got to lift the regulatory burden off business, and that is what we have done with our dedicated repeal days in parliament. Secondly, you have got to lift the tax burden off them. That is why we got rid of the carbon tax and why we got rid of the mining tax. That is why we delivered in the budget the biggest tax cuts for more than two million Australian small businesses. Importantly, you have got to give those businesses hope that the economy will get better, despite occasional headwinds—and we are doing that. That is why we are starting to see substantial increases in some of the business confidence data, in some of the business investment data and in consumer confidence data. It all becomes a positive cycle, and it is only the coalition that can deliver that.

DISTINGUISHED VISITORS

The SPEAKER (14:48): Before I call the Leader of the Opposition, I would also like to acknowledge and welcome on behalf of all members the 5th Delegation from the Republic of Korea hosted by the Australian Political Exchange Council.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Renewable Energy Target

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:48): My question is to the Prime Minister. Yesterday in question time the Prime Minister said his emissions reduction target was ‘the same as the United States’. Given that the United States has announced a target equivalent to around 40 per cent, not 26 per cent, by 2030, will the Prime Minister correct the record and apologise for misleading the parliament?

Mr Pyne: Mr Speaker, I rise on a point of order. The Leader of the Opposition knows that he cannot add the part at the end of his question. He needs to withdraw that. If he intends to make such a claim, he needs to do so by substantive motion.

Mr Burke: Mr Speaker, I rise on a point of order. There is nothing in the question that implies the mislead was deliberate—nothing at all.

The SPEAKER: The Leader of the Opposition has been picked up on this before. I am going to ask him to repeat the question, without the last part. There are other forms of the House he can take.

Mr SHORTEN: Yesterday in question time the Prime Minister said his emissions reduction target was ‘the same as the United States’. Given that the United States has announced a target equivalent to around 40 per cent by 2030, not 26 to 28 per cent, will the Prime Minister correct the record and apologise?

Mr ABBOTT (Warringah—Prime Minister) (14:49): The assertion by the Leader of the Opposition is simply false. The United States has no target beyond 26 to 28 per cent, and that is our target. What is more, they are proposing to achieve their target with the same sorts of direct action measures that we are proposing. The last thing they are proposing is to clobber the economy with a great big new tax on everything. The last thing they are proposing is to clobber jobs and clobber growth with an $85 billion overbuild of unnecessary turbines. I am very happy to have this debate. I am very happy to have a debate about who has the best
policy to deal with climate change, because our target is absolutely four-square comparable with those of our partner economies. It is absolutely comparable with those of advanced economies like ours. Our target is higher than Japan, it is much higher than Korea, it is vastly higher than China, it is a little bit below New Zealand and Canada and it is exactly the same as the United States. When it comes to emissions per head, when it comes to emissions per person, our target at least a 50 per cent reduction, at least a one-half reduction, in emissions by 2030 is the best in the developed world. But there is a big difference. We will achieve our targets without smashing jobs and without smashing growth. We will do it in an economically responsible way. We know that you can protect the environment and preserve and strengthen the economy at the same time. But what does the Leader of the Opposition propose? Labor's targets are the targets of the independent Climate Change Authority. That is what Labor's targets are: 40 to 60 per cent, which will involve a $200-plus a tonne carbon tax. If a $23 a tonne carbon tax cost households $500 a year, that $200 a tonne carbon tax will cost them $5,000 a year. This government will protect people against Labor's economic vandalism.

**Live Animal Exports**

Mr O'DOWD (Flynn) (14:52): My question is to the Minister for Agriculture. Will the minister update the House on Australia's live animal export trade? How will recent agreements with China help boost returns to the Australian farmer and the national economy?

Mr JOYCE (New England—Minister for Agriculture) (14:52): I thank the honourable member from the seat of Flynn for his question. He is a person who has been a fettler, a farmer and a fuel distributor and who is now the federal member. I congratulate him on all the work that he has done. He is a person who understands small business. He would know, too, that his area boasts the largest horticultural mandarin production in the Southern Hemisphere—at 2PH. Also, in the Fitzroy Basin is the largest area of cattle production in Australia. So he is very interested in the work that we are doing in making sure that we get the best return for his area and for our nation.

Since 2013, we have exported 2.4 million head of cattle. In fact, in live animal exports, we have exported over 3.6 million head, and this is made up of 2.2 million feeder and slaughter sheep, 1.1 million feeder and slaughter cattle, over 147,000 breeder livestock and over 86,000 goats. Over 593,000 feeder cattle were exported to Indonesia alone. It is a pleasure of mine, on behalf of this parliament, to say that in the recent days we have negotiated a further quota with Indonesia—we had some issues there—a further 50,000 head into Indonesia. It shows that our department is hard at work all the time to make sure we get a better return.

On other issues, we have also managed to secure live cattle trade into China, and this is our seventh market. On the back of Bahrain, Egypt, Cambodia, Thailand, Lebanon and Iran after four decades of being closed, we now have the potential of a market that can take up to a million head a year. Of course, that will not happen overnight.

Ms MacTiernan interjecting—

The SPEAKER: The member for Perth will cease interjecting.

Mr JOYCE: It has to be built up to. We turn off about eight million head a year. All of this means that, under our government, we have record cattle prices. We have also had record sheep prices. We have the biggest turnaround in soft commodity prices in the history of our nation.
There are some threats to this, and one of the big threats to this, of course, is the quibbling by the opposition on the free trade agreement with China. This free trade agreement with China would bring about a 10 per cent reduction in live animal tariffs, a 12 to 25 per cent reduction in meat and offal tariffs and a 10 to 20 per cent reduction in dairy tariffs. These are the threats to Central Queensland; these are the threats to Australia. If we do not get on with the business and deliver this outcome, there is a real threat to the income stream of all Australians—and especially the people of Central Queensland. On top of that, I have to say that the idea of bringing back the carbon tax is just an anathema. *(Time expired)*

**Climate Change**

**Ms PLIBERSEK** (Sydney—Deputy Leader of the Opposition) (14:56): My question is to the Prime Minister. Does the Prime Minister stand by his answer in question time yesterday that government modelling on his emissions target shows that a 40 per cent reduction in emissions would result in a cut to GDP of two per cent?

**Mr ABBOTT** (Warringah—Prime Minister) (14:56): Yes, I do.

**Medical Research**

**Dr GILLESPIE** (Lyne) (14:56): Mr Speaker, congratulations on your elevation to the role of speaker. My question is to the Minister for Health. Will the minister update the House on the government's strong plan to invest in the future of medical research in Australia? Why is future investment in medical research so critical for our nation?

**Ms LEY** (Farrer—Minister for Health and Minister for Sport) (14:57): Mr Speaker, I join with my friend and colleague the member for Lyne in congratulating you on your outstanding success in the chair. It is reflective, if I may say, of the calibre of the class of 2001—another member of which is in the gallery. Pat Farmer, hello.

As the Treasurer has said, the landmark Medical Research Future Fund Bill has today passed through the Senate with amendment. The government looks forward to the amended bill returning to the House and being passed as soon as possible. This is a milestone step in delivering an additional $1 billion each and every year to medical research in this country. Let us reflect that the MRFF will build up a balance of $20 billion and, with that endowment, will continue in a stable and consistent way to distribute $1 billion a year towards medical research.

*Mr Bowen interjecting—*

**The SPEAKER:** The member for McMahon will not interject.

**Ms LEY:** It has the opportunity to transform medical research in Australia with this major additional injection of funds. No investment like this has ever been made, and it will lead the world. We know that every dollar we invest in health and medical research returns $2.17.

While we are all very familiar with Australia's track record and we know, for example, the success of the cochlear implant, I want to make the House aware of something recent that has come out of the University of Queensland: the Nanopatch, which is a needle-free vaccine. It does not require refrigeration. It does not require a medical practitioner. It can be dropped, posted or collected anywhere in the world. The Cubans, who are trying to cure polio, have asked us for this patch. I know that, in developing countries, it is going to make a real difference to population health.
Make no mistake: the past, present and future of medical research funding in this country is owned by the Liberal and National parties. It is owned by the Liberal and National parties. In fact, when the Prime Minister was the Minister for Health and Ageing, funding towards medical research quadrupled in the first six years of the Howard government. We know that Labor in 2011 tried to cut $140 million from medical research. We know also that they took about the same amount of money out of the budget in 2013; they were so embarrassed that they backflipped. So the total was actually $400 million that they tried to rip out. Nearly half a billion dollars of funding in medical research that Labor tried to take away in their last term of government—

Ms King: Mr Speaker—

The SPEAKER: I am not taking a point of order. I am not accepting a point of order on this.

Ms LEY: underscores the fact that we are the party and the government that have delivered innovation in medical research in this country.

The SPEAKER: Are you asking a question?

Ms King: I am not asking a question. I was seeking to make a point of order—

The SPEAKER: Resume your seat.

Ms King: I am entitled as a member of this House—

The SPEAKER: Resume your seat.

Ms King: I am entitled to make—

The SPEAKER: Resume your seat and I will address the matter. You will find precedents from previous Speaker Jenkins.

Ms King interjecting—

The SPEAKER: You are not going to interject. You can look at the precedents of previous Speaker Jenkins, and you will see they related to a number of instances.

Climate Change

Mr BUTLER (Port Adelaide) (15:01): My question is to the Prime Minister. It has been reported today that government modelling shows that an emissions target of 45 per cent reduction would mean a cut of between 0.5 per cent and 0.7 per cent of GDP. Does the Prime Minister still stand by the answer he just gave to the earlier question from the member for Sydney?

Mr ABBOTT (Warringah—Prime Minister) (15:01): I am very pleased to take questions from Labor about emissions reductions targets because we have one: a very, very good target, a good and responsible target. Our target is to reduce emissions by 26 to 28 per cent by 2030. It is in the middle of the international pack when it comes to absolute reductions, and, when it comes to emissions reductions per person, ours are the best in the world. We have the biggest emissions reduction target in the world when it comes to emissions per person.

I have been asked about modelling. Modelling commissioned by the former government, the Labor government's own modelling, of a 44 per cent target showed a $600 billion hit on our economy. There he is, $600 billion—
The SPEAKER: The Prime Minister will resume his seat. The Manager of Opposition Business on a point of order?

Mr Burke: It is on two matters, Mr Speaker. On the first point of order: members are meant to be addressed by their correct titles, and the Prime Minister should withdraw the reference he just made.

Secondly, the question is quite specifically about impact on GDP, and the Prime Minister is referring to a range of other modelling issues but has not dealt directly at all with the content of the question.

The SPEAKER: I did not hear the reference over the hubbub. I am sorry about that.

Opposition members interjecting—

The SPEAKER: No, I did not. I did not hear the reference, but members need to be referred to by their correct titles. They do.

An opposition member: He should withdraw.

The SPEAKER: I did not hear the reference.

Opposition members: We did.

The SPEAKER: Well, I think it would help the House if the Prime Minister withdrew.

Mr ABBOTT: Mr Speaker, I said that the Leader of the Opposition's carbon bill was $600 billion, and then I referred to him as 'Carbon Bill'.

The SPEAKER: I did not hear the reference.

Opposition members interjecting—

The SPEAKER: Prime Minister—

Opposition members interjecting—

The SPEAKER: I am waiting for people to cease interjecting. I am going to deal with both matters together. It would assist the House if the Prime Minister withdrew in an unqualified way.

With respect to the Manager of Opposition Business's point about the modelling, the Prime Minister still has two minutes remaining. He is only just at the beginning of the question. You cannot insist on yes or no answers, and the Prime Minister is entitled to cover the policy ground of the question asked.

Mr ABBOTT: Mr Speaker, to assist the House, I withdraw in an unqualified way.

Honourable members interjecting—

The SPEAKER: Well, it was unqualified.

Mr ABBOTT: Mr Speaker, here is Labor's carbon bill. This is the modelling that the Labor Party produced in government of a 44 per cent emissions reduction target: $600 billion, Labor's carbon bill. It should be studied by the people of Australia. To assist the study of Labor's carbon bill by the people of Australia, I table the modelling.

The SPEAKER: The member for Port Adelaide on a point of order?
Mr Butler: No, Mr Speaker. Given that the Prime Minister is confused about his own modelling, I seek leave—

The SPEAKER: No, sorry, resume your seat. Resume your seat. I call the member for O'Connor.

Honourable members interjecting—

The SPEAKER: No, I have called the member for O'Connor.

Superannuation

Mr Wilson (O'Connor) (15:05): My question is to the Assistant Treasurer. Will the Assistant Treasurer update the House on the government's commitment to improving superannuation governance? Are there any challenges to this approach?

Mr Frydenberg (Kooyong—Assistant Treasurer) (15:05): Mr Speaker, can I join in congratulating you on your elevation to the chair. I thank the member for O'Connor and acknowledge his strong contribution to good economic policy.

Superannuation is the hard-earned savings of working Australians, some $2 trillion today, growing to $9 trillion by 2040. Given the importance and the size and the scale of this sector, we need the proper governance arrangements in place. That is why this government is following through on an election commitment to improve the governance of superannuation funds by requiring a minimum one-third of directors to be independent, with an independent chair. This has been warmly received by groups like COSBOA, CHOICE, National Seniors, ASFA, AICD, FSC, BCA, ACCI and the Governance Institute.

But I am asked: are there any challenges to this approach? The biggest challenge comes from those opposite and from the Leader of the Opposition. When we announced these reforms, he said we were interfering with superannuation. But he should know better, because the previous Labor government commissioned the Cooper review to look into this issue, and the Cooper review recommended that one-third of directors, at a minimum, should be independent from the review, and that 'best practice in corporate governance...includes the presence of independent directors on the board'.

As we know, the Leader of the Opposition has a way with words. We remember, 'everybody is somebody,' 'the future is present,' and my favourite: 'If you do not know where you are going, any road will get you there.' But it has to be said, the Leader of the Opposition's speech on 16 December 2010, formally responding to the Cooper review at the Moonee Ponds Bowling Club, has to take the cake. Here were the bowlers, they came looking for the roast of the day, a bit of a play on the greens, and a simple message that their superannuation was safe, and this is what they got from the Leader of the Opposition—and I want you to listen closely. This is the Leader of the Opposition: 'A great, illuminating, egalitarian, enthusing idea that steadies the hand that rocks the cradle, and broadens the smile you bestow on a sleeping baby, knowing at least one part of the future—your future and hers—is secure. Thanks for coming today. I give you Stronger Super.'

Honourable members interjecting—

Mr Frydenberg: Mr Speaker, you could not make this up, even if you tried. So what have I done? I have actually brought the transcript. I have brought the transcript to prove there
is only one party with a clear and simple message that will protect your super, and it is the coalition.

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

CONDOLENCES

Schultz, Mr Albert 'Alby' John

The SPEAKER (15:08): Before members depart and we move to the next piece of business: Gloria Schultz and the family are still with us. I misread a piece of paper up here a bit earlier. As a mark of respect to the memory of Mr Schultz, I would ask all members to rise in their places.

Honourable members having stood in their places—

The SPEAKER: I thank the House.

DOCUMENTS

Presentation

Mr PYNE (Sturt—Leader of the House and Minister for Education and Training) (15:09): Documents are tabled in accordance with the list circulated to honourable members earlier today. Full details of the documents will be recorded in the Votes and Proceedings.

COMMITTEES

Selection Committee

Report

The SPEAKER (15:10): I present Report No. 30 of the Selection Committee relating to the consideration of committee and delegation business and private members' business on Monday 17 August 2015. The report will be printed in the Hansard for today and the committee's determinations will appear on tomorrow's Notice Paper.

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, 11 August 2015.
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, 17 August 2015, as follows:

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

COMMITTEE AND DELEGATION BUSINESS

Presentation and statements

1 Parliamentary Delegation to the 35th ASEAN Inter-Parliamentary Assembly:

Report of the Parliamentary Delegation to the 35th AIPA General Assembly, September 2014

The Committee determined that statements may be made—all statements to conclude by 10.20 am.

Speech time limits—

Dr Jensen—5 minutes.

Next Member—5 minutes.
2 Parliamentary Joint Committee on Intelligence and Security:

Statement on the inquiry into the Australian Citizenship Amendment (Allegiance to Australia) Bill 2015.

The Committee determined that statements may be made—all statements to conclude by 10.25 am.

Speech time limits—

Mr Tehan—5 minutes.

PRIVATE MEMBERS’ BUSINESS

Notices

1 MR ENTSCH: To present a Bill for an Act to amend the law relating to marriage, and for related purposes. (Marriage Legislation Amendment Bill 2015).

(Notice given 11 August 2015.)

Time allotted—10 minutes.

Speech time limits—

Mr Entsch—10 minutes.

2 MRS PRENTICE: To move:

That this House:

(1) acknowledges that the MV YWAM PNG was commissioned by Papua New Guinea Prime Minister, the Hon. Peter O’Neill MP, on 21 April 2015;

(2) notes that the ship has been tasked with providing health care and medical training to remote coastal villages in Western Province and Gulf Province, Papua New Guinea;

(3) understands that the new ship will allow Youth with a Mission Medical Ships Australia (YWAM MSA) to reach more villages and to deliver more timely treatment in a more appropriate clinical setting;

(4) recognises the tireless efforts of YWAM MSA to raise awareness of the need for funds to support the work of the ship and its crew of volunteers; and

(5) notes that the Australian Government has contributed funding of $2 million over four years towards this worthy project.

(Notice given 22 June 2015.)

Time allotted—20 minutes.

Speech time limits—

Mrs Prentice—5 minutes.

Other Members—5 minutes each.

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

3 MR CHAMPION: To move:

That this House notes that:

(1) Australian Hearing Awareness Week runs from 23 to 29 August 2015;
(2) Australia has world class hearing services including those which have been delivered through Australian Hearing since it was established to assist returning Diggers in 1947;
(3) hearing loss currently affects one in six Australians and is predicted to affect one in four Australians by 2050; and
(4) events will be held all around the country to raise awareness of hearing issues including the Australian Hearing Hub Open House which will be held at Macquarie University on 22 August 2015 in the lead up to the Australian Hearing Awareness Week.

(Notice given 22 June 2015.)

Time allotted—40 minutes.
Speech time limits—
Mr Champion—5 minutes.
Other Members—5 minutes each.
Minimum number of proposed Members speaking = 8 x 5 mins]

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

4 MRS GRIGGS: To move:

That this House:
(1) acknowledges and supports the deployed Australian Defence Force (ADF) personnel currently serving overseas;
(2) recognises that:
   (a) there are currently well over 2,000 ADF personnel serving overseas; and
   (b) these men and women are playing a critical role in supporting Australia’s national interests by contributing to international security operations; and
(3) notes the Government’s ongoing support for our deployed ADF personnel and the $910.7 million provided in the 2015 budget to support major overseas operations including Okra, Highroad, Manitou, Accordion and Resolute.

(Notice given 16 June 2015.)

Time allotted—remaining private Members’ business time prior to 12 noon.
Speech time limits—
Mrs Griggs—5 minutes.
Other Members—5 minutes each.
Minimum number of proposed Members speaking = 5 x 5 mins]

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

Items for Federation Chamber (11 am to 1.30 pm)
PRIVATE MEMBERS’ BUSINESS
 Orders of the day
1 SMALL BUSINESSES AND INFRASTRUCTURE INVESTMENT: Resumption of debate (from 16 March 2015) on the motion of Mr C.A. Laundy—That this House:
(1) acknowledges that:
   (a) small and medium businesses are the engine room of the Australian economy and employment;
   (b) an effective infrastructure network is essential for small businesses to survive and flourish; and
   (c) investment in improved infrastructure benefits small businesses through economic growth and job creation, and provides a boost to local and regional economies; and
(2) supports the Government in prioritising infrastructure investment to help small businesses grow and continue their vital contribution to the Australian economy.

*Time allotted—30 minutes.*

*Speech time limits—*

  *All Members—5 minutes.*

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

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

**Notices**

1 **MS HALL:** To move:

  That this House:

  (1) notes that May was Lyme Project month, a time when the Lyme Disease Association of Australia raises awareness and funds to provide ongoing advocacy for people living with Lyme disease;

  (2) recognises that Lyme disease can be debilitating and have a devastating impact on the lives of people living with it; and

  (3) works with the Lyme disease Association of Australia to accept Lyme disease as a disease, undertake research, develop a national plan to collect statistics and develop treatments for people living with Lyme disease.

  (Notice given 13 May 2015.)

  *Time allotted—30 minutes.*

  *Speech time limits—*

  *Ms Hall—5 minutes.*

  *Other Members—5 minutes each.*

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

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

**Orders of the day—continued**

2 **FREE TRADE AGREEMENTS:** Resumption of debate (from 15 June 2015) on the motion of Mr Nikolic—That this House:

  (1) recognises:

    (a) the importance of Australia's Free Trade Agreements (FTAs), which now include nations in three continents—North America, South America and Asia;

    (b) Australia's three most recent FTAs negotiated and signed in 2014 with Japan, South Korea and China and the positive security, stability and economic prosperity which will result from each of these mutually constructive agreements;

    (c) the Government's intention to continue to enhance current and future trade and investment opportunities for the long term advantage of all Australian citizens; and

    (d) the significant personal contribution made by the Minister for Trade and Investment in securing FTAs with Japan, South Korea and China in 2014;

  (2) acknowledges the following advantages of FTAs to Australia as being:

    (a) removing potentially billions of dollars of tariff impost for foreign produced consumer goods (including, clothes, shoes, car components, cars and electronics);

    (b) enhancing capital flows into Australian agriculture, finance, tourism, infrastructure and mining as a result of streamlined approval procedures for foreign state owned investors;
(c) improving primary agriculture, particularly dairy, beef, lamb, wine and horticulture as a result of
overseas tariffs being phased out over time;
(d) streamlining licensing and reducing restrictions on Australian services firms, including banks,
insurance companies, financial fund managers, as well as law, architecture and engineering firms; and
(e) providing cheaper and more streamlined visa approval procedures, making it easier to undertake
reciprocal travel, work and study in Australia and relevant trade partner nations; and
(3) notes the continuing importance of trade between nations and of Australian formal FTAs in
supporting both global and regional stability, as well as Australian long term economic prosperity, all of
which are emphasised by Australia's unique geopolitics.

Time allotted—20 minutes.

Speech time limits—
All Members—5 minutes.

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

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

Notices—continued

2 DR LEIGH: To move:

That this House:

(1) notes that:
(a) established in 2010, the Indigenous Marathon Project (IMP) plays a valuable role in promoting
healthy lifestyles in Indigenous communities, creating Indigenous role models and inspiring Indigenous
people;
(b) the IMP is part of the Indigenous Marathon Foundation (IMF), a health promotion charity that
changes lives through running and that celebrates and showcases incredible Indigenous achievement
and resilience;
(c) through the IMP, young Indigenous men and women aged from 18 to 30 are given the
opportunity to unearth their own sense of self-worth and pride by completing a full marathon;
(d) participants in the IMP mostly train in their communities, attending four one-week training and
education camps, and must complete a Certificate III in Fitness, acquire a Sports Aid Certificate and
attain both Level I and II Accreditation in Recreational Running Coaching with Athletics Australia;
(e) the capstone achievement of the IMP is for participants to represent their families and
communities and complete the biggest marathon in the world, in the biggest city in the world, the
famous New York City Marathon held each November;
(f) in the last five years, the IMP has successfully graduated 43 Aboriginal and Torres Strait Island
men and women with 11 more enrolled in this year's program, coming from remote communities,
regional towns and major cities;
(g) most of these IMP graduates had never run before, but in just six months, had all run a full 42.2
kilometre marathon, with the motto 'the harder the struggle, the greater the reward', which builds self-
worth and self-belief by setting difficult goals and achieving them; and
(h) in communities around Australia, graduates of the IMP have continued to run, established
running and walking groups and organised hundreds of 'Deadly Fun Runs' each year that encourage
local communities to lead active lifestyles and help reduce the incidence of disease and social
dysfunction; and
(2) commends the work of Rob de Castella and his team in helping to change lives through the IMF and
the IMP.
(Notice given 10 August 2015.)
Time allotted—40 minutes.
Speech time limits—
Dr Leigh—5 minutes.
Other Members—5 minutes each.
[Minimum number of proposed Members speaking = 8 x 5 mins]
The Committee determined that consideration of this should continue on a future day.

3 MRS PRENTICE: To move:
That this House:
(1) recognises that travelling and living overseas has been a rite of passage for young Australians for many years and has raised awareness of and respect for foreign cultures;
(2) acknowledges that the New Colombo Plan (NCP) is an innovative scholarship scheme that supports and encourages Australian students to undertake study and internships in the Indo-Pacific region;
(3) recognises the success of the NCP’s pilot year in 2014, in which 40 scholars and 1,300 mobility students were supported to live, study and undertake work placements in the four pilot locations of Hong Kong, Indonesia, Japan and Singapore;
(4) notes that in 2015 the NCP has been substantially expanded to offer support to 68 scholars and 3,100 mobility students in more than 32 host locations across the region; and
(5) acknowledges the Government’s ongoing commitment of $100 million over five years to the NCP.
(Notice given 15 June 2015.)
Time allotted—20 minutes.
Speech time limits—
Mrs Prentice—5 minutes.
Other Members—5 minutes each.
[Minimum number of proposed Members speaking = 4 x 5 mins]
The Committee determined that consideration of this should continue on a future day.

Orders of the day—continued

3 MARRIAGE AMENDMENT (MARRIAGE EQUALITY) BILL 2015 (Mr Shorten): Second reading—Resumption of debate (from 12 August 2015).
Time allotted—remaining private Members’ business time prior to 1.30 pm.
Speech time limits—
All Members—5 minutes.
[Minimum number of proposed Members speaking = 2 x 5 mins]
The Committee determined that consideration of this should continue on a future day.

PERSONAL EXPLANATIONS

Mr ALBANESE (Grayndler) (15:10): Mr Speaker, I seek leave to make a personal explanation.

The SPEAKER: Does the honourable member claim to have been misrepresented?

Mr ALBANESE: I do, Mr Speaker.

The SPEAKER: Please proceed.
Mr ALBANESE: Today in question time the minister for infrastructure suggested that it was not the case that I commissioned construction which began on the Yeppen Roundabout and bridge upgrade that was opened just a week ago. For the benefit of the House, I table my release: '1 June 2012: Work starts on Yeppen Roundabout and bridge upgrade', which is when it began.

The SPEAKER: Is leave granted? Leave is not granted.

MATTERS OF PUBLIC IMPORTANCE

Employment

The SPEAKER (15:11): I have received a letter from the honourable member for Gorton proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The Government’s failure to support Australian jobs and its attack on wages and employment conditions

I now call upon those honourable 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 BRENDAN O’CONNOR (Gorton) (15:11): This is a very important matter of public importance. I wanted to start by referring to ABS data released today which shows that the private sector seasonally-adjusted wage growth of 2.2 per cent over the last year is the lowest rate since the Wage Price Index series started. So, as a very important indicator of how the economy is going, we have the lowest wage growth in the private sector for what would appear to be at least 20 years—a remarkable situation, particularly in light of what the Treasurer said in question time about how well the economy is going.

I also want to refer to the ABS data of last week which showed that unemployment has hit 6.2 per cent—that is, 800,000 Australians. For the first time in 21 years, the figure is in excess of 800,000. And there are 114,000 more Australians lining the unemployment queues in this country since the Abbott government was elected—that is 114,000 extra Australians on unemployment queues since the election of this government. The rate of 6.3 per cent is the same rate that was in place when the Prime Minister was the Minister for Employment, and it is higher than at any point in the terms of the last two Labor governments, and even higher than at any time during the global financial crisis, the biggest economic shock to the developed world in 70 years. Mr Speaker, we listened to the Treasurer question time today; you would have thought that this was not the case. When you listened to the Treasurer and his response to a couple of questions from government members, you would have thought unemployment is falling. Well, unfortunately, unemployment is rising in this country, and the so-called 'jobs and family budget' of the government is hurting families and hurting jobs. This is the case.

Most disturbingly—certainly for us on the side but I would hope also for members opposite—youth unemployment is 13.8 per cent in this nation. A very disturbing and damning figure insofar as the government's failure to look after young people entering the labour market—a very damning figure. Nearly 300,000 of those 800,000 are between the ages of 15 and 24—that is 295,000 young people not learning, not earning, and looking for work and
failing to find work. Let us be very clear about what has happened. We had a confidence- 
killing budget last year, introduced by the Treasurer, which killed business confidence and 
killed consumer confidence. We had a government that was not only imposing a 
contractionary budget but it was also scaring the Australian community. We had a Treasurer 
and a Prime Minister last year who decided that it was their job to talk down the economy of 
the nation. As a result, we had very low business confidence and very low consumer 
confidence.

Instead, we need a government that not only wants to talk the economy up but also wants 
to do something about creating jobs in this country. We should not do that by turning our back 
on sectors of the economy, including manufacturing. We saw what happened with respect to 
the car industry, which was killed off by this government. The Treasurer goaded Holden and 
they decided to leave our shores. We saw what they did in relation to the shipbuilding 
industry. They insulted shipbuilders in this country. The former defence minister said that our 
builders 'could not build a canoe'. He might be gone, but there has been no genuine 
commitment across the country regardless of the government's announcement last week in 
relation to this area of our economy.

People know that this government is not serious about looking after that industry and 
whatever vote-buying announcement they made last week in South Australia, they are not 
serious about investing in this industry. We have yet to see them change their position on 
reneging on building submarines in this country. We do not see this government partnering 
with industry, working with industry, to maintain and create jobs. At the time of the lowest 
wage growth and the lowest levels of industrial disputation in this country, what do we see 
from this government? We see a government focusing its very limited capacities in pursuit of 
unions and cutting employment conditions.

Last week the Productivity Commission handed down a draft report that had, I believe, 
some reasonable things to say about matters pertaining to employment. I will respond to those 
over time and up until the finalisation of the report. The report also opened up the idea that 
you could possibly divide workers in this country between those who should receive penalty 
rates and those who should not—we do not support that. What did the Prime Minister have to 
say about that? The Prime Minister said: 'I think there is a case for looking again at this issue.' 
Minister Abetz agreed. This is a very serious matter. We have a situation where the 
government is willing to consider cutting penalty rates for low-paid workers in this country— 
retail workers and hospitality workers, many of whom rely upon those penalty rates to ensure 
that they can pay the bills. We do have a minister for employment—he does not seem to be 
supporting too many workers in this country—who, when he is not invoking the marital status 
of Dolce or Gabbana to oppose marriage equality and when he is not talking about the 
referendum in Austria about opposing marriage equality—

The SPEAKER: The member will stick the topic of his matter of public importance.

Mr BRENDAN O'CONNOR: is talking down to and insulting Australian workers. We 
have seen that recently. Not surprisingly, we have seen that in relation to his comments about 
retail workers who gave evidence to Labor's Fair Work Taskforce in Launceston on 1 July. 
The minister responded to those retail workers by saying they were union stooges and they 
were liars—he put out a media release effectively saying this.

CHAMBER
Let me remind the minister, and the member for Bass and government members generally, that these workers are genuine workers and they presented testimony to the Fair Work Taskforce in relation to how things would affect them if they lost their Sunday penalty rates. In relation to what Sunday penalty rates mean to them, one of the workers said: 'It's the occasional movie, the occasional dinner. That's it.' Another said: 'It's making sure that my 14-year-old gets to play his basketball. It's paying the bills that fortnight because I pay my bills on my penalty rate week. That's when it happens.' Another said, 'I pay for my son's football on Sunday, and it contributes to the full-time day care of my daughter.' These are the things that really matter to ordinary workers, and the government has shown no sympathy whatsoever for these workers. We believe it is absolutely critical that the government clearly outlines what it wants to do in relation to employment conditions and what it seeks to do in respect of penalty rates. We would not want to see two classes of workers in this country—high-paid workers receiving penalty rates, and low-paid workers receiving cuts. That is not at all reasonable.

We also know that the government has no plans for future jobs. This side of the parliament knows that 75 per cent of the fastest growing occupations will require skills in science, technology, engineering and maths. It is Labor that believes that we need to invest in these skill areas, in research and innovation and to build and sustain the jobs of the future. What do we see from those opposite? An attack on the union movement, an $80 million witch-hunt and an attack on conditions of employment for low-paid workers. We have grave concerns.

If you are really committed to industry and committed to jobs, you have to care about these workers and you have to care about these people. You have to care about Australian industry and its workforce. You would not refer to decent low-paid retail workers as union stooges and liars if you cared. You would not be an apologist for an employer who decides to sack its workforce by text, if you really cared about workers. You would not surrender important local employment protections when negotiating trade agreements if you cared about local workers. You would not blame the crew of an Australian vessel for their employment conditions who had to hand over not only that vessel to a new crew in Singapore but to also hand over their jobs as well. Have we seen any sympathetic remarks or any concern for any of these workers? No. We have seen nothing from the Prime Minister, we seen nothing from the Minister for Employment or from any other frontbencher of this government because they have a callous disregard for ordinary working people who are trying make ends meet. For that reason they need a jobs plan and they need to commit to fair workplaces and fair workplace laws.

Mr HARTSUYKER (Cowper—Deputy Leader of the House and Assistant Minister for Employment) (15:21): I welcome the opportunity to speak on this matter of public importance. You have to hand it to the member for Gorton: he is a bit forgetful. But I am from the government and I am here to help! I will just remind him of a few facts. He forgot to mention the fact that there were 38,500 jobs produced last month. He forgot to mention the fact that more people came back into the search for work, which is welcome. The participation rate has increased to 65.1 per cent. More people are encouraged to look for work to get back into the workplace. He forgot to mention the fact that 335,800 new jobs have been created since this government was elected. He forgot to mention the fact that 23,000 jobs have been created every month over the last 12 months and that there have been 163,000 jobs created this year. This is great news for Australians who are looking for work.
What was the performance of Labor when they were in office? Did they produce 10,000 jobs per month when they were about to leave office? No. Did they produce 9,000? No. How many did they produce? It was a measly 3,600 every month. Yet the member for Gorton has the audacity to come into this chamber and feign concern for the job seekers of this country.

The opposition have no plan. They try to talk our economy down. But, despite their efforts, our economy is getting stronger. Australia enjoyed strong economic growth of almost one per cent in the March quarter, making us one of the fastest growing economies in the developed world. Nothing creates jobs faster and more effectively than a strong economy. Just last week, the ABS figures showed that the number of people in employment is at a record high. Some 11.8 million people are in work. Full-time employment is at a record high of 8.17 million people. Part-time employment is at a record high of 3.64 million people. The government is putting in place policies to increase the amount of employment in this country.

One example of those types of policies is our $5.5 billion 'growing jobs and small business' package. It is driving jobs growth in the small business sector. Small businesses around this country employ some 4.5 million Australians. Their contribution to Australian society and the economy should be acknowledged. That is what this year's budget delivered in spades.

Another example of good policy is our instant asset write-off, allowing small businesses to write off assets of up to $20,000, encouraging them to go out and invest in their business and put on more workers. Farmers in my electorate are able to immediately deduct all eligible capital expenditure on fencing and water facilities. Fodder storage assets will be deductible over three years.

We are cutting taxes for small business. Small business companies with an annual turnover of less than $2 million will enjoy a lower corporate tax rate of 28½ per cent. Around 1.7 million unincorporated small businesses are able to access a five per cent tax discount up to $1,000 so that they can get fair treatment with regard to taxation. These measures are stimulating our economy. These measures are encouraging small business to employ. These measures are good for small business and good for job seekers.

Labor's misleading and deceptive scare campaign is no more obvious than on the issue of youth unemployment. They ignore the fact that this government has committed some $330 million towards a youth employment strategy, while at the same time they have done next to nothing. The sum total of Labor's strategy with regard to youth unemployment and unemployment generally is a $20 million pilot program and a bit of a round-the-country talkfest. Heading off around the country on a talkfest—that is their strategy with regard to youth unemployment.

This government is spending 15 times more than Labor has on the table. This government is helping 15 times more job seekers than Labor propose to do. We are focused on youth unemployment. Our youth employment strategy includes, among other things, a $212 million Transition to Work program to assist young job seekers at high risk of long-term unemployment. There is $106 million to provide intensive support for vulnerable job seekers, including parents, young people, young people with a mental illness and young refugees and migrants. It is an important program aimed to assist people on their journey from welfare to work. We have a strong focus on early school leavers, encouraging early school leavers to get into the workforce. But, wait—there is more! We are redesigning wage subsidies to make them more flexible to encourage more employers to put on more workers. Our new $1.2
billion wage subsidy scheme will be paid sooner and more flexibly to assist businesses defray the costs of putting on additional workers.

When young people out there tell us that they cannot get a job because they do not have experience and that they cannot get experience because they do not have a job, we listen to those concerns. That is why we introduced the National Work Experience Program, giving young people up to four weeks of experience in a for-profit or not-for-profit business, with the aim of making them more employable and giving them assistance to get into the workplace.

On 1 July, the government's $6.8 billion jobactive program commenced, providing better services for job seekers and employers. It is good news for job seekers and businesses to have a new service delivering more efficient and more effective policies and services.

What is Labor's proposal? Labor's proposal is to burden our economy with a great big new environmental tax that is going to destroy jobs and an unrealistic carbon abatement target that is going to deter employment and reduce the growth in our economy. In the final months of the Labor government, Labor modelled a plan for a reduction target of 44 per cent that would slash cumulative GDP by some $630 billion by 2030, reduce income by nearly $5,000 per person and increase wholesale electricity prices by 78 per cent. I can see Honest Bill's ad campaign now—'We are going to drive up your electricity prices by 78 per cent! We are going to cut your income by $5,000! Vote for us!' I do not think the Australian people are that silly. I know Australian employers are not silly enough to swallow such a ridiculous scheme. We are about jobs; they are about holding the economy back.

Those opposite have a lot to say in relation to jobs in South Australia. In fact, it was Labor who left South Australian workers in the valley of death. Australian shipbuilding was held back by a failure by members opposite when they were in government to address our defence needs and to invest in necessary shipbuilding. To address the inadequacies of those opposite, this government is bringing forward the Future Frigate Program to replace the Anzac class frigates. That will stimulate jobs and the economy whilst improving our national security. We have confirmed a continuous onshore build program from 2020, three years earlier than scheduled under Labor's Defence Capability Plan—that probably should be Labor's 'defence incompetence plan'. The frigates will be built in South Australia and this will help to save more than 500 jobs, jobs that would not exist unless we put work to hand to fix Labor's mess. We are bringing forward the construction of the offshore patrol vessels by two years to replace the Armidale class patrol boat—a continuous build that will commence in 2018 and maintain around 400 skilled jobs. Once both of these programs ramp up, we will guarantee around 2,500 jobs for Australian shipbuilders for decades to come.

I would like to mention that this government has achieved what Labor could not achieve: we negotiated free trade agreements with China, South Korea and Japan. Labor could not do it. There was a lot of talk but no action. Our free trade agreements are going to create jobs. Our policies are going to create jobs. Members opposite have no idea. They have been in opposition for two years and the only policies they have on job creation are a talkfest and a $20 million pilot. They let job seekers down when in government and they continue to let job seekers down from opposition.

Ms CHESTERS (Bendigo) (15:31): I am a little bit shocked by the minister's contribution, because not once did he mention the words 'Productivity Commission'. Not once did he refer to that lemon of a report that was handed down by the Productivity Commission.
last week. Why? Why are the government now in hiding about this report? Because it goes
after some of the lowest paid workers in this economy. Recommended in this government's
Productivity Commission report was a cut in the take-home pay of the lowest paid workers
in this economy. We are talking about retail workers and hospitality workers. The government
think that is okay: 'Nothing to see here; we're just going to cut your pay.' Another cheeky trick
by the government, trying to hide the fact that this is a lemon and they are going after the pay
of some of our lowest paid workers.

How low is the pay that these workers earn? Last year the average wage of a cafe worker
was $441 a week. There is not a lot you can do on $441 a week, yet the government want to
cut their penalty rates on a Sunday. The government are not talking about the Monday rate or
the Saturday rate; they are talking about the Sunday rate—the rate on which so many families
and workers try to make up a decent pay. As we have heard, the people that that change most
affects are the people who are trying to raise families, the people who are trying to pay the
bills. These are people—mums and dads—trying to make ends meet, who say it is not the
luxuries that will go; it is the kids' sport, the occasional movie. These are the kinds of things
that will go for these low-paid workers.

The government are not going after the wealthiest in this country. In fact, they are quite
keen to give them tax breaks. They are going after the people who are the lowest paid. The
government are also not telling the truth about what the media has dubbed the 'take it or leave
it clause'. Why aren't they telling us what they mean by this secret clause to force people to
accept a contract which states, 'You can take these conditions of the job or leave it'? That
sounds to me a lot like Work Choices. That sounds like we are harking back to the days where
people going for a job were told: 'Here's your job. These are the conditions. Take it or leave
it.'

This is the agenda of the government. They are not standing up for Australian workers,
they are not standing up for jobs and they continue to attack the wages and conditions of
employment. They are supporting bad bosses and backing bad bosses. We have seen that just
in the last week, with 100 highly skilled dock workers sacked at five minutes to midnight by
SMS: 'Check your email. You've been made redundant.' Rather than standing beside these
workers and calling out these bosses and saying, 'What you have done is wrong,' rather than
being fair and independent, they have backed in these bad bosses. The government's rhetoric
is unbelievable. They are quick to stand up and have a go at unions, who are standing with
those workers who have been made redundant, but they are dead silent when it comes to these
bad bosses. The minister goes further to back them in, saying they are entitled to do that—
they are entitled to sack people by text message; they are entitled to sack people via email. It
is wrong, and the government should be ashamed at their inability to stand up for these
workers.

Whether it is manufacturing, whether it is people working on docks or whether it is people
working in retail and hospitality, the government are failing current Australian workers. They
are failing to have a plan to secure jobs; they are failing to have a plan to create jobs. Worse
still, in relation to the champion of their free trade agreements, the China free trade
agreement, it is being suggested that workers will be imported, brought in, and (a) it is not
guaranteed that they will be paid the same wages and conditions as Australian workers; and
(b) they do not have the same qualifications as Australian workers. You can forgive an
electrician or a plumber or a diesel mechanic or a mechanic working in many of the workshops around Australia if they fear losing their job to a foreign worker who does not know they are being imported deliberately to undercut wages. Just yesterday at an NFF event—of all the events—Senator Bridget McKenzie let it out of the bag when she said: 'Don't worry. We're going to bring in 5,000 workers under the China free trade agreement to do that work. You won't have the high wages cost.' Your own are starting to tell the truth about what is going on under these agreements. The government need to get real and stand up for Australian jobs. They are failing, and Australians will judge them on it.

**Mr McCORMACK** (Riverina—Parliamentary Secretary to the Minister for Finance) (15:36): For what it is worth I do not believe that you should advise your workers via text that they do not have a job. It is not that I want to be on a unity ticket with Labor, but it might interest them to know that I was actually a member of a union for more than 20 years.

**Dr Leigh:** Which one?

**Mr McCORMACK:** The Australian Journalists Association and the Media Entertainment and Arts Alliance. I appreciate that unions—

*Opposition members interjecting—*

**Mr McCORMACK:** Shush, you might learn something. I appreciate that unions have a role to play, but it is everything in moderation. The member for Bendigo might also be interested to know that I am now going to talk about the Productivity Commission.

The coalition gave a commitment before the 2013 election to ask the independent Productivity Commission to undertake an independent review of the workplace relations system to ensure the Fair Work laws worked for everyone. The terms of reference for the commission review were carefully considered—they were—and in consultation with unions, employers and state governments. On 4 August the Productivity Commission released a draft report following an independent, evidence based inquiry into the workplace relations system. This is a substantial, 1000-page—you could call it a draft report; I would almost call it a tome—report prepared by the independent body following an extensive public submission process. The government is appreciative of the broad community input.

*Opposition members interjecting—*

**Mr McCORMACK:** Be quiet. It is important to note that this is a report to government, not by government—

*Opposition members interjecting—*

**The DEPUTY SPEAKER (Hon. BC Scott):** Order!

**Mr McCORMACK:** You have had your say; I am having mine. Despite a scare campaign by Labor and by the union movement—as I say, everything in moderation—the Productivity Commission has shown itself to be economically robust and socially responsible. We talk about fairness and decency—it is socially responsible. Labor's argument shows that they and their union masters are more interested in playing politics than engaging in a genuine, evidence based conversation about how the Fair Work laws can best work for employees, employers and the Australian community as a whole. Going back a little bit to Senator Abetz's comments, I do think he was quoted out of context: he is not callous, as the member for
Gorton asserted in his offering. As I say again, I do not think workers should be fired by text. I have been to the Brisbane ports and I have seen how well they operate. I do believe they can operate better with more workers.

The government's position on penalty rates has clearly and consistently been that penalty rates are a matter for the Fair Work Commission to determine, not government. The draft report concludes that penalty rates should continue to be set by the Fair Work Commission. That, I think, is fair enough. I am sure that members opposite would think that was fair enough too.

We have heard a lot about jobs. I listened very carefully to the member for Cowper—he always makes a good and common-sense contribution. I heard him talk about Labor's failings as far as the submarines were concerned—you never ordered one. It is all well and good to come in here to talk about all the things that we should be doing and could be doing, but you on the other side never ordered one submarine. Last week $39 billion worth of Navy frigates and corvettes were placed on order by the Prime Minister—he is doing a fantastic job. Just recently we had the agriculture minister produce the Agricultural Competitiveness white paper. I might point this out to Labor members, if you only read the contents that would be sufficient: a fairer go for farm businesses; building the infrastructure of the 21st century; strengthening our approach to drought risk management; farming smarter; and accessing premium markets. It is all about jobs.

When the Leader of the Opposition was employment minister, or workplace relations as it was called, he delivered only 3,600 jobs a month in his tenure in that portfolio. Just last month, 38,000 new jobs were created by the Liberal-Nationals government—that is getting on with the job of delivering the sort of economic rebuild that we need after six long and sorry years of Labor government. We are getting on with the job of building the economy. We do not want to put in a job-destroying, industry-wrecking carbon tax, as Labor will as soon as they get back in. We are getting on with the job of creating economic certainty, building jobs for the future and infrastructure.

Mr MITCHELL (McEwen—Second Deputy Speaker) (15:42): It is not the first time in the last couple of weeks that the member opposite has been shot down. Today he showed just exactly how far out of touch this government really is. They talk about the jobs they create; they are not talking about underemployment and they are not talking about full-time jobs. You can get a four-hour-a-week job or one for six hours a week, but that is not going to pay your bills or put food on the table or pay your mortgage or give you petrol to put in your car.

This MPI goes directly to the heart of the failure of this government. As the constituents of McEwen know, for the first time in 20 years more than 800,000 Australians are now unemployed. There are 100,000 more unemployed Australians than when Labor was last in government. We all know—or at least those who care to admit it—that the last time unemployment in this country was so high, the now Prime Minister was the employment minister, and that was in 2002. What are they doing while this is happening—while we have this 20-year high? They spend six or seven hours in party room meeting debating a no-brainer policy, because the Prime Minister cannot admit that he is wrong. No doubt they are secretly spending quite a bit of time looking at the polls to decide how they are going to dispatch the dead weight on this government and the Prime Minister. The only thing he knows is down. As they say in the classics, they are spending all their time fiddling while Rome burns.
It is not just the statistics on the ABS data. The failure of government is about real people around their kitchen tables wondering just how they are going to meet the mortgage payment next week. They are asking themselves: how are they going to be able to pay for the kids' clothes and how much petrol can they put in the car each week? These are the real conversations going on in households around this country. They happen every day of the week in Doreen, Mernda, Sunbury, Romsey, Seymour, Wallan and Craigieburn. Only last week I put up a message on my Facebook page about how this government is failing Australians. These were some of the comments I got. Michelle said: 'I am actually very frightened for my children's future. This government is killing our country.' Frank said that Australian workers are in for a long hard road; and Susan said to us that she was unemployed back in 2002 and now, thanks to Tony Abbott, she is unemployed again.

We hear these stories every day. Companies are closing down or downsizing their staff. Only yesterday I read of a business in the neighbouring electorate of Scullin, where a lot of people who live in my electorate work. The company, Tieman Industries, is going to close down; it is going to shut its doors after 70 years of business, of manufacturing and servicing, in this country. What it is trying to do is sell off some parts of the business to try to keep its manufacturing afloat. Why is it a problem? Because cheap imports are coming in. Why are they getting rid of the service technicians? Because under the secret FTAs that the government refuses to release electricians, servicemen and so on can be imported for less money, less conditions, less knowledge and less ability. This is what we are dealing with going forward because of this government's drive to the bottom on employment, wages and conditions. Yesterday Mr Tieman said that it was the difficult economic conditions and the strong offshore competition that put the pressure on, meaning the businesses were unsustainable.

The real issue at heart is that many people received a message to come to work, and in a newspaper article it said that they will all be paid their full entitlements and superannuation. Tieman employees went to work yesterday at 3 pm to have a meeting, only to find out what? There are no superannuation payments, their entitlements are gone and as of Friday they are all unemployed. Families—

Mr Pasin: You know there is a super guarantee fund.

Mr MITCHELL: You should listen, just once. These families are not going to be able to pay their mortgage and are worried about their kids and their jobs and the future. You might sit there and scoff and laugh about it, but that just shows how out of touch and arrogant how this government has become. These are good, hardworking, honest people who are now shot because this government has no concern for Australian jobs. They laud the free trade agreements—'Look at this. Isn't this wonderful?'—but it comes at the expense of you, me and everyone else who goes out and works. All they are worried about is ensuring that we get this free trade agreement, which means that manufacturing jobs will go offshore. Thank God we have the Labor Party in here and to focus on a positive plan that includes science, technology, engineering and maths. These are the occupations that are projected to grow at almost twice the pace of other occupations. What we need to do is ensure that— (Time expired)

Mrs MARKUS (Macquarie) (15:47): I am always delighted to rise to speak about jobs and employment in the House. This is because, as I have said many times before in this place, where there are jobs there are opportunities. We have also heard in this place on so many
occasions that a strong economy builds jobs, growth and opportunity. These are not new concepts to this side of the House. This is a coalition government that supports small business—the backbone of our economy—by giving them the confidence and capacity to grow, and with their growth comes more employment opportunities—simple concepts I would think.

It is a shame that those opposite choose fearmongering over looking at their own record: their capacity to weaken productivity and growth in this nation; their unprecedented level of debt and deficit, a legacy that they ought not to be proud of and that they have failed to mention yet again today. Since the last election 336,000 more jobs have been created. We are committed to delivering stronger growth across our nation. Let me just point out some of our investments that would do that. We are investing $5.5 billion in the new Growing Jobs and Small Business package to kick-start economic growth, which will lead to better outcomes, particularly for small business and for the communities that are impacted and served by those small businesses. We will be delivering $3.25 billion in tax cuts for small businesses and $1.75 billion in accelerated depreciation measures in addition to the benefits that small businesses are gaining from the abolition of the carbon tax. We are investing $6.8 billion in jobactive, the new employment services system, which will help unemployed Australians into sustainable jobs. We will be investing a record $50 billion to build the infrastructure of the 21st century—infrastructure that will provide not only enormous economic benefits but also more jobs.

In New South Wales we are working very cooperatively with a forward-thinking state government on many infrastructure projects, such as those included in the Western Sydney Infrastructure Plan, including in the electorate of Macquarie with the Glenbrook Ross Street upgrade to name but one. These projects will create some 4,000 jobs in road construction alone. WestConnex, another important project benefiting New South Wales residents, will create 10,000 direct and indirect jobs. The duplication of the Pacific Highway will create 4,000 jobs in construction. The NorthConnex will create some 8,700 construction jobs. And the proposed Western Sydney airport is forecast to produce 4,000 construction jobs, with 35,000 jobs by 2035. It is a shame that Labor again uses scaremongering rather than substantial policies in relation to employment. Indeed, youth unemployment is so important to those opposite that in the opposition leader's reply to the budget earlier this year he failed to outline any plan to tackle it. In contrast, to drive further employment the coalition's new jobactive services that I mentioned earlier will reinvigorate employment services by reducing red tape. It will provide incentives for young people to re-engage in education or employment by rewarding long-term unemployed youth through the job commitment bonus. It will provide financial assistance of up to $6,000 through the Relocation Assistance to Take Up a Job program.

There are so many initiatives that this government will undertake to assist our young people gain access to employment opportunities that I do not have time during this MPI to list and detail all of them. However, last week in the electorate I had the pleasure of attending the farewell and graduation of a Green Army project in the Hawkesbury. If I ever needed evidence of a successful coalition project for youth unemployment this was the one. The youth who were involved were delightful and wonderful young men and women. Together with their sponsor—the Hawkesbury Environment Network—their mentors and other relevant
stakeholders, they spoke about the success of the project and the leadership skills and camaraderie that they experienced in the great outdoors. Of course, for many of them it opened doors to the next step: further training and jobs. This government has not failed to support Australian jobs and it does not attack wages and employment conditions. The truth is the coalition promised— (Time expired)

Mr HAYES (Fowler—Chief Opposition Whip) (15:52): The Australian public must be getting a little immune to broken promises—promises such as no cuts to health, no cuts to education, no cuts to pensions and no cuts to the ABC and the SBS. But what about the big promise they made down in Adelaide? They were going to build 12 submarines in Adelaide. And what about that promise they made before the last election about no changes to the vehicle industry? The alarm bells should have rung when Tony Abbott addressed the listeners of 2UE and he said these words to them: 'workers' pay and conditions are safe with us.' This is the man who comes from Work Choices itself—he was one of its architects. He refers to it often in his book Battelines.

Let us look at the record of what the government has been able to achieve over the last two years. What have they done about Australian jobs, about protecting Australian workers? For the first time in 20 years we now have 800,000 people unemployed. That is a disgrace. As the shadow minister said in his contribution earlier, we have 6.3 per cent unemployment—we did not have that figure at the height of the global financial crisis. We did not have a figure with a six in front of it—and that was the greatest financial crisis we had faced since the Great Depression. Youth unemployment is hovering around 13 per cent, but in my electorate youth unemployment is hovering around 20 per cent. This is an area that we do need to focus on. We do need to give opportunities to young people and we do need to invest in skills and vocational education to give them the start they need in life. The fact is that at the moment, nationally, 300,000 young people are unemployed. That is after two years of the Tony Abbott government. By the way, after that two years there are now 114,000 more people in unemployment.

The government's failure to create jobs is one thing, but look at how they treat workers. The minister for industrial relations came out the other day and said he thought it was all okay and appropriate for 100 stevedores to be sacked by text, at night. He thought that was okay, they were probably always getting text messages, so they could just be texted and told they were gone. That is something that you would think would be very disrupting for employees. We have seen before people who have been on docks with balaclavas and dogs, but here is a minister coming out and saying that that is okay—you can treat people like that; just text them that they are sacked. We should not be surprised because, after all, this is the party of Work Choices; and this is the party that for the first time in Australian history made it legal to pay people below award rates of pay. They attacked people who are on minimum rates. People were earning the bare minimum provided by awards, and they made it legal for the first time in history to pay people below award rates. So we should not be surprised that they commissioned a Productivity Commission report, with their investigations and recommendations coming down about penalty rates.

How can you stand by and see a recommendation and talk it up on the basis that there should be a two-tier system of penalty rates? If you are in the retail and hospitality industry, you are going to be treated as second-class citizens. By the way, they are not giving a
guarantee that they will not go further at some point to look at police, emergency services, ambos and others—but at the moment they are saying Sunday is no different from any other day. We had the Assistant Treasurer walk in here yesterday and explain that there was no great significance about Sundays any longer. He said there was probably less religious observation occurring these days on a Sunday, so therefore why should Sundays attract double time—they should attract the same penalty rates as Saturdays. That is what they want it to mean for people who have been protected by penalty rates, normally vulnerable people; people whose exploitation has been prevented. If that is the cavalier attitude they take to workers, no wonder people cannot trust what they say—the people know that they cannot trust their promises. Labor will not join them in a race to the bottom on wages and conditions.

**Wyatt Roy** (Longman) (15:57): When I reflect on the debate we have had here today I remember that there was a time when the Labor Party had a proud history, a proud goal, of opening up the Australian economy. I am quite happy to say that my family voted for the Labor Party of Bob Hawke and Paul Keating—a party that was prepared to open up the economy to the opportunities of a more globalised world. But the Labor Party of today is not that party and clearly the contribution of members here shows us that the Labor Party of Bob Hawke and Paul Keating is long dead. This China-Australia Free Trade Agreement that many members have mentioned is an agreement that will create thousands of jobs for Australians and future generations of Australians. In China we have one billion people coming into the middle class, and they want to buy not only our resources and our agricultural products but particularly our services, opening up opportunities to the next generation to sell products and services into a marketplace of 1 billion people, from a country of only 23 million people. Former ministers, people like Simon Crean, understand that reality. I think they must be hurting to see a Labor Party in a position today that is running away from the traditions of Bob Hawke and Paul Keating—campaigning against something that will open up our economy, create tens of thousands of jobs and provide opportunities for new generations of Australians. The modern Labor Party is campaigning against that.

Some members mentioned a union campaign around this. I have met the union leaders involved in this campaign. I have put these questions to them. Labor members would know this and should check this out themselves. When under these agreements a worker is hired in the industries that these Labor members across here are talking about, there is a three-step process. In the first step, there will not be that word ‘mandatory’ when it comes to labour force testing, but in the second step there is. So the union has created this fear campaign based on a lie, saying that mandatory labour force testing will not happen before a worker is hired. That is a lie. The question that I put to the union members—

**Dr Leigh:** Read chapter 10!

**Wyatt Roy:** I say to the member opposite: read the reality of what happens before the worker is hired. The key point I put to the member opposite is this: does it happen before the worker is hired? Read it. It is a key issue.

**Opposition members interjecting—

**Wyatt Roy:** They are getting very sensitive! The key issue is: does it happen before the person is hired? If labour force testing happens before the person is hired, then their campaign is based on a lie and on fear. I think it is a remarkable thing that the new Labor Party is borderline xenophobic, campaigning against an agreement that opens up our economy...
and creates tens of thousands of new jobs. That is something that the Labor Party of Bob Hawke, Paul Keating and Simon Crean would never do. This has been a long, long journey for the Labor Party.

On the issue of jobs, there exists a fundamental divide between this side of politics and that side of politics. I see it in my own community, when I walk around the community. The big creators of wealth and prosperity and particularly of employment are not the government; they are the enterprising individuals who are prepared to go out there and have a go. On this side of politics we simply say: how do we not make their life more difficult? There is a principle here. If we say to those people in our community who are going out and having a go trying to start a business and employ people, 'We will let you keep more of your own money in your pocket rather than take it out,' they might be able to grow that business and employ more people.

There is a fantastic quote from Winston Churchill that you cannot repeat enough in this place. Winston Churchill said:

I contend that for a nation to try to tax itself into prosperity is like a man standing in a bucket and trying to lift himself up by the handle.

This is something the Labor Party fails to recognise. When you create greater pressures on those people in my community trying to create employment, when you tax them more and make it harder for them to do business, they cannot go out there and do that. In the small business package that we introduced—the largest small business package the country has ever seen—that is exactly what we are doing: we are allowing those enterprising individuals to keep more of their money in their pockets so that they can grow their businesses and employ more people, creating greater prosperity for our region and our country.

Mr GILES (Scullin) (16:02): It is a pleasure to join in this matter of public importance debate brought on by the shadow minister, the member for Gorton, and it is a pleasure to take up one remark of the member for Longman. He spoke of a fundamental divide between our parties—and I agree with him. This is the most fundamental divide. We are the party of jobs—the high-skill, high-wage, secure jobs of the future, providing the decent wages and conditions that are the bedrock of our social compact. They have no regard for these things that are fundamental—not just to people's working lives but right across people's lives—to maintaining their living standards and a decent society.

The member for Longman, the youngest member in the parliament, apart from speaking of the China free trade agreement, which I will return to in a minute, could only take us to history rather than any vision of jobs for the future: a homily of Winston Churchill's, and a ridiculous rewriting of the Hawke-Keating years—an obsession of members opposite. Perhaps they could focus more on the record of achievement of their government rather than traducing a great Labor government of the eighties. I will just say this: in terms of his confidence in respect of ChAFTA, it is entirely misplaced, as any fair reading of the agreement shows. It will do nothing for Australian jobs, other than to put wages and conditions seriously under threat.

The member for Macquarie spoke of scaremongering on the part of opposition members—

Ms Ryan: And xenophobia.
Mr Giles: And xenophobia. What an offensive remark! But back to scaremongering. We saw the hubris of the Treasurer in question time on jobs. The Treasurer cannot bring himself to mention the number 6.3, the percentage of unemployed, or 800,000, the number of people out of work under his government and his stewardship of the Australian economy. For us to call this government out on that is not scaremongering; it is doing our job. It is standing up for those 800,000 people and their families. It is standing up for them—something this government refuses to do.

Let us think about youth unemployment. Let us think about the tragedy that, in some parts of my electorate—and, I know, in my friend the member for Lalor's electorate—it is creeping up towards one in four young people out of a job, with no real plan for jobs from this government. This is a government that cut away supports like Youth Connections at a critical time of transition in manufacturing areas.

Let us also think about the anaemic wages growth that we have had for those who are in work. Minister Abetz, when he kicked off this great journey towards the Productivity Commission to try and resurrect Work Choices, spoke of a wages explosion. What a joke that is! How out of touch can this bloke be? This is, of course, the man who does not regard workers as anything more than disposable units, as he demonstrated so clearly—so starkly—in effectively endorsing the dismissal of 100 workers by text messages and emails sent just before midnight. It is treating people as commodities, not as human beings. Late last year he was rewarded for his bad behaviour by the Treasurer, who sent off Minister Abetz's Christmas wish list to the Productivity Commission just before Christmas, hoping nobody would notice.

Let us be clear about this. The Productivity Commission's terms of reference put everything that might matter to anyone who works for a living up for grabs. The draft report is worthy of consideration—although it is not of great interest to members opposite, it seems. It does contain an inconvenient truth. It recognises that the institutional framework we have is actually not too bad; it is working. It is working much better than its predecessor, in terms of productivity in particular. It also recognises that the labour market is not like other markets—a matter the member for Longman should have regard to. It recognises that it affects people's lives and their expectations for their future and for that of their families, and that, most often, employees alone are not as strong as employers in bargaining for reasonable workplace treatment. That is a matter that members opposite should reflect upon.

It is unfortunate that some recommendations of the Productivity Commission do not acknowledge this. I think about the pathway back to Work Choices in abandoning the better-off-overall test and the proposal for enterprise contracts. Let us be clear: whatever good is in the report, it is a dishonest road map back to Work Choices and back to the poverty of vision that this government and conservatives have had for 20 years for the world of work—to their lack of regard for the social compact, their lack of regard for jobs, and their lack of concern for inequality, despite the growing evidence that inequality is harmful for growth. Perhaps members opposite and the minister at the dispatch box should take a lesson from this contribution—(Time expired)

Mr O'Dowd (Flynn) (16:07): I welcome talking on today's MPI. Our government believe that the best form of welfare is a job—that is the basis—and our work as a government is to create jobs. I will go through the list of incentives through which we are encouraging workers back into the workforce.
First, I might just touch on Sunday labour, Sunday work. The opposition are keen to prevent the erosion of Sunday workers' wages, but have they ever thought of the other side—that jobs are destroyed by people not working on Sundays? I have a friend who runs a motel in Emerald. He is at me as soon as I walk into his motel. He says, 'What are you doing about Sunday work? Why should I have to shut up shop on Sundays because I can't afford the wages at the Sunday rates?' He adds that he has plenty of people who want to work but he cannot open his doors because he cannot afford the wages. So there are people, there are men and women, who want to work on a Sunday to help the family budget or for whatever reason, but they are not allowed to. That is job destroying, as far as I am concerned, but I do not hear the opposition talking about that.

I guess Bill Shorten himself ran into this problem at the pie shop in Melbourne, when the lady who owned the business did not have enough staff to serve Bill immediately, which he demanded. That is why he got all tangled up and attacked the lady, who could not serve him quickly enough. Now, that lady probably did not want to work there herself, in her own business, on a Sunday. She probably would rather have been down at the beach. But, no, she had to work to keep the overheads of her business down and so that Bill could have his pie with mushy peas. But Bill did not see it that way. He could only see it with one eye, down a very narrow tunnel. What he needs to come to terms with is why that lady did not have more people working for her in her pie shop.

We plan to give a kick-along in the right direction to lots of industries. For example, if we keep taking fishing grounds off our fishing industry in Queensland, we will be importing not just 80 per cent of fish products, as we do now; we will be importing 100 per cent. There are no threatened species of fish in the Queensland waters. Nothing at all is under threat. So why would you want to close more boundaries? The Reef is healthy. The Gladstone harbour is very healthy. The prawns and the fish out of the Gladstone harbour have never been better—and that is from people who have been fishing and crabbing in that area for the last 80 years.

We want to build dams and weirs that will help our agricultural areas and, of course, help jobs. We do not want to see our power stations close. I have three in my electorate—Stanwell, Callide and Gladstone—and I do not want to see them close. But they would be under threat from Labor and their new emissions plans for if they get into power. If they get into power, heaven help the coal industry, which employs many, many people in many, many well-paying jobs.

We have a program for building roads and bridges—all good stuff. FTAs are bringing overseas students into Australia, and our new Colombo Plan is working really well, giving jobs to our teachers and educators. Agribusiness is getting a real kick-along from our free trade agreements, and that will produce more jobs on the land and in rural areas, where jobs are needed to keep country towns alive and well.

So, it is all good news as long as we stay in power, because we are the people who create jobs. For all those reasons that I do not have time to explain or go through, we are the party for jobs.

The DEPUTY SPEAKER (Mr Ewen Jones): The discussion is now concluded.
BILLS

Tax Laws Amendment (Small Business Measures No. 3) Bill 2015

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr RAMSEY (Grey) (16:13): I rise to speak on the Tax Laws Amendment (Small Business Measures No. 3) Bill 2015, the third of four bills associated with great measures the government introduced in the last budget. I start on a bit of a sour note. I do not like to talk down my electorate, but there was some talk in the previous debate about unemployment rates, and, certainly, my electorate, which is home to virtually every resource project in South Australia, is feeling the brunt of the tailing-off of the resources boom at the moment. In a little over six months, the electorate has probably lost about 2,000 jobs in that sector. There have been lay-offs—limited lay-offs, it must be said—by Santos, up in the Moomba gas fields. There have been significant job reductions at Roxby Downs. In fact, since BHP announced a couple of years ago that they were not going ahead with a major expansion, we have seen large losses of jobs in that area, with another 380 announced just last week. Alinta Energy, in Port Augusta, which operate the only coal-fired power stations in South Australia, have announced their closure. Some time within the next 15 months there will be over 400 jobs lost. While some will celebrate the fact that coal-fired power stations are closing, this is an inevitable result of policies that both sides of government have pursued to reduce CO2 emissions. Largely, in this case, it is the RET which has been responsible for the closure of the power station. Many people will applaud that, but of course it affects the workers and the communities concerned. I have repeatedly raised in this place the impacts it will have on the fairly isolated South Australian electricity supply market. There will be more comments on that another day, I am sure.

We have also seen Arrium close down Southern Iron, which is a rather strangely named iron ore operation because it is in the north of the state; but it just depends where you stand, I suppose. Southern Iron put off 600 workers and closed down what was a relatively new mine. In fact, it had been operating for only about 18 months. We were exporting up to 13 million tonnes of iron ore a year out of the port at Whyalla. At the moment, Arrium are undergoing another review of the Whyalla operations—in fact, their operations Australia-wide. All those things are leading to a fair amount of angst in my communities.

The reason I mention them is that they are the big businesses. If you look around Australia, by and large, big businesses are doing it tough—and small businesses are as well, it must be said—and not employing a lot of new people. Throughout my time as the member for Grey, small business after small business has come to me and said: 'Doesn't anyone care about us? Don't you know that we employ 4½ million people Australia-wide. In fact, 96 per cent of all Australian businesses are small businesses, and don't you care about us? Do you people in government just want to drive us out of business?' Since the budget, I have had a different response—a completely different response. Small businesses are saying, 'At last somebody is listening to us.' Whether or not they can turn on the key overnight, I am not sure; but the Australian government has identified small business as the sector most likely to be able to deliver a faster turnaround in the Australian economy. If you like racing terms—and I know
you are a keen observer of the racing circuit, Mr Deputy Speaker Jones—then let's say the Australian government is putting its money on small business. It is putting the taxpayers' money on small business. I always like to qualify that statement: governments do not have money; they only have taxpayers' money. We are putting the taxpayers' money on small business because they are the best opportunity. I make the point that there are over two million—about 2.1 million—small businesses in Australia. If only every fourth one were to put on an extra employee, we would for all intents and purposes be back to zero unemployment—about 2½ to 3 per cent. We all know that you probably cannot get below that in this modern world.

This third tranche of incentives to small business specifically gives to the unincorporated business the same tax break as I think tranche 1 gave to incorporated businesses. It was a 1½ per cent cut in their effective tax rate. In this particular case it is a $1,000 reduction on an individual's overall tax bill. It is roughly equivalent. This is really important, because there are a lot of small businesses, micro businesses, out there which do not have that company structure. In fact, so many businesses are run, as my farming business was, as a partnership. It is a perfectly admirable way to run a business. It does not make them any less a business than anything else. But if you are going to restrict your tax reductions to just corporations, to just registered businesses, then you are missing out a very important sector of the economy. That is the first one.

The second one is the immediate deductibility for professional expenses, professional advice, government fees and particularly start-up expenses for small business. These expenses have previously been deductible over five years. That is a pretty slow pay-off for somebody having to stump up the money to start a new business. What a great incentive that is! 'Look, mate, we're going to give you your money back over the next five years.' It is pretty tough. So I think this measure clearly recognises a problem that has been inbuilt in the system, because we want people to have a go. One of the things I think I said in my maiden speech was that governments should allow people who are able to help themselves to get on with the job. We should also help those who are unable for whatever reason to help themselves. But so many of these small business are those who are prepared to have a go, who are prepared to mortgage their house, to put it on the line, to start up a business to give themselves a job and hopefully maybe their children a job and also give their neighbours and friends a job. That is a great service to the community—and more power to them, in my opinion. The immediate write-off of those start-up expenses is a bonus, because there are enough obstacles in your road already when you are trying to start a business.

The fringe benefit tax exemption for portable electronic devices for work purposes just recognises the fact that work today is so flexible. It does not necessarily stop at five o'clock when you bang the bell. Often people need to take work home with them. They take their mobile phone home, they take their laptop home, they take their iPad home. There are a plethora of devices—maybe it is your diary or whatever that is synced in. Everybody has something a little bit different. In some cases, this is the only fringe benefit these workers get—the fringe benefit of being able to take their work home, I must say, with a smile on my face. It is the reality of today's workplace. So once again the government has said: 'We don't want to tie you up in red tape. We want you to get on with the job. We want your employees...
to be properly equipped and we want you to employ people.’ That recognises those issues as well. This goes with the three tranches of legislation that we have previously put forward.

I can tell you, Mr Deputy Speaker, that as I drive around my electorate I can see that it has received a very warm response. Only the other day I was talking with a commercial pilot. He has taken the opportunity to put in a new $20,000 navigation system in his aeroplane. Everything in aeroplanes costs a lot of money—trust me, I know. He said, ‘I would not have done this if it were not for the immediate tax write-off’ but it is so much better flying the aeroplane now.’ He showed me how it all works. It is a very smart little box of tricks, it must be said. In fact, he was showing me on one of the apps that he could plot every aeroplane in the world. He just brought them up. The sky is full of aeroplanes worldwide. It is an advance to his business; it is an investment in his business, and it is one that he would not have made if it were not for the change in the legislation.

One of the parts of this bill that I have been particularly enthusiastic about—I must say, as a farmer and someone who still owns a farm—is the ability to write off water catchment and storage over a much shorter period. I will give you an example. On Eyre Peninsula, which is the part of South Australia where my farm is, many places have clay subsoils. It is quite good. You can grade up some water runs and dig yourself a dam. The western half of Eyre Peninsula has sandy soils, and there are no surface dams. Water is pumped from a very long way. While we have a flat price across South Australia, stock water at $3.50 a kilolitre can be pretty discouraging for livestock investors. One of the things that modern plastics and technologies have brought us, of course, is that we can now dig a dam in dirt that leaks like crazy, line it with plastic, put a plastic top on it to stop evaporation, built a plastic water run, virtually drought proof your farm, and disconnect from the reticulated supply. I do not think many people will do that, because it will always be the backup.

But water being that expensive actually provides a real investment opportunity within your own farm. There have already been a number of these around on Eyre Peninsula. I could name about five or six without even trying. There are a lot of other farmers thinking, ‘Yep, if I get a decent income year, I think I will have a go at this.’ It will probably cost them $100,000, but, if you can write that off over two years instead of over that extended period, that becomes a real incentive to manage your taxation arrangements in the short term.

While it is not related to any of these bills, I also congratulate the government on the agricultural white paper, which has telegraphed the fact that we will be lifting the farm management deposit scheme caps. One of the points that I make is that changes in agriculture have seen farms get bigger and bigger. Many of the farmers I know are now cropping 10,000 or 15,000 acres year, which is 6,000 or 7,000 hectares—much bigger than the electorate of Wentworth, I might point out while the member is sitting there. So large tracts of land, it must be said. These are super efficient farmers. It is one of the downsides of Australian agriculture; I say every year that Australian farmers will grow more food and more fibre, more efficiently with better quality and, probably, at a price. That will be great for Australia, great for the state and not bad for the farmer who is still involved, but it will be an absolute disaster for our local communities, which is another story about how we deal with our local communities. So if they are able now to reinvest in their properties in a way which expands those properties, that it is very good thing.
I think that probably rounds it out pretty well, but these bills really do string together a coherent government policy, which is saying 'We recognise small businesses as a driver of the Australian economy.' Gee, I have heard that out of parliamentary members' lips a lot of times—and I have been the almost eight years now—'We recognise how important small business is.' But, up to now, not much has been done about it. That is why I am so proud of the last budget, and that is why I am proud of these bills. They are assisting small businesses to get on with the job and do what they do best.

Mr Husic (Chifley) (16:26): In talking to the Tax Laws Amendment (Small Business Measures No. 3) Bill 2015, a number of members of the House have referred to the benefit that would be generated through some of the measures announced particularly for start-ups. Schedule 2 talks about the deductibility of professional expenses for those that are starting their own business and changes to the way in which those expenses are paid. It is a good start. On a range of areas, there are things that do need to be done. But at least this is a modest contribution—and one that reflects something else that is going on, which I think has been a good development over the last 12 months in particular. That is that, within the public space, we have been talking more and more about the contribution of start-ups within the Australian economy, the value that they create both now and into the future—and for good reason.

I saw some of that good reason last night when I attended the University of Melbourne's Melbourne Accelerator Program entrepreneur gala. There were 400 people in attendance; a huge turnout and a terrific initiative by MAP. They are really working hard, particularly within Melbourne, to harness a lot of creative energy and the application of that energetic spirit to see a number of new businesses created with the potential, using technology, to disrupt quite a lot of business models and the way in which things are being done both here and, potentially, in the broader international community. Last night they had a number of case studies from people, including the CEO and co-founder of Venuemob, Ying Wang. Venuemob is for people trying to find venues to hold different events, and it is a platform for people to hire those venues and get that done very quickly, adding huge value in the process. He mentioned last night to the dinner that he will be looking at expanding his operation within Australia but also looking actually to take their operation offshore for the first time. They have done that within a very short space of time. Venuemob is the first marketplace platform for the $18 billion events industry. They started off small and are growing very rapidly.

Djordje Dikic is the co-founder and CEO of Palette, which is looking—particularly for home renovations—at ways in which people will be able to change the way they paint and decorate their homes, with some fairly groundbreaking technology. They have won numerous industrial design awards. They have already raised $1 million in funding from private investors and are looking to do some pretty innovative work there.

We had Ivan Lim, the CEO of Brosa, who is the co-founder of that firm. They label themselves 'the Zara for designer furniture'. They were also part of the MAP incubator in the 2014 batch. They are bringing designer furniture direct from makers to customers. Again, they started off small and have grown very big and are doing quite well.

Omny have a personalised radio app that is getting quite a lot of traction. They have secured partnerships with Southern Cross Austereo, which is Australia's largest radio network, and CBS in the US.
Those are four examples mentioned at last night's event, showing us the huge potential that exists within entrepreneurs in this country. I want to commend, if I may, MAP and in particular a number of people. There is Doron Ben-Meir, who has just started his position there at MAP and who, I understand, was previously at Commercialisation Australia. There are also people like Charlie Day and Rohan Workman, who are doing some great things there in helping usher in the next lot of businesses that will take not only Australia but the world stage by storm. They are very important.

But why do I mention them? There is a perception that these are small businesses. While we are very big fans on both sides of politics of the work of small business in this country, these businesses in particular have an ability to scale up phenomenally quickly. The number of jobs that they will create as a result of that work means that they are completely different from the types of small businesses that would benefit from some of the things that are here—some of the measures that are being reinstated, by the way. This is as a result of decisions made by this government, on its first election, to get rid of measures that Labor in office put in to aid the cash flow and aid the operations of small business. Those were cut by the Abbott government and are now being reinstated in a very clumsy attempt to claim credit for that by this government.

Putting that aside, we should be looking at the huge economic, productivity and employment-generating potential of start-ups in this country, and we need to do more. This bill, as much it is being paraded as in part conferring some benefit to start-ups, will help to a modest extent, but a lot more needs to be done. There are a number of areas where there are serious impediments holding back the growth of our start-ups in this country. It is a fact—it has been recognised—that the rate of start-up formation in this country is horrendously low and we need to do more in this space.

If we want to see start-ups grow a lot quicker and a lot broader and be able to make a much bigger contribution to the Australian economy, we have serious issues to deal with, particularly in terms of skills and talent and making sure that there are people who have the capability to transform ideas into reality. We need to see more people. That is why Labor have mentioned, for example, that we want to see more people trained in science, technology, engineering and mathematics. We put in place some measures not only to encourage people to take that up but also to make sure that we have the capability to teach those subjects, by paying particular attention to teacher training and seeing growth in that space.

I am aware that there have been sections of industry that have been very keen to see teacher training rolled out, particularly to benefit the ICT sector. They have not necessarily met with a great reception from the Minister for Education and Training. I do know that the Minister for Communications is very aware of this issue and very alive to this matter, but, as is the case with this government, it only has a few people who recognise the types of issues that need to be dealt with, and then you are met with stonewalling from the senior leadership of this government, which simply fails to understand that there are serious tasks that need to be undertaken to address the types of issues that are facing this sector. It does need the application of resources and effort, particularly if we are to deal with the huge skill shortages that are crippling and holding back start-ups from evolving.

The other area is capital, where we need to see more money flow in and be able to support, again, the transition of idea to reality. Start-ups start very lean. They might get some benefit
from some of the measures announced in these bills, but it is not going to tide them over. It is not going to sustain them. It is not going to give the big uplift that is required to ensure that they become a success.

We need to take a hard look at the way in which the taxation system as it currently stands impacts on the ability of start-ups to grow and, importantly, impacts on the capacity of angel investors, for instance, to support start-ups. Angel investors are relied upon to many extents to help start-ups reach the next level of their development. We need to look at what can be done, as has been done in other parts of the world, to support the taxation arrangements that ensure that angel investors can play a bigger part in supporting start-ups.

I note that my colleague the member for Oxley made a number of references today to what is happening in other parts of the world. I will not go through all of those other than to make the point that this is a global competition. There are other countries that recognise the potential economic benefits of having a very solid ecosystem that is supporting start-ups, and they are taking concrete steps to support them. We are not doing it. We are not doing it at the same rate. We are not doing it in the same breadth. We are not doing it at the same pace. We need to be doing more. Certainly I think that this is an area that needs to be pursued in making sure that we align our taxation arrangements in a particular way that will help angel investors and those that want to get involved in this space to support start-ups and see them grow. We need to see more happen in that area.

In talking of capital, too, and the types of things that could be done, while we are talking about these bills and what might be done to support small business: again, start-ups are not small businesses. They have a much greater capacity to grow. Some of those businesses that I mentioned earlier that were profiled last night at the entrepreneurs gala by MAP are already looking to step up onto the world stage. There are the types of businesses that I saw—the start-ups that were being supported, for instance, by muru-D—at their investor night a few months ago which are looking to expand into China. After only a small period of time in existence, they are now looking to go elsewhere. These businesses need a different set of arrangements to support their growth, and they need capital to survive.

One of the things that we are very concerned about is ensuring that we have, for example, platforms that can provide that type of capital—platforms, for example, for equity crowdfunding. There have been a number of us that have been championing this, and we have indicated to the government—and I have actually held very productive discussions with the Minister for Small Business about what both sides of parliament can do to work together—that this is not a contentious issue, and that we can cooperate in a productive way to help fast-track the introduction of laws which will see equity crowdfunding become a reality in this country, and which will enable us to harness the power of the internet so that we can raise funds, allow people to have a stake in start-ups, and ensure that those start-ups go from strength to strength.

I note, for instance, that the government has just released yet another discussion paper, talking about what might be done in the case of equity crowdfunding for Pty companies. I note the surprise that has been expressed in some quarters—that yet another discussion paper has been released instead of the actual draft legislation. I understand the issues that lie at the heart of this most recent discussion paper, but I have to say that I am surprised that they had not been flagged sometime earlier. I understand that the consultation period for this discussion
paper is set to close on 31 August. I hope that that does not inhibit the ability of the government to release its draft legislation very quickly, because the amount of time that will be required to set up equity crowdfunding in this country—in terms of having a legal framework in place—will be critical, and it will take some time. Having said that, we remain committed to working with the government on this, because this is one platform that will be able to provide capital for start-ups that are needing it.

If we are going to talk about start-ups, we need to have a dedicated focus on them and we need to have a legislative program—a reform agenda—that will allow them to grow and to prosper, and to do so in a much more timely way. But we should not confuse that with the types of measures that are being discussed in this bill. I think, in part, the reason why start-ups get referenced in these types of discussions about small business is that the government recognises that it is having to reinstate measures that they have pulled apart. When Labor was in office, we put these measures in place. The government pulled them apart upon being elected, and they have had to put them back in. And to try and create a cover—that they are doing something unique and novel and new—they have tried to refer to the fact that they have brought in some of the measures in the bill. These are modest—sure, they will be welcomed by some start-ups, but they are not the big-ticket items that will help start-ups in terms of what they need or want. And we should not confuse a lot of the great work that is being done by Australian small businesses with the type of work that is being done by start-ups. There is a type of economic potential that is relevant to them both, but they demand different levels of attention. We certainly think that start-ups need to be taken in a different way.

Having said that, we recognise—certainly on the Labor side—that we need to ensure we can do whatever we can—particularly for the next generation of young Australians, who are much more willing to embrace risk and to pursue their ideas, and to see those ideas translate in a way that will be a huge economic benefit to this country—to support start-ups, and we need to make sure that, in the public's mind, they are aware of their potential. We need to make sure that we are able to muster effort from a whole range of different areas to ensure we have a very supportive culture that will enable those start-ups to take the types of risks that they need to take in order to grow and to be able to bring others online as well. There are elements of this where we will be critical of the government; there are some areas that we think will work. Particularly when it comes to start-ups, we hope that we will see a lot more happen in a much shorter time frame.

**Mrs SUDMALIS** (Gilmore) (16:41): I rise to speak to the House on the Tax Laws Amendment (Small Business Measures No. 3) Bill 2015. There is nothing more important for jobs growth than the development of national economic health for small business. In Gilmore, there are hundreds of mum-and-dad businesses—which, in good times, are more likely to start employing someone, even if it is only part-time in the beginning. Having been a small-business owner for many years, and talking with the owners of small businesses during that entire time, I got a good sense of the changes that need to be made to make employing people easier and cost effective. In my experiences talking to small businesses all over Australia as I developed sales for my product, it was clear that many government processes could be changed that would ultimately lead to better circumstances for business owners and for potential employment. During the Labor government's disastrous carbon tax debacle, I doorknocked dozens of businesses whose business bottom line was so badly impacted that
they had to cut back on their employment of casual staff as one of their survival techniques. This proposed amendment to the tax laws is a great initiative to help small businesses to recover some of the losses they sustained under the previous government's carbon tax policy—which, incidentally, Labor plans to reintroduce at the next election.

The tax discount for unincorporated small businesses is part of the package of measures to help business confidence to grow and to establish a better employment scenario. This measure will provide individual taxpayers with business income from an unincorporated small business with a five per cent discount on the tax payable on the taxable income from that source. The discount, unfortunately, is capped at $1,000, but I know businesses that will welcome that absolutely. There are many businesses in Gilmore who will be able to benefit from this tax discount. Some are the locations of my regular village visits held throughout the year, and they include: the Bawley Beach Cafe, Oscar's Cafe, Bomaderry Bakehouse, Burrill Lake Newsagency, By the Beach Cafe in Callala, Cambewarra General Store, Jervis Bay Feeds, Huskisson Bakery & Cafe, Stone Wall Cafe, Merry Beach General Store, Breakers Cafe, Slice of Life general store, The Shoppe Shell Cove, Mountain Side Meats, Mellies Cafe Gallery, the Porthole Cafe, the Bluedog Country Cafe, and the Werri Beach Fish Shop. I have had coffee in every single one of them—and sometimes I have managed to actually eat there as well.

This measure will give a tax cut to the large majority of unincorporated entities for the 2015-16 income year and beyond. Small businesses tend to operate as sole traders, partnerships or trusts. Seventy per cent of small businesses are unincorporated, so this tax benefit for them is a great move. I could not be more proud than to be part of a political team that really addresses the needs and issues that start the process of assisting small businesses to grow and to thrive. This tax discount will increase cash flow for unincorporated small businesses with a turnover below $2 million and, let me tell you, Mr Acting Deputy Speaker, this would be the majority of small businesses in Gilmore—in fact, most are just barely breaking even, so any assistance at this time will be a welcome reprieve. Certainly, having to pay a little less tax will be warmly welcomed.

There are almost 9,000 small businesses working and employing people in Gilmore. Almost 80 per cent are in the industry areas of accommodation and food services, arts and recreational services, wholesale, retail, transport, warehousing, IT and telecommunications. The 80 per cent also includes hire businesses, tradesmen and tradeswomen, real estate and other industries associated with housing. During May and June I was determined to hear from my local businesses from a grassroots perspective, particularly after the budget measures. My team and I went and talked directly to them. For the most part we discussed the instant tax write-off for purchases of up to $20,000 for each piece of equipment. We all know how well this initiative was received. As I have mentioned previously, TCC Accounting Services in Milton was already setting up forums for other businesses in the area to make the most effective use of that particular aspect for their own enterprises. Some of the places I visited during that time were Kiama Country Store, Synergy Beauty Therapy in Kiama, Milton's Sarah Gabrielle boutique and the Akwa Surf shop. In Ulladulla, I spoke with the owners of Walking on Water & Ulladulla Surf Schools and Kings Point Windows & Glass. Finally, I visited Addison's Seafood Grill & Bar and Green Poppy in Shellharbour. Paul Richards is a local tiler. With his business, ALM Services, he decided that this was a policy that was...
definitely in his best interest. He used the new write-off for assets and purchased a second-hand ute—a glowing white ute that I saw when I visited him the other day. Instead of having to write this off over time, it can be fully taken into account for his tax return for the 2014-15 financial year.

The second part of the amendment to the bill is directly related to the set-up of a new business or the conversion of an unincorporated business to a different structure. There are many professional service costs that can impact heavily on the set-up of a business. It is at this very time that the cash flow for initiating a business is at its lowest. I recall setting up the structures for the fudge business. Way back then we had to go and negotiate with multiple banks. We had to go and talk to them, pay mortgage fees and transfer fees, move the loan from one bank account to another account, set up another account, buy the equipment, pay all of the legal fees and pay all of the registration fees. By the end of it, we had absolutely no cash left. In order to buy the stock that was left on premises, we actually had to raid our children's piggy banks. Thank goodness one of the banking institutions gave us an immediate overdraft facility, or we would have been absolutely cactus.

What kind of expenses will now be immediately deductible and will absolutely help a growing business? These include advice on appropriate entity structures: is it right for you to have a company, or is it right for you to be a sole trader? And there are legal expenses, which are ever increasing, and insurances. Should have a company, a trust or a partnership? And there are ASIC fees. If anybody has actually tried to register a business name recently, it is torturous. We really have to do something about that as well. Stamp duty on the transfer of assets can now be written off straightaway. The cost to convert your business structure can be written off straightaway. When you get relevant information in connection to establishing your business, like going to the proper authorities, getting the right placements, looking at work contracts, you can get all of those costs deducted straightaway. Sometimes you are looking at a slightly bigger business and you need to have a prospectus, particularly if you have no history in borrowing money from the bank. If you go to them and say, 'I have a great idea for a business,' they do not open the door and say, 'Here you are; here's some cash.' You have to give them a business proposal. Sometimes you need a little help to prepare that; otherwise, there is no way you are going to get money. That is a really good thing to be able to write off straightaway.

What currently happens to these expenses? At the moment, it takes five years to write off those expenses. That is not very helpful for a start-up business. How does it help with a new business? I know that 30 years ago, give or take a couple of years, when we were setting up the fudge business, being able to write those off in the first year would have been most welcome. After we bought new vehicles—actually, we leased them, as we could not afford to buy them—it would have been really good for our cash flow. An immediate deduction for professional expenses helps the cash flow when your business is just starting, because, believe me, that is a tough time. In our beginning years, we had to work between 13 and 14 hours a day in order to make our business viable, to pay some of the mortgages off, to pay some of the loans that we had taken out to pay the mortgages, and to pay some of the credit cards that we had to take out in order to pay the personal loans off in order to pay the mortgages off. It was just a rolling process of debt.
So I think this is a wonderful initiative. Because we now know there is a lot more excitement about business, excitement about the economy, one of our local supermarkets recently decided to invest in the land that they had bought. It had been sitting there with a big fence around it for some time. They finally decided that things are so good now that they would turn the first sod. They were there the other day. I was there with a whole bunch of people—the local mayor and the pseudo-mayor of the area in Sussex Inlet—and we turned that first sod. They are a beautiful Greek family. They blessed the land; they blessed the shovel. They even had a chook for the builder, which, apparently, is a Greek tradition, which I had never heard of before. The builder said, 'What do I do with a chook!' It was alive. Anyway, that was an interesting experience. The Kapetanos family have had this project in mind for a long time, but now, finally, they have the confidence to initiate this project and to invest in their local area. Ultimately, their supermarket will double in size, and they will be able to employ more people.

While heartily congratulating the Kapetanos family, I was privileged to meet Kiaya Fleming. She is setting up a brand new business, Be Indulgent. This enthusiastic young woman has decided to invest in herself, to test her ideas and set up her small boutique gift business. I wish her the very best. Being a business person demonstrates a degree of personal risk. However, there is no better time than right now to start up and not have too great an impact on your cash flow over time.

I met Colin Brown on one of my village visits. He has a business called Lumo Solutions. He makes amazing fluorescent hard plastic stuff. Instead of having to put electrical lights on walkways, jetty edges and harbour edges, this solar-powered fluorescent plastic product is bolted and glued to the ground. It collects all the sunlight during the day and it fluoresces at night, so the edges of the walkway, the jetty and the quay are all illuminated. It is also a safety measure. So he is going around, flogging this product, which I think is wonderful. He wants to set up a supply arm in Gilmore and he also wants to make this a possible export item. And guess what? The plastic thing is a recycled product. It is an amazing invention.

Any person wishing to use their entrepreneurial skills to set up a business has a great opportunity right now to reduce their initial cost. What a bonus for a start-up business! Finally, we are helping to take taxation benefits into the current century. It has been absolutely absurd in this day and age to only have a fringe benefit available for a single, portable electronic device. How many members in this House actually carry two phones? So do business people. This change is long overdue and it makes perfect sense. Currently, the fringe benefit is only available if the devices do substantially different tasks. Maybe 10 years ago that might have been real but not now. With the rate of technological change, that is simply ridiculous.

The proposed amending legislation will allow small businesses an FBT exemption for more than one qualifying work-related portable electronic device. And it can only come as fast as possible, because so many people will benefit. This measure does not introduce a new FBT exemption; it just removes the restriction that currently applies in relation to the existing process.

Of course, it will only apply to businesses that meet the ATO definition of being small—that is, their aggregated turnover is less than $2 million per year, which I am pretty sure for
the Gilmore electorate would probably mean every single one of them. If only I had a few more businesses that turn over more than $2 million I would be very happy!

Nationally, this means more than 30,000 small businesses will benefit. There will certainly be a significant number in Gilmore. I am proud that we have legislation in place to help small business to thrive, grow and then employ people. This side of government has innovation grants. It encourages individuals to follow their dreams, put their ideas to the test, build a business and grow with the outstanding Aussie attitude: nothing is impossible. And, in the words of John Flynn, founder of the Flying Doctor Service: 'If you have a good idea, nothing can stop it.'

Mr ZAPPIA (Makin) (16:54): As the member for Oxley, speaking on behalf of the opposition, made clear earlier on in the day, Labor will be supporting the Tax Laws Amendment (Small Business Measures No. 3) Bill 2015. The government portray themselves as the friend and champion of small business. I have heard that theme come through time and time again by government members who have come into the chamber to speak on this legislation. I believe that they think that if they say it often enough the Australian people will believe them. The reality is that the facts do not support that claim and I want to talk about some of the policy measures that the government have brought in which, in fact, show that they are anything but a friend of small business.

As someone who regularly speaks to small business owners around the country—and I have had personal experience of small business for a long time—I do not consider small business owners as fools. They understand good and bad public policy when they see it. And I suspect they understand it much better than what some of the coalition members who have contributed to this debate give them credit for.

They also understand that so many of the policies that have been brought in by the Abbott government are hurting their business. Firstly, when the Abbott government were elected they started to reverse Labor's instant asset write-off policy in the, I think, 2013 MYEFO assessment. That was the first thing they did. It was a good policy and I will talk about that a bit later on. Winding back Labor's instant asset write-off policy was one of the first measures. But it went much further than that because then, in the 2014-15 budget, we saw the Abbott government eliminate a whole range of business support initiatives that Labor had brought in. Enterprise Connect, Commercialisation Australia, Industry Innovation Precincts, Australian Industry Participation, the Innovation Investment Fund were all abolished by the Abbott government. In fact, they cut some $845 million from industry support programs, programs which were delivering for business around this country, including many small businesses.

But of course the most business-destroying criticism that I am going to make of this government is its disastrous handling of the Australian economy. We heard earlier on in the MPI how unemployment in this country has now reached 800,000-plus. As I understand it, that is the highest unemployment rate in some 13 years. That does not include underemployed, which you can add another seven or eight per cent to. So the real unemployment and underemployment figures right now are probably closer to 14 or 15 per cent.

Not surprisingly, we have seen business confidence across Australia fall. It is because of the Abbott government policies that the economy is trending in the direction it is and, whilst it is true to say that the people who bear the brunt of those policies are the unemployed, the
pensioners, the veterans and their families, it is equally small business around the country. When pensioners lose funding and people are unemployed—when they lose their jobs or when their jobs are at risk or when family income is cut and industries close, the flow-on effect will directly fall onto the small businesses of communities across Australia because people will have fewer dollars in their pocket to spend. That means that all of those small businesses which depend on the spending ability of families around Australia will be directly affected.

In my own home state I am seeing that firsthand. Firstly, we have the uncertainty surrounding the submarine contract and naval shipbuilding in this country. The uncertainty is causing some real concerns in South Australia, where I am seeing small business people who might otherwise have expanded their business will not do so because they do not know what the future holds. That means that, as a result, jobs are either being lost or not being created.

We are already seeing the effects of the impending closure of Holden in the northern region of Adelaide. I am seeing it physically and I have gone out there and spoken with many small businesses as well. As Holden winds down, so too do the hundreds of small businesses around them that relied on Holden employees spending money in their businesses. Again, I see this direct effect firsthand in and around my own community.

Recently, I went out into some of the regional centres of South Australia, travelling up to Port Pirie and Port Augusta. I again saw the effects on small business of funding cuts to services in those regions by government. I will come back to that a bit later because I want to dispute one of the claims made by so many members opposite that governments do not create jobs. Governments do create jobs—whilst in many cases those jobs are indirect, they certainly do create them.

The other area of uncertainty—and, again, I have spoken to many people in my own electorate about this—is for businesses that are directly involved in the renewable energy manufacturing business sector. The uncertainty caused by the Abbott government in wanting to change the renewable energy target saw a rapid decline in the amount of money that was being invested in manufacturing businesses across the country. That included businesses in my electorate, and they are not all huge businesses—many of them are very small businesses—but they all would have picked up from the work that was being generated previously, before they all had to stop because of the uncertainty. In fact, I understand that we have seen an 88 per cent fall in investment in the renewable energy sector since this government has come to office, which has meant that some 2,000 renewable energy jobs have been lost in just under two years.

More recently, I was approached by several pharmacies within my region. Their concern was about the Sixth Community Pharmacy Agreement. Pharmacies are small businesses—these are not multinationals; these are small business operators who run a business, seven days a week, and employ several staff. So they are an employment generator as well. They are being slowly but surely squeezed out more and more as a result of the tightening that occurs from within these agreements. A couple of them told me quite openly that, if the squeezing continues, they will close their doors and simply walk away from the business. If that happens, jobs will be lost. These are small business operators responding to the policy decisions of the Abbott government.
In a similar vein, I have also met with a doctor's surgery in my electorate. I have written to the Minister for Health about this, but, in essence, the case is this. The practice is having its Practice Incentives Program payments reduced from $44,000 to $14,000. What that means is that it is going to cut its after-hours service to people from 17 hours a week to four hours a week. That, in turn, means that a receptionist will be losing hours, as perhaps will other staff and doctors. Again, this is a small business. These are the very small businesses that I am sure members who come into this place would like to think they are supporting and defending. They are being directly affected by the policies of this government.

This legislation, effectively, as I see it, is a desperate attempt by the government to win back some of the support and confidence that it had lost amongst the small business community across Australia. I think it is fair to say that both sides of parliament genuinely respect and appreciate the contribution that small business makes to the economy of this country. I very much dispute and reject the comments made by many members opposite in their contributions that Labor do not care about small business and that our track record shows that we do not. Indeed, it was our commitment to small business that underpinned the package that we put together during the height of the global economic recession, where we embarked on a whole range of infrastructure programs across this country. The beneficiaries of that expenditure were almost entirely small businesses across the country. In my view, that highlights better than anything else the support that we were prepared to give small business in this country, at a time when it mattered most.

I want to finish on this note—the mantra often repeated by members opposite that 'governments do not create job but business does'. I reject that mantra. Every Public Service relies on government employees. That includes our law enforcement and Defence services and emergency service people and so on. I would like the members who say that governments do not create jobs to say it to the people of Darwin or perhaps the people of northern Adelaide, where the Defence sector is probably the biggest economic driver for those regions. The truth of the matter is that governments do create jobs. The point I was making earlier, about my recent visit to Port Pirie and Port Augusta, was this: every time a government department in a regional town closes, the flow-on effect to small business in that town is immense. You see the ripple effect right through that community as a result of governments withdrawing funding from government services that were previously available in those communities. So governments do have a direct role not only in managing the economy but also in injecting funds into job-creating projects in the country.

That comes back to the very point that I made when I moved a private member's motion in the Federation Chamber today that related to procurement policies of government. I made this very simple point: the federal government expends over $40 billion a year on procurement of goods and services. Where it procures those goods and services from makes a difference to small business in Australia. If all of those funds could go to businesses in Australia, it would certainly make a difference to many, many small businesses across this country. Indeed, many other countries are adopting what I refer to as smart procurement policies, because they know that the economic lever that that kind of spending creates makes a difference to their communities. Indeed, if governments were to ensure that most of their funds were invested into their local communities, it would improve or increase innovation and investment by local businesses, it would give them certainty and it would make those businesses not only grow
but be more competitive with other businesses around the world. That is not just a personal view; it is a matter that has been taken up by other governments, including the US government, which since 1933 has had an act of congress in place which effectively sets the framework for buying local as opposed to sending money offshore and getting goods and services from some provider somewhere across the world, which does nothing for your local industries.

As I said in my contribution today in the Federation Chamber, we saw a firsthand example of that with the purchase of Defence boots from an Indonesian supplier as opposed to the Adelaide company Rossi Boots, which could have provided the same boots. We saw it again when the government fleet in Canberra for the ministers was ordered from BMW as opposed to GMH who had previously been able to provide vehicles that were more than satisfactory for the job. Again, local jobs are being lost because of direct decisions of this government.

I finish on the point that that is exactly what is going to happen if procurement of the Australian submarines goes to an offshore supplier and they are not built in this country. That is directly going to support hundreds of small businesses around this country. It is a decision within the responsibility and control of the government, and we should ensure that it happens.

With those comments, of course we do support the measures in this bill which go, firstly, to providing a tax discount for unincorporated businesses. The discount is limited to $1,000 a year for businesses up to $2 million. I totally agree with the deductibility for small business start-up expenses. I have been in business and I appreciate that that would be useful. As well there is the exemption of fringe benefits tax for portable electronic devices. These are sensible decisions which, in my view, do nothing more than tweak what was previously Labor policy.

Mr BILLSON (Dunkley—Minister for Small Business) (17:08): The fantasy must end. The nonsense that we have heard from Labor has to come to an end, and that is going to be achieved by summing up this debate. To hear the gaggle of Labor members talking about these measures as if they were their own is just utter nonsense. It is an act of fiction and an effort to rewrite history, because we know that is not the case. If it were not for a coalition government with such a deep conviction and deep respect for the hard-working men and women of small business, we would not be having this discussion at all. That is why I am pleased to sum up this debate and to thank, particularly, the coalition members who have characterised our goal and our ambition. This package of measures is but another step towards our vision of creating the best economy in this country where you can start and grow a business. That is our mission, that is our vision and that is what we are working toward.

The government knows that hard-working men and women of the Australian small business community are the engine room of the Australian economy. They account for a vast majority of active private businesses in this country and employ over 4½ million people. We know we have work to do because half a million jobs were lost in small business under Labor. Half a million livelihoods, made possible by enterprising men and women, disappeared under the maladministration of the previous Rudd-Gillard-Rudd government. We are working hard to turn that around. You know what I am pleased to share with the chamber tonight? We are succeeding. The most recent figures show that there has been a growth in the number of people employed by small businesses by 146,000 jobs. That is 146,000 livelihoods made possible by enterprising men and women of small business.
There is also encouraging news. Prior to the election of the Rudd-Gillard-Rudd government the private sector share of employment made possible by small business was around 52 per cent. Under Labor that fell to only 43 per cent of the private sector workforce being employed by small businesses. That is recovering as well. It is now at 44 per cent, so we are getting things right by listening to and engaging with the men and women of small business, by acting in a very clear-eyed and purposeful way to support the entrepreneurial environment within which they operate. To listen to, get alongside and benefit from the impressive case studies, the great stories, you heard from coalition members is showing that we are getting this right and we are healing the harm and hurt the small business community had inflicted upon it by the previous Labor administration.

We have spent our time in government out and about, meeting with these enterprising men and women, hearing about the daily challenges and triumphs that are at the heart of their lives and are very much the dominant thing that occupies their waking hours. We are committed to ensuring that Australia is the best place to start and grow a small business, and we are getting there as evidenced by the examples that I shared with you. We are seeing signs of it.

Labor, for some reason, wants to run down the economy. They want to create a kind of economic funk. That is yet another example of the self-serving nonsense we hear from Labor. Do you know business confidence is at a plus-10 percentage point? It is at the highest level in almost two years. Even today there were some buoyant Westpac consumer confidence figures. There is lots to be positive and optimistic about. There is no risk of you finding positivity and optimism in the Labor Party. It does not suit their base political objectives.

We are getting on with the job. We are getting on with implementing our economic action strategy. We are committed to ensuring that Australia is the best place to start and grow a small business, and we are getting there as evidenced by the examples that I shared with you. We are seeing signs of it.

This bill includes three more of the small-business measures and provides a further $1.8 billion of cash flow benefits to these hard-working, enterprising men and women. Schedule 1 of this bill will provide a five per cent tax discount for approximately 70 per cent of small businesses which are not incorporated capped at $1,000 per taxpayer. We understand that two-thirds of Australian small businesses are not incorporated. That is something that Labor has failed to appreciate. Even in their budget reply speech, when we mapped this out in great detail, there was nobody home. I am not even sure if the lights were on, but there was nobody
home to understand the true nature of the small business economy when Labor was trying to play catch-up footy to the coalition's measures.

The discount of five per cent is broadly mirroring the benefits of the 1.5 company tax cut for small businesses. With both of these measures in place all small businesses will be eligible for a tax cut no matter how their business is structured. This measure reflects our knowledge and understanding of how small businesses are actually operating in our economy. There is no 'one size fits all' because there is no single model and modality of small business and entrepreneurship in our economy.

Schedule 2 of this bill will provide immediate deductibility for professional expenses for small business. The cost of professional advice and payments made to government agencies will be immediately deductible instead of having to be depreciated over five years. Once again, this will improve the cash flow of small businesses, particularly in that start-up phase when cash is scarce and there is a need to improve that cash flow as best we are able. It is also about reducing the regulatory burden imposed upon these businesses.

Schedule 3 of this bill will reduce red tape within the fringe benefits tax system by expanding the FBT exemption for work-related portable electronic devices. Under this bill, small businesses with an aggregate turnover of less than $2 million will be able to access an FBT exemption for all portable electronic devices that staff are provided with for work purposes. At the moment, this exemption applies only where there is a single device with a single type of functionality. So if you gave your staff member a mobile phone, one of these technological devices, for their work, perhaps to monitor what is going on in the field, to get advice about the microclimate in a horticultural business or even to engage with customers, and you then gave them an iPad, you would risk an FBT liability, even though we are encouraging digital engagement of small enterprises in our economy—something we need to do more of. This measure is removing an impediment that needs to be dealt with.

This exemption will be available even if multiple devices with substantially similar functions are provided by an employer to their employees for work purposes. The government has acknowledged that with the development of new products and increasing overlaps in the functionality of these devices it is becoming increasingly difficult for employers to determine with certainty which devices can access the existing FBT exemption. This uncertainty is stemming the use and availability of critical tools of trade for small business—that is, portable electronic devices. We need to work in a thoughtful way to boost digital engagement of our small business community. That is another part of what the government is doing. With the evolving technology being used for work purposes, the legislative provisions that allow for an FBT exemption for portable electronic devices and computer software simply have not kept pace. That is what we are dealing with in this bill. We are resolving this issue, with the bill allowing the existing FBT exemption to apply to items that may have substantially similar functions. This will simplify the current rules and provide employers with more flexibility in the number and nature of items given to employees by disregarding overlaps in the functionality of these items.

As such, simplifying this exemption is expected to lead to a reduction in compliance costs for employers. There are around 30,000 small businesses with an annual turnover of less than $2 million who lodge FBT returns. This reinforces the government's position that the tax system should not impede innovations by companies hoping to grow and employ more
people. This measure will reduce red tape and regulatory costs for small business. Such a step is crucial for small businesses, which tend to face a proportionately higher regulatory cost than larger businesses because of their inability to take advantage of economies of scale and the understanding and application of compliance with government regulations. Moreover, small businesses typically have fewer resources with which to specialise in meeting their compliance obligation. So this is about removing and simplifying an FBT portable electronic device exemption. That is going to provide great benefits to small business.

The government is out and about. We are listening to, collaborating with and learning from small businesses every day and sharing those insights in this chamber, as you heard so eloquently done by coalition members as part of this debate. We are committed to making it easier to do business in Australia, to make our economy and our country the best place to start and grow a business. There will be more in this budget package. We have work to do and legislation to bring forward about the capital gains tax correction in a situation where the ownership is the same and the business activities are the same but the owners feel they need to restructure their business to prepare it for the future. That risks a capital gains tax liability event, even though all that the businesses are doing is what we are encouraging them to do: to be ready and to get themselves in their best possible shape to succeed into the future.

There will also be some legislation coming forward in the spring session about a new funding framework, about crowd source equity funding as being another channel, another avenue, that small and growing businesses may be able to take advantage of to bring in much-needed venture capital, growth capital and equity into their business. That is an important measure. At the moment workarounds allow funding to come into those businesses, but linked to special offers. You might support the start-up of a new magazine and put your money in and get five years of free subscription. That is a workaround that we see in the current economy. But if you want to offer your investors a stake in that business, an equity position, the law currently does not provide for that. We see that as a shortcoming in the range of financing options available to small enterprises, and that is something we are going to fix.

I have released a discussion paper in recent days teasing out what those policy settings look like from the government's point of view, particularly for publicly listed companies, but also drawing in insights from those in the start-up community and looking at how we can support funding avenues for small business and growth businesses and how we deal with proprietary limited companies, as some of the disciplines of a publicly listed company are not actually part of a proprietary limited business's existence. How do you make sure that there are appropriate checks and balances, good governance arrangements and good disclosure requirements? This is something we are working through as well. I think that could put us at being world class, as most other countries where crowd source equity funding is available tend to limit that availability to publicly listed businesses. They have not dealt with the challenge of proprietary limited, closely held businesses. That is something that we are turning our mind to.

So there is more to come. My message to Australian men and women of small business is that we are continuing to work as hard for your success as you do. This package of measures, another third instalment of our budget package, is a continuing demonstration of our commitment. We know there is more work to be done. We are up for it. We are going to work as hard for their success as they do. I commend this bill to the House.
The DEPUTY SPEAKER (Mr Vasta): The question is that the bill be now read a second time.

Question agreed to.

Bill read a second time.

Third Reading

Mr BILLSON (Dunkley—Minister for Small Business) (17:22): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Medical Research Future Fund Bill 2015

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be considered at the next sitting.

Medical Research Future Fund (Consequential Amendments) Bill 2015

Consideration of Senate Message

Bill returned from the Senate with an amendment.

Ordered that the amendment be considered at the next sitting.

BUSINESS

Rearrangement

Mr BILLSON (Dunkley—Minister for Small Business) (17:23): I move:

That business intervening before order of the day No. 9, government business, be postponed until a later hour this day.

Question agreed to.

DOCUMENTS

Terendak Cemetery

Consideration

Debate resumed on the motion:

That the House take note of the document.

Mrs SUDMALIS (Gilmore) (17:24): Thank you for this opportunity to speak on the repatriation of the remains of Australian servicemen from the Terendak Military Cemetery.

Prior to a change in the Australian repatriation policy on 21 January 1966, service personnel who died overseas after the Second World War were interred in the closest practicable 'Commonwealth' cemetery, unless the next of kin elected to have the remains returned to Australia at their own expense.

While this decision provided for the repatriation, from that date, of the remains of all Australians who had died in the Vietnam War, to Australia, if the family should so wish, the decision was not retrospective. Australia deployed more than 60,000 servicemen and women to the conflict in Vietnam between 1962 and 1973, with 521 Australian names listed on the
Australian War Memorial's roll of honour. Of these 521 Australian war dead from the Vietnam War, 26 are buried overseas: one in Kranji War Cemetery, Singapore; one in Ireland, consistent with the wishes of the family; and the remaining 24 are interred in the Terendak Military Cemetery in Malaysia. A further six have had their ashes interred or scattered overseas. One of Gilmore's Vietnam veterans, Ian Hughes, was himself on a burial party and has since been back to pay respect to his old commanding officer, Major Badcoe VC. Mr Hughes commended to me the importance of the repatriation of servicemen from Terendak Cemetery. He expressed his concern that families were not able to tend the graves and honour their fallen heroes.

On 25 May 2015, the Australian government announced its intention to offer to repatriate the remains of 35 Australian servicemen and their dependants from the Terendak Military Cemetery, in Malaysia, and return them to Australia, subject to the individual wishes of the families concerned. The Prime Minister announced that they would be repatriated with full military honours. I am proud of the government's decision on this repatriation, which seeks to right the inequity of the Vietnam era repatriation policy, a policy which remains a long-standing grievance in the Vietnam-veteran community.

As a nation it will give us the opportunity to 'put this right'—as we did with all those others who died in the Vietnam War—and bring these men home. The offer follows extensive consultation with the RSL, the Vietnam Veterans Association of Australia, the Vietnam Veterans Federation of Australia and veterans' families. As the member for Gilmore I am often afforded the great honour to attend services honouring our servicemen and women who have served their country. These services are such a respectful experience, often greatly supported not only by those who are directly related to those who served but also by the younger generation—our local schools, family members and young people wishing to show their respect. They understand the importance of respecting those who died to give us the lives we live, in this beautiful country of ours.

This initiative of repatriation will offer the families of those Australians buried at Terendak Military Cemetery the opportunity to bring their remains home where they can have unrestricted access to their graves. The exhumation operation is anticipated to occur in May 2016 with repatriation to Australia around the middle of next year. The Australian government will respect the wishes of the families who choose to leave their loved ones resting where they currently lie. I understand that the Malaysian government has pledged its support and offered to assist with the repatriation wherever possible.

I cannot explain to you the full impact that this policy change will have on our Vietnam veterans and their families. Imagine, if you will, a group of servicemen and women sent by the Australian government to a war that was being socially debated as one in which Australia should not have been involved. Imagine the bond these Defence personnel built as a result, for the only people they could completely depend on, rely on and trust were their comrades in the field of battle. Imagine their sense of abandonment when they returned after the close of an unwinnable war, where they were socially shunned and abused and their only support was that of those who shared the same experience.

I have a close friendship with a group of Vietnam Vets in Gilmore. They ride motorbikes, they wear leathers and they are an amazing group of men. I am deeply touched by the level of loyalty and connection that they share with each other. When Trapper had a motorbike
accident recently—he was hit by a vehicle that was going down the highway at speed—his mates Dee Kay and Dingo were beside themselves as they were not able to accompany him to hospital. They were not able to make sure his colours were left by the roadside. Such is the level of their comrade-in-arms bond. You can fully understand how critically important it is not to leave your battle buddies behind. The repatriation of the remains at the wish of the families of those who are buried in Terendak is not only the right thing to do, it is essential to honour those who have passed and those who are still living, for they have an unbreakable bond with their fallen.

Mr ZAPPIA (Makin) (17:30): I only intend speaking briefly. I entirely support the comments of the member for Gilmore in respect of this matter. I can fully understand the sentiments she was trying to express and relay to the House about what it must be like to have next of kin buried in a country far, far away. It would be my view that it would never truly bring closure to those families until those ex-service personnel are brought home and rightfully brought back to their own home town, which is where they should lie in rest.

This matter is appropriately being debated right now as on this coming Sunday I will be attending the Vietnam Veterans Day in Adelaide. The memorial day is held each year at about this time in memory of the people who served Australia in Vietnam, where, as we know, 521 soldiers were killed and many, many more were brought back injured either physically or mentally.

The Vietnam War was indeed a defining period for Australia in many respects. It was a polarising war. There have been debates in this place time and time again with respect to how it impacted not only families back here but more particularly how that polarising effect throughout the community in turn also impacted on the veterans themselves as they returned. It took some years for the government to try to build the bridge that was necessary to be built and acknowledge that those soldiers who represented Australia were doing their duty to this country, and that they deserved the appreciation and respect of all Australians for doing so. It was not their choice, it was not their call as to whether there should or should not be a war and it was not their judgement as to the rights and wrongs of it. They simply did their duty and for that we should be grateful and show that gratefulness through treating them with the respect that they quite rightly deserve.

I was very surprised to learn that there are still several of our defence veterans buried in Terendak in Malaysia and in the Kranji War Cemetery in Singapore. I understand that 24 Vietnam vets are at Terendak and one is at the Kranji War Cemetery. There are also eight service dependents buried at Terendak. I think it is regrettable that they were not brought back to Australia earlier. I know, not only from listening to the member for Gilmore but also from my own research, it would have cost families some £500 at the time to bring back one of their Defence Force family members—it seems to me a gross injustice that that should have been the case. They should have all been brought back without that cost being imposed upon the families. I also know that it would mean an incredible amount to the Vietnam veterans that the government is taking this action and that the opposition is supporting it. We will now do what we can with the support of the families—at their request and with their permission—to bring those people back.
The Vietnam veterans in the northern region of Adelaide—which the member for Wakefield, who is sitting here in the chamber, could well attest—have for many years had their own subbranch of Vietnam veterans. It is a very strong subbranch. They have set up a facility alongside the Edinburgh defence base where there are other Defence Force personnel. They have their own centre there. It is a centre that has been going for some years, but for them it is an important centre because it enables them to come together and support one another in a way that nothing else could. The support is needed for the very points that I made earlier about how the effects of the war upon them were very different to, I suspect, the effects of other wars on other soldiers, because of what they found when they came back to Australia.

I have had over the years similar experiences to the member for Wakefield, where I have worked very closely with Vietnam veterans. In my own community, in fact literally at my own backdoor, there is a memorial to the Vietnam veterans who came back. Each year we have what we refer to as the Long Tan memorial on 18 August to commemorate and remember the Vietnam veterans who died in Vietnam. Montague Farm, which is part of my electorate and as I have stated on previous occasions, is a community that was designed by a person who ensured that all of the street names were named after Australians who had lost their lives in Vietnam. The whole community of Montague Farm is effectively dedicated to the Vietnam veterans. As I said I will be going to a service on Sunday, as I do each year, to pay my respects.

I am pleased that the member for Wakefield is here because I understand he will perhaps be joining me at a commemoration event on 20 September this year. The northern branch of the Vietnam veterans will be commemorating all of those Australians who lost their lives by dedicating a section of their facility, which they will call the Keith Payne Memorial Garden—Keith Payne being one of the Vietnam Victoria Cross recipients. That again will bring some recognition to them.

In talking about recognition, last year I was asked to launch a book by Dr Glen Edwards, who was a Vietnam medic. He has written two books—*The War Within* and *Beyond Dark Clouds*. Both books track the lives of not only the soldiers but also the families of soldiers who served in Vietnam. The families are from Australia, New Zealand and the US and study the effects that the war had on the families and on the individuals who participated in those wars. It is quite an eye-opener to get inside the thinking of those families and how it truly affected them, in particular the traumatic situation that many of those families still face today.

Getting back to this legislation, that the government has finally come to the position that, if families request it, it will bring back the bodies of all of those Vietnam veterans who are buried overseas I believe will be seen by all Vietnam veterans as a huge step towards closure on their participation in that war. It will go a long way towards showing that the government does care about them, is prepared to respond and is prepared to support them on what I am sure they would say is the fair and decent thing to do.

We on this side of the House have for years supported the efforts to bring those people back home. For their families in particular, as I said at the outset, I suspect this is the only way to bring them closure. For those reasons, I am sure that I am speaking on behalf of all members of this House in saying that this is a move that not only is long overdue but will have the support of all members in this place.
Mr HUTCHINSON (Lyons) (17:38): I would like to associate my comments with those of the member for Makin and the member for Gilmore. I also will just acknowledge the conversation I had this morning with Gary Graham, who is the President of the Vietnam Veterans Association in Tasmania. He lives in my electorate on the east coast in the beautiful town of Scamander. It is right and it is proper that, in 2015, this offer has been made to the families of the 26 Australian Vietnam veterans who remain buried overseas.

It was in May 1965, a month before I was born, that 1RAR was deployed to Vietnam in military combat. Prior to May 1965, from 1962 on words, there were 30-odd Australians serving there in an advisory capacity to what was at the time the South Vietnamese army. This is history. It is right and it is proper that we mark and honour the service of all those men who died and, indeed, all those men who served in that conflict at that time.

The opportunity that the Australian government has provided for the families of those who remain buried in South-East Asia is entirely at the discretion of the families involved. If the families wish to have their relatives' remains returned to Australia that is an option now available to them. It is intended, as I understand it, that that will occur between May and June of next year. I think most Australians would agree that this is righting a wrong. History shows that, prior to 21 January 1966, service personnel—it was a legacy of the Second World War—who died overseas were interred in the closest practicable Commonwealth cemetery, unless the next of kin elected to have their remains returned to Australia at their own expense. We are, with this legislation, righting a wrong, I think most would agree.

The 21 January 1966 decision provided for the repatriation from that date onwards of the remains of all Australians who died in Vietnam in the Vietnam War to Australia, should the family so wish. But the decision was not retrospective. Five hundred and twenty-one Australians lost their lives in the Vietnam War. Twenty-six, as I mentioned before, are buried overseas—one in the Kranji War Cemetery in Singapore, one in Ireland, interestingly, which was consistent with the wishes of the family, and the remaining 24 are interred at the Terendak Military Cemetery in Malaysia. The cemetery is located within an operational military base in Malaysia. That is the fundamental reason why access to that cemetery is problematic, as one could appreciate. Whilst it is not the primary reason, it is no doubt one of the reasons why the offer has been made to have their remains returned to Australia at their own expense. We are, with this legislation, righting a wrong, I think most would agree.

In the coming years we will have a number of battles to commemorate—Long Tan, Coral/Balmoral and Binh Ba. During the recent winter break, I had the opportunity to travel to Vietnam. I travelled there with some friends. As it happens, one of them was the Independent member for the legislative council in Tasmania, Mr Greg Hall, who himself was a Vietnam veteran. It was the first time I had visited that country. It was enlightening travelling with somebody who had been there at that time. He was involved in an artillery battalion. I got maybe just a small appreciation of the difficulties. I saw firsthand that on a number of occasions it was quite emotional for him, as I think most people could understand. He lost friends at that time. The difficulties that many Vietnam veterans had on their return to Australia are well documented. Let us hope that this final opportunity for those men who served our country, involuntarily in many cases, will help the healing process. I think all Australians and certainly everybody in this parliament will support the initiative of returning the remains of those 25 men to Australia, if it is so desired by their families.
Ms BRODTMANN (Canberra) (17:45): It is impossible to exaggerate what we owe to our service personnel and their families, those who are working to keep our country safe here and abroad now and those who fought to protect our nation and its interests in the past. It is impossible to exaggerate what we owe their families. That is why I stand today to support the government's offer to bring our Vietnam fallen home. It is timely, as next week Australia will commemorate Vietnam Veterans Day, where we will remember the men and women who served and died in Vietnam.

As we have heard today, close to 60,000 Australians served in Vietnam and 521 made the ultimate sacrifice. Out of the 521 who died, all but 25 were returned home to Australia. Twenty-four of these bodies still lie at the Terendak cemetery in Malaysia and one lies buried in Singapore. These men were not brought home because, until Australia changed its repatriation policy on 21 January 1966, service personnel who died overseas after the Second World War were interred in the closest practical Commonwealth cemetery. That was unless the next of kin elected to have the remains returned to Australia at their own expense. Terendak Military Cemetery is not readily accessible. It is located within a large operational Malaysian armed forces base and, due to security restrictions, does not allow the ready access of cemeteries elsewhere where Australian service personnel are interred.

In May this year, the Prime Minister made the offer of repatriation to all of the families of those buried at Terendak, including those of service dependants. The offer was also extended to the family of the only other Australian who died in the Vietnam War, Warrant Officer Kevin Conway, who is buried in Kranji War Cemetery in Singapore. These families can now decide to bring their loved ones home, or they may choose to keep their loved ones at Terendak—but they now have the choice, which is vitally important. I acknowledge and thank the government for its repatriation offer, for its promise to fully finance the repatriation and for its promise to bring these soldiers home with full military honours.

I would also like to acknowledge the work of the Vietnam Veterans Association of Australia, which I know has been working to achieve this outcome for many years as part of Operation Bring Them Home. I know it means a lot to the families of not only the soldiers interred at Terendak but also the wider veterans community. In acknowledging the wonderful work of the Vietnam Veterans Association and the fact that Vietnam Veterans Day is next week, I want to take this opportunity to thank the many organisations that are involved in supporting Vietnam veterans in my electorate. I want to thank the Woden Valley RSL, the Barton-Capital RSL, the Hellenic RSL, the Tuggeranong RSL, the Vietnam Veterans & Veterans Federation ACT and also the Vietnam Veterans Association. Thank you so much for the support that you provide to Vietnam veterans in the community. I know I have been to a number of your events where I have heard about the support you provide, not just in terms of helping people fill out forms and getting the appropriate benefits and care that they need but also in providing an opportunity for Vietnam vets to get together as mates, have barbecues and do a bit of carpentry work, or just in keeping people healthy and ensuring their ongoing wellbeing.

Finally, I want to bid farewell to a Vietnam veteran who is close to my heart—that is my father-in-law, Ian McLean Uhlmann, who passed away this morning. Ian carried the scars of that war not physically but emotionally. As my late mother-in-law Mary said, she got a different man back from the war. Ian passed away in his bed at home this morning. I want to
pay tribute to him. It is a very common story of men of that generation who did it tough and yet stared down challenges and just got on with life and did not complain.

Ian was born in Brisbane and grew up on a farm in Nambour. His father was an unsuccessful pineapple farmer, coming off the back of the Depression. He left school at 12 to make money for the family and worked in a sugar mill, where he once declared the communists were the only people who did anything for the workers. He then worked on a forestry plantation with migrant workers, which he absolutely loved. He loved working with people from all over the world. He was a man of great intellect. Even though he was not traditionally well educated, as we say, he read widely. He loved reading. He was a Renaissance man, particularly with his reading. He had the opportunity to work in this forestry plantation with people from all over the world, with stories from all over the world—he would have absolutely revelled in it.

One day while he was eating his lunch a newspaper blew up against his feet with an ad saying to join K Force and learn a trade. He had always wanted to be a carpenter, so he joined. On the day he joined, he was told the K Force was over. He could not be a carpenter, so he joined the infantry. He served in Malaya during the emergency and was joined by his new bride, Mary Rose Uhlmann, who was much loved. He adored that woman. That woman was the centre of his universe. She passed away five years ago. Since that time, he really has not ever been the same. His health deteriorated dramatically. In fact, we all thought that he would go very shortly after Mary died, but he did not. He hung on for another five years, to the great surprise of all of us. I think what kept him alive was his strength of will but also the desire to continue to watch his many, many grandchildren grow and flourish.

He was posted to Malaya with his new bride and shortly thereafter the first of six children arrived. He had postings in Sydney, Brisbane, Canberra, Brisbane, Townsville, Adelaide and Canberra. While in Brisbane, he served in Vietnam. He worked his way up the ladder, after doing a number of what he called 'knives and forks' courses. He worked his way up from private soldier to major.

In 1972 the family moved to Canberra and for the first time Mary did not have a tiny army house. It was the first time that they moved into a privately built house, and she was so excited when they pulled up. She said, 'Look, Ian, it's a Jennings home.' He died in that same home they pulled up outside of that day in 1972; he died in that home in his bed this morning, and that, I think, was really wonderful for him. I know that he was really resisting having to possibly move into aged care or some other care. We could not have wished for more than that he died in his bed at home.

He came here in 1972 with this huge family—a good Catholic family of six children. Chris is the second of the six. Shortly after moving here, he left the army and became a Defence civilian working on the small arms program that produced the Steyr. Today he died in the home he loved—the first and last Jennings home that he and Mary Uhlmann lived in. He was just shy of his 86th birthday. He leaves behind a very broken-hearted family—Mark, Vicki, Caitlin, Ainslie—I have to go through them all now—Andrea and Anthony and the four kids. We have Liz and Kate and the two girls and Amanda—his beloved Amanda—and Frank and Liberty, Chris and myself, and Paul and Jules over in Perth. We will all be joined up again next week, paying tribute to this lovely man—a man who did it tough in his youth and who joined the army to see the world to have a better future for himself and his family. He had
wonderful experiences in the army. He did get to travel through it, though, unfortunately, Vietnam really did affect him—not physically but emotionally, as I said. To Ian Uhlmann, vale, and to all those Vietnam Vets who bear those scars, there is support there. We thank you for the service that you gave our nation. It is wonderful that the repatriation offer is available. I congratulate and thank the minister and the government for this. Vale, Ian Uhlmann.

Mr BROADBENT (McMillan) (17:55): Just for a moment I would like to identify with the grief of the member for Canberra. We are connected in a way: the member for Canberra's mother is a close friend of Audrey Conrow, who is a close friend of mine. I would like the members who are here in the chamber to identify with the grief you are going through. There is nothing, nothing, harder than losing a family member—a mother or father. We would like to identify with you today and the fine presentation you have just made on behalf of Ian.

Mr RUDDOCK (Berowra) (17:55): If I may, Mr Deputy Speaker, Chris is a great friend. We share your grief and very much appreciate the way you were able to commend the very special relationship you all have in your family.

Mr ANDREWS (Menzies—Minister for Defence) (17:56): I would like to add my commiserations to Chris and to you, Gai, and the family.

The DEPUTY SPEAKER (Mr Goodenough) (17:56): Please accept the condolences of the House.

Mr MCCORMACK (Riverina—Parliamentary Secretary to the Minister for Finance) (17:56): I only came in on the end of the member for Canberra's contribution, but I too pass on my condolences to you and your family. It was a fine contribution.

Ms BRODTMANN (Canberra) (17:56): Thank you very much, Mr Deputy Speaker, and thank you to all my comrades in the chamber. Thank you so much for your heartfelt messages. I know it will be of great comfort to Chris and the family. I will pass it on to them. Thank you so much.

Ms MARINO (Forrest—Government Whip) (17:56): I too add my condolences to the member for Canberra. It is very difficult to walk into this place and make the comments that you did.

The year 2015 marks 50 years since the arrival of combat troops and the escalation of Australia's involvement in Vietnam. There were 60,000 servicemen and women deployed between 1962 and 1973. It is very appropriate and it is right that we honour their service—specifically the 521 Australians whose names are listed on the Australian War Memorial roll of honour, 26 of whom are buried overseas and 24 at Terendak Cemetery in Malaysia. I thank the government and the minister for offering the families of Australian servicemen killed in Vietnam and buried overseas the opportunity to repatriate their remains, should the families wish to do so. This decision has been made in consultation with the Vietnam Veterans Association of Australia, the RSL, the Vietnam Veterans Federation of Australia and, of course, the families of the Vietnam Veterans themselves.

On 21 January 1966 a decision provided for the repatriation of the remains of all Australians who died in the Vietnam War from that date, should the families wish to do so. The exhumation process may start from May 2016 with repatriation around the middle of next year. In his statement on this matter on 25 May, the Prime Minister announced that those who had died in the Vietnam War would be repatriated with full military honours. Ultimately, this
The decision to repatriate the remains of these Australians does lie with the individual families, as it should. The Australian government will respect the wishes of the families who choose to leave their loved ones resting where they currently lie. I understand that the Malaysian government has pledged its support and offered to assist with the repatriation wherever possible. The government is particularly pleased with that assistance.

Hundreds of young men from my part of the south-west of Western Australia were either conscripted or volunteered for service in the Australian Defence Force during those years in Vietnam. There were those who fought and those who supported them in what they did. There were volunteers, medical staff and a whole range of others.

The reason I want to speak on this particular issue is because I know very well what this will mean for the families who choose to have their loved ones repatriated to Australia. I have said previously in this House that I am the daughter of a World War II widow. I know what this would have meant to my mother, and I know what closure this will mean for the families who choose to take advantage of this particular offer by the government. My mother lived her whole life not actually knowing how her husband had spent his last days and hours. In 1943, when her husband, Jack, was killed in New Guinea, it was such a tough environment. His remains were apparently buried on the banks of the Busu River.

At the time my mother was living on a dairy farm in the little town of Brunswick in Western Australia—she was helping her family through the war years—and she simply got a telegram that said, ‘Your husband is missing, presumed killed in action’. She had waved goodbye to her husband on a train; she had seen him go, and that was the last time she saw him. For her, and for the families of these young men, there was very little closure, because they simply said goodbye to them and they did not come home. The family do not get to have a funeral. For my mother, Anzac Day became the day that she felt most—every Anzac Day, for more than 60 years, her floral tribute was often the only one on the Anzac war memorial in Brunswick, even in those years when there were no Anzac services. I know that it was very hard for my mother because she never had a funeral for her husband, she never had the remains of her husband and she never had that sense of closure.

In speaking to this particular motion, on behalf of those families who are not here to speak I thank the minister and the government for this offer of repatriation. This will have an incredible impact on the families. This is something that I know my mother and my two older sisters, who lost their father, would have greatly appreciated had it been possible all those years ago. I really want to say to the minister that this is very, very important to the families. I am sure that he has already had that type of feedback. It is up to the families whether they take up this opportunity—the government is going to respect their wishes—but to have their loved ones back in Australia, in an area that they choose, and to be able to have a physical and tangible memorial here in Australia will be profoundly important.

The sense of closure cannot be underestimated. When people go through the grieving process, it is very much part of it. For my mother, it was a burden she carried all her life. It was not until she was 70 that she met at a 2/28th reunion the man who, when he was 19 years old, spent the last two days of her husband's life with him. Her husband was 43, one of the oldest people to enlist, and this young man had spent those last days and hours with her husband; he had physically seen her husband's body and helped to take it back to have it
buried. He was the same young man who, several years later, had been chosen to lay a wreath at the war memorial in Lae and it is on the gates of Lae where her husband's name is.

The member for Macquarie and I were recently in Bougainville as part of the USNS Mercy's endeavours in delivering health outcomes with our Defence Force as part of the Defence Force program. One of the things that we felt so privileged to do was help clean up a war memorial that was erected by Lions of Australia to commemorate a local clan chief who had assisted the Australians during the war, and who was beheaded by the Japanese for doing so. I know the member for Macquarie and I physically did a great deal of work with our Defence Force on that day, but we were so privileged to be able to do so. In some small way for me, it was a profound experience; in a sense it was for my own mother. I was particularly grateful for the opportunity and very touched to be able to do so. As we look ahead to Vietnam Veterans Day, on 18 August, I think this is a profound moment for a lot of people at this time. I will be talking to Vietnam veterans when I go to their gathering on Sunday, and I acknowledge all those people, particularly the families of the fallen, for whom this will mean so much, and I thank you for your efforts on this.

Mr FEENEY (Batman) (18:05): Kranji War Cemetery sits 22 kilometres north of the city of Singapore and among the thousands of WWII Commonwealth war dead lies a solitary Australian soldier killed in the Vietnam War, Warrant Officer 2nd Class Kevin Conway. Across the Straits of Johor in Malaysia lies Terendak Military Cemetery, where 24 other Australians killed during the Vietnam War are buried. These 25 soldiers are the only remaining Australian servicemen, killed during the Vietnam War, who have not been returned to Australia and to their families for burial. There were 521 sons, fathers, husbands, uncles and friends who died during the Vietnam conflict, all of whom were brought home—all except for these 25 men. It was changing government policy that led to this arbitrary situation. In the early days of the Vietnam War families would have their loved ones' bodies sent home only if the next of kin or a benefactor were willing to pay 500 pounds for their repatriation. If this substantial fee was out of reach for a family, their loved ones too remained out of reach—buried in Terendak in Malaysia. This all changed in early 1966 when the Australian government resolved to return all Australians killed in Vietnam home at the Commonwealth's expense.

Still buried far from home, decades after the conflict that took their lives ended, these 25 men are the consequence of those earlier, unjust policies. The emails and letters that I have received from the families of some of these men reveal the human cost of these policies. These messages were often short and painfully poignant—'he's been away from home for too long,' one read. Nothing can alleviate the pain of losing a loved one but these messages reveal the additional burden placed on families who could not find closure, who could not visit the grave of the person they remembered as being vibrant and full of life. It is these messages, these personal stories, that speak to the importance of righting this wrong—a wrong that has continued to impact families for half a century. It is therefore with great pleasure that I speak today in support of the decision to give the families of these men the opportunity to decide for themselves where they should finally rest.

I would like to acknowledge the work of the Vietnam Veterans Federation of Australia and the Vietnam Veterans Association of Australia, who have diligently worked and campaigned to bring about this outcome. I would also like to make special mention of Vietnam veteran
Bob Shewring and former ADF member Luke Gosling, coordinators of the Operation Bring Them Home campaign, for their efforts and their tireless advocacy. This campaign began in the Northern Territory several years ago when Bob Shewring began researching how to bring home Corporal Reg Hillier MID, the only territoran to be killed in action in Vietnam. Since that time, the hard work and advocacy of many veterans and family members have shone a light on this aspect of Australia's immediate history. And Australians did not just listen, they got involved—40,000 people signed the petition to support Operation Bring Them Home.

Having met with representatives of Operation Bring Them Home it was my pleasure to support their worthy cause and it was with great delight that I saw the news of their campaign spread far and wide, including in the media in Malaysia.

Labor recognised the wrong that these men and their families had endured for too long and knew it was time to bring them home, adding our support to the myriad of voices calling for action. It was not that long ago that division over the Vietnam War in Australian society had serious ramifications for the proper recognition of our returning Vietnam veterans. While our enduring obligations to our service men and women were not forgotten, they were obscured by a shadow of wilful ignorance towards the experiences of these men who had endured great hardship in service to their country. In the decades that have followed, Australia has begun the process of making amends through the proper recognition and proper commemoration of the Vietnam War as well as by improving the services and supports available to Vietnam veterans and their families. Righting this particular wrong is one significant step in the healing that continues.

Just as this welcome decision is of special significance for the families of the men buried in Terendak, 2016 will be a year of special significance for the Vietnam veteran community as a whole. Next year will be the 50th anniversary of the Battle of Long Tan, and numerous commemorative activities and initiatives are due to take place which will renew our dedication to recognising and caring for our Vietnam veterans and their families. For our young Australians this anniversary represents an opportunity to learn about a conflict that has in many ways shaped our society and the Australian Defence Force. It is an opportunity to acknowledge and better understand our uncles and fathers and grandfathers as they deserve to be acknowledged and understood and in so doing ensure our enduring responsibility to veterans is transferred to the next generation.

Today I congratulate everyone who has worked so hard to bring about the opportunity for these families to repatriate their loved one. I also honour all those men who served in the best traditions of the Australian Defence Force during the Vietnam conflict—all those who came home and all those who did not. As it should have been all those decades ago, where these 25 Australian servicemen will lie is now in the hands of the people who knew and loved them best. Whether that is next to other family members in the town where they were born or just below a line of trees on the green sloped grounds of Terendak cemetery, these men will be loved and they will be remembered.

Mrs GRIGGS (Solomon) (18:11): This parliament is the scene of many robust debates. Those of us on this side of the chamber do not always share the opinion of those opposite. No matter the ideology or the beliefs of members of this place, everyone in this building should be united by a desire to do what is right. In the matter we are discussing today, there can be no argument that what we are doing is the right thing. In considering matters relating to the
Australian defence forces, my argument will often come back to a simple principle—if we as a government decide that the men and women of the ADF need to put their lives on the line, then we as a government are obliged to do everything we can to support them. In some cases that support will take the form of making sure they have the right equipment to do their job. When our servicemen return from the battlefield, we owe it to them to ensure they have the best of care for the physical and psychological wounds that they may have suffered. Another form of support that we owe our service men and women is that, should they make the ultimate sacrifice, their service be acknowledged and their memory must be honoured.

A young man by the name of Reg Hillier was working as a jackaroo in the Northern Territory in 1961 when he enlisted into the Australian Army. His life working in the outback set him up well for the Army and he excelled in his role as an infantry scout. He deployed to Vietnam with the First Battalion and was commended for his outstanding leadership and courage. Corporal Hillier—or Reg, as he is affectionately known in the territory—punched above his weight in combat. His tracking skills were used to follow and attack small enemy units, and his courage in going into Viet Cong tunnels led to the capture of valuable intelligence.

Sadly, Reg was killed in action at Vo Dat on 29 November 1965. His family were told of his death—and at the same time given an ultimatum: they could provide 500 pounds to cover the cost of repatriating Reg's body from the battlefield to his home in the Northern Territory or, if they chose not to pay the money, Reg would have to be buried overseas. I want everybody to stop and think about that for a moment. This family would have received a telegram and a visit from a Defence Force padre informing them that Reg had passed away—that he had died overseas in a distant battlefield. They were given an opportunity to bring him home, but it was going to cost them 500 pounds. That was a large amount of money for anyone in those days to have lying around. There can be no question among any right-thinking person that the way the Commonwealth of Australia dealt with this was wrong. Reg's family could not afford to have him repatriated—as I said, 500 pounds was a year's salary to many people back then—so he was buried a thousand miles away from his loved ones in a military cemetery in Malaysia. If what we are considering today becomes law, then Corporal Hillier's remains will be returned home and he will be finally laid to rest in the Adelaide River War Cemetery in accordance with the wishes of his family.

Speaking of his family, I had the great privilege of meeting Mr Neil Bond a few weeks ago. Mr Bond is Reg Hillier's nephew and next of kin. I introduced Neil to the Minister for Veterans' Affairs, and the three of us had a long and, at times, very emotional conversation. Neil told us of the immediate aftermath of Reg's death and the toll that that took on his family, particularly on one of Reg's sisters. He also told us of the many years of anguish Reg's sister endured following his death and her dealing with the guilt that they could not afford to bring him home. I cannot begin to imagine how this family felt. I cannot bear to think about how they felt being told by the nation that the remains of their family member, who had given his life, would not be brought home unless they paid. This anguish, as I said, took its toll on Reg's family. His sister's health gradually declined in the years that followed his death. She had not lived long enough to see this wrong made right. How much pain could we have averted if we had acted earlier?
There are an awful lot of people in Australia who deserve thanks in bringing this motion before the House. Within my electorate, as has been pointed out, Bob Shewring from the Vietnam Veterans Association has been a tireless advocate of this cause. I met with Bob on many occasions over the last five years, and I relayed his concerns to my colleagues. To the Prime Minister, and to the Minister for Veterans' Affairs, Senator Michael Ronaldson: thank you. This has not been an easy issue to pursue. The Prime Minister and Minister Ronaldson have committed a lot of work to this, because it was the right thing to do. It is the right thing to do—and I thank them sincerely. I would also like to thank the Malaysian government, who have cared for and respected our men over the last 50 years.

To those opposite: when the veterans' associations brought this issue to your attention, what happened? My fellow Territorian, the honourable member for Lingiari, was the former Minister for Defence Science and Personnel and former Minister for Veterans' Affairs; why did he not right this wrong? Why, when the veterans' associations and the families of the deceased came to him, did he not right this wrong?

There is nothing this parliament can do today to undo the past. The best we can do—and it is 50 years too late—is to offer the next of kin of Reg Hillier and his comrades in arms what they should have been offered all those years ago: a dignified repatriation. It should have happened 50 years ago, as I said, but, because it did not, the best we can do is to make that commitment now. We must offer to bring our people home.

Beyond this issue of the repatriation of these men, we need to remember the duty that we owe to all our servicemen. Every time someone returns from a battlefield where they have fought in the service of Australia, they are owed a duty of care by this nation and its people. To the men and women who will return, carrying the burdens of their service: we owe them the best of care. For those who lose their lives on the battlefield, we pledge: we will remember them. I say today, in commending this motion: we must do more than remember them—we must honour them. I commend the Prime Minister's statement made on 25 May here in this place, when he announced that those who died in the Vietnam War will be repatriated with full military honours. We are righting a wrong made 50 years ago. Thank you, Prime Minister, and thank you, Minister Ronaldson, for righting this wrong.

Mr CHAMPION (Wakefield) (18:20): Before, when everybody else was offering their condolences to the member for Canberra, I did offer mine privately. But I would like the Hansard to reflect that I offered my condolences to her and Chris on the death of her father-in-law.

Debate adjourned.

**BUSINESS**

**Rearrangement**

Mr McCORMACK (Riverina—Parliamentary Secretary to the Minister for Finance) (18:21): by leave—I move:

That business intervening before order of the day No. 9, government business, be postponed until a later hour this day.

Question agreed to.
 Debate resumed on the motion:

That this House:

(1) acknowledge that the 25th of April 2015 marked 100 years since Australian and New Zealand troops landed at Gallipoli;

(2) pay its respects to the 60,000 Australians who fought in the Gallipoli campaign, the nearly 9,000 who died, the 20,000 who were wounded and the thousands more who carried the unseen scars for the rest of their lives;

(3) remember the brave soldiers of Great Britain, France, India and Newfoundland who fought alongside the ANZACS 100 years ago;

(4) note that on the 25th of April, solemn services of remembrance were conducted at Anzac Cove and at Lone Pine in Turkey, attended by some 8,000 Australians, including the widows of Australian veterans;

(5) extend its thanks to the people and the Government of Turkey for their support of the centenary commemorations and their ongoing and faithful care of the Gallipoli battlefields; and

(6) note that on Anzac Day, millions of our fellow Australians gathered to remember the ANZACs and all those who have worn our uniform and serviced in the name of Australia, and that the people of every electorate represented in this Parliament have honoured this milestone, the Centenary of the landings at Gallipoli.

Mrs MARKUS (Macquarie) (18:21): The book I referred to in this debate previously, *First World War Soldiers of the Kurrajong*, referred to a family of brothers, the Lavender brothers, whose story is perhaps unique in that so many from one family volunteered. The brothers were Trooper Andrew, Trooper Victor Michael, Private Clemence Joseph, Lance Corporal George, Private Clive and Private Daniel Sydney Lavender. It is not common to find six brothers who all volunteered to serve in the First World War and returned home. If their father, Henry Lavender, had been a bit younger, perhaps he would also have answered the call and, if the war had lasted longer, perhaps the other seven siblings would also have served—a very special family.

The Woodford Academy, I am delighted to say, also received funding under the Anzac Centenary Local Grants Program. They engaged in a number of projects. The Make Your Mark in History program included a number of items: an audiovisual interpretive exhibit, permanently on display; interactive e-books, which are also on display in the museum, on three iPads, and which I have had the privilege of enjoying; and the national curriculum year 9 history unit, which is a comprehensive research training program conducted in the classroom and on-site. The 1917 honour board will also be refurbished, with the missing names of 12 boys who went to the war added to it. In all, 54 students from Woodford Academy served in the First World War.

I turn to my own heritage with regard to Anzac history. My grandfather on my mother's side, G Courtney, born in Dapto, New South Wales, enlisted on 8 February 1915. The record of Australian military forces, the Australian Imperial Force, records that he was in the 18th Battalion and notes that he was 18. He was actually only 15. He served at Gallipoli and in France. He embarked on HMAT *Ceramic* on 25 June 1915, a young teenager, not knowing what he was to face over the next four years.
The records note that on 15 April 1917 he was transferred from the 18th Battalion to the 4th Australian Field Ambulance. As my family tell the story, the reason for that was that they found out he was under age. In fact, his family had been searching for him. When the army realised he was under age, they transferred him from the 18th Battalion to the 4th Field Ambulance. I think he actually saw and endured a lot more during that experience.

The 18th Battalion, part of the 5th Brigade, trained in Egypt from mid-June through to mid-August, and on 21 August landed at Anzac Cove. The battalion had not been ashore a day when it was committed to the last operation of the August offensive, the attack on Hill 60, which lasted until 29 August and cost it 50 per cent casualties. As you read my grandfather's record, you see, time after time, 'illness', 'typhoid', 'shrapnel wounds'—the list goes on.

The 18th Battalion was spared from having to mount an attack across the quagmire that the Somme battlefield had become but did have to continue manning the front through the winter. In 1917, the 18th was involved in the follow-up of German forces during their retreat to the Hindenburg line and was involved in some particularly heavy fighting around Warlencourt in late February.

The 4th Field Ambulance served in the 4th Division. After my grandfather's transfer to the division, the history records relate that, in June 1917, they were in the Battle of Messines and, in September 1917, the Battle of Polygon Wood. In March 1918, the division was rushed to the Somme region to stem the German offensive. The list of their actions goes on. Casualties in the 4th Division included: killed in action, 8,360; died of wounds, 2,613; deaths, 872; prisoners, 2,026; wounded, 27,127. That tells the story of the people that my grandfather served with.

The Australian War Memorial's records refer to one of the most hazardous medical jobs, that of the stretcher-bearer. I have a poem I would like to read out, called Stretcher-Bearers:

Stretcher-Bearers! Stretcher-Bearers!
Seeking in the rain
Out among the flying death
For those who lie in pain,
Bringing in the wounded men—
Then out to seek again.
Out amongst the tangled wire
(Where they thickest fell)
Snatching back the threads of life
From out the jaws of Hell;
Out amongst machine-gun sweep
And blasts of shattering shell.
For you no mad, exciting charge,
No swift, exultant fight,
But just an endless plodding on
Through the shuddering night;
Making (neath a star-shell's gleam)
Where ere a face shines white.
Stretcher-Bearers! Stretcher-Bearers!
To you all praise be due,
Who ne'er shirked the issue yet
When there was work to do;
We who've seen and know your worth
All touch our hats to you.
This was an anonymous tribute to stretcher-bearers written by an Australian soldier in 1918, in the AIF magazine, Aussie.

There are also a number of relatives on my father's side who served. In fact, his father, John Tyrell, served, as well as Henry Thomas Tyrell and Joseph Michael Tyrell.

What is really important about commemorating the Anzac Centenary this year is that we have the opportunity to acknowledge all those who served. Some made the ultimate sacrifice; others returned home. My own grandfather came home and raised 14 children, believe it or not. Many of them have made a significant impact on this nation. As I stand here today, I honour them and I remember their sacrifice, their love, their courage and their passion for freedom.

Mr NEUMANN (Blair) (18:28): I am pleased to speak on this motion on the Anzac Centenary, and I thank the Prime Minister for putting it forward. At dawn on 25 April 1915, some 16,000 Australians and New Zealanders, the first ANZACs, surged ashore at Gallipoli, in north-western Turkey, in a place we now call Anzac Cove. The journalist Charles Bean—who narrowly outpolled Rupert Murdoch's father, Keith, to be elected Australia's first official war correspondent—described the troops who came ashore that morning as being from 'the outer states': Western Australia, South Australia, Tasmania and my home state of Queensland. Famously, or should I say infamously, the troops landed about a mile north of where they planned. Charles Bean, in his first report to then Labor Prime Minister Andrew Fisher, offered this description of the landing area:

... a small bay about half-a-mile from point to point with two much larger bays north and south...the hills rising immediately from the sea to 600 feet. To the north these ridges cluster to a summit nearly 1,000 feet high.

One ridge comes down to the sea at the small bay and ends in two knolls about 100 feet high, one at each point of the bay. It was from these that fire was first opened on the troops as they landed.

Bullets struck fireworks out of the stones along the beach. The men did not wait to be hit, but wherever they landed they simply rushed straight up the steep slopes.

So ends the quote. This initial fire from the Turkish defenders soon intensified. By mid-morning, the Anzacs were enduring withering rifle and machine gun fire from above as well as constant shelling. What a hell it would have been. Private Edward Boughen from the township of Rosewood, in Ipswich, in my electorate of Blair, was one of those thrown into battle that day.

Thanks to the Ipswich Historical Society, we know a little of Edward Boughen's story. We know he had attended Rosewood State School. We know his father was a carpenter. And we know that on 20 August 1914—just 16 days after Britain declared war on Germany—Edward Boughen enlisted in the 9th Battalion, the Queensland battalion, of the Australian Imperial
Force. Edward was assigned the rank of 'Bugler' and travelled from Brisbane to Melbourne and then to Fremantle for the voyage to Egypt. On 25 April 1915, the 9th Battalion was first ashore at Gallipoli as part of the 3rd Brigade. In the hours that followed, likely as he sprinted along the firing line, carrying a message forward, Edward Boughen from Rosewood was killed. He was just 20. Private Edward Boughen was one of the 650 Australians who lay dead at the end of that first Anzac Day. Many more lay wounded, suffering terribly, and hundreds in the hills were beyond the reach of help. On the beach, the injured waited all day for space on the barges to carry them to medical treatment. You see, there were no spare boats to carry them to the hospital ships until all the troops and stores had been landed. At the end of that first Anzac Day, our troops had fought and died to advance scarcely a kilometre inland and secure a shaky foothold of land.

We celebrate Anzac, not because Gallipoli was Australia's first foreign battle; nor was it uniquely an Australian experience. There were many comrades from other countries. The Gallipoli campaign is not significant because it ended in victory. It didn't. Despite the bravery, sacrifice and unselfish devotion of our men and women at Gallipoli, none of the campaign's vague objectives were met. And when our forces were withdrawn in late December 1915, some 11,448 Anzacs were dead and many more wounded. Perhaps the enduring legacy of those Anzacs and their endeavours at Gallipoli is their courage, mateship and selflessness—the values that we consider fundamentally Australian. Our stamina, courage and good humour when the chips are down was exemplified at Anzac. Our sense of community and selflessness when we see others in need was emphasised and epitomised at Anzac.

On Anzac Day every year we honour our fallen, when we do our best to live by the values they demonstrated in their final moments. They were ordinary people who did ordinary jobs. They were people from every town and city in Australia, including many from the area I represent—the Ipswich and Somerset region, which contains the RAAF Base Amberley, where army and air force personnel are stationed.

People like Private Edward Boughen from Rosewood served at home and abroad, on land, at sea and in the air. Many followed him in the wars afterwards in Korea, Malaya, Borneo, Vietnam and the Persian Gulf—not to forget the two world wars. There are peacekeeping operations around the world. As the federal member, I at times go to see the troops departing from home. They continue to serve in the Middle East and Afghanistan. All too often their lives are lost or sadly affected. We remember the families they left behind, whose grief never dimmed.

This year on Anzac Day itself, I had the privilege of attending seven Anzac Day services in Blair, to stand with members of my community and reflect on the courage and sacrifice of those who have defended our nation. I am pleased to report that Anzac Day services in Blair were attended in record number this year.

When Labor was in government, we created the Anzac Centenary Local Grants Program, and I am pleased that the current government has continued it and extended it. I want to report on a number of successful projects in my electorate. The Toogoolawah RSL Sub-branch has received $5,500 to support a historical re-enactment of the Charge of Beersheba—the Australian 4th Light Horse Brigade's famous mounted charge at the third Battle of Gaza on 31 October 1917. The re-enactment will take place at the Toogoolawah Showgrounds. Many
members of the Light Horse were drawn from Toogoolawah and surrounds, and many
decedents of those original soldiers continue to live there today.

The Bundamba Anzac Observance Committee received $6,539 to create a living memorial
to the 12 Bundamba boys who gave their lives in the First World War, and for a plaque and
tree honouring the centenary of the Dungaree March—a recruitment drive that stopped at
Bundamba State School in 1915. It was the only 'snowball march' in Queensland during the
First World War—a march of 270 kilometres from Warwick to Brisbane, gathering volunteers
along the way, including 42 at Ipswich.

The Ipswich Adventist School at Brassall received $5,447 to update and relocate the
school's Memorial Stone and flagpole to provide more room for the ever increasing numbers
at the school's Anzac Day service. Brisbane Valley Heritage Trails received $2,633 to
produce a book entitled *The Colinton Boys*, which will share the history of the 42 young men
from the town of Colinton who enlisted in the First World War. There are only about 55
people on the electoral roll at Colinton, which shows that little country
town made at that time. St Edmund's Christian Brothers College Old Boys Association
received $1,921 to publish a book about the 72 men listed on the Woodend Honour Stone and
to commemorate those who died in the First World War.

Brisbane Valley Uniting Church received $2,168 to refurbish its First World War Honour
Board and produce a related booklet. The Pine Mountain and Districts Historical Society
received $10,000 as a contribution toward the Pine Mountain honour stone memorial project.
Despite a rich history of service and sacrifice, Pine Mountain has had no official memorial to
local service personnel. The Eastern Suburbs Anzac Day Commemoration Committee
received $2,860 for the design, production and dedication of a marble Anzac Centenary stone
at Cameron Park, Booval. I opened it officially with other members of the committee last
Anzac Day. The Military Brother Incorporated received $250 for the Dungarees Recruitment
March Centenary Ride 2015 commemorative plaque.

The Greater Springfield Chamber of Commerce received $20,000 to assist with the
establishment of the Springfield region's first permanent military memorial at the Robelle
Domain Parklands, Springfield. I commend the chamber for the work they have done. St
Brigid's Catholic Primary School received $10,000 to construct an Anzac Memorial Garden in
the school and church grounds. Ipswich City Council received $14,808 to assist with the
redevelopment of the popular Ipswich Memorial Garden in the heart of Ipswich City. The Esk
RSL Sub-branch received $11,990 to erect a memorial at the main cenotaph in Ipswich Street,
Esk, that depicts the centenary of the Gallipoli landings.

In Blair, I was pleased to work alongside a local volunteer committee which reported on
grant proposals for commemorative projects in Ipswich and the Somerset region. I extend my
warm thanks to that committee including: its chair, Jim Runham OAM; then Somerset
regional councillor and now the member for Ipswich West, Jim Madden MP; Ipswich City
councillor Andrew Antoniolli, former National Party cabinet minister in the Bjelke-Petersen
government Beryce Nelson, my good friend; Elizabeth DeLacy, a great local historian and
psychologist; Phil Gilbert from the Ipswich RSL; former Bremer State High School principal
Bruce Saxby; Ipswich citizen of the year and National Servicemen's Association president,
Brian Hall; and the secretary, Kylie Stoneman, one of my electorate officers, who did great
work in coordinating everything.
The projects funded by the Anzac Centenary Local Grants Program will help ensure the continuation of the Anzac legacy in Blair, where so many military personnel have lived and made sacrifices in their own person and family life in war and in peacekeeping around the globe.

Mr RUDDOCK (Berowra) (18:38): I am grateful that the debate on the motion relating to the 100th anniversary of the landings at Gallipoli has been continued to enable us all to contribute. For me, this is about being Australian. It is certainly Anzac and it includes our New Zealand brothers and sisters, but it is about the values of our citizenship and what it means to be Australian, when you can identify with those people who have put their lives at risk to give us the freedom that we enjoy here in Australia today. As I think about the way in which Anzac Day is being commemorated Australia wide, I can see why so many people in the past suggested that it may, in fact, best be Australia's national day. What those diggers, as we call them, were about was defending our way of life—and it is unique here in Australia. We respect the rule of law. We have a parliamentary democracy. We welcome people from all over the world to be part of our family. We believe that these entitlements that we enjoy are important enough to defend.

When I reflect upon the way in which my electorate deals with these issues, I am proud of the way in which tens of thousands of people are now coming together regularly. The population that comes together on those occasions reflects the diversity of Australia. Some of the people I am seeing have been allies in other engagements that we have been involved in—the Vietnamese and the Koreans—but I see the Indians and the Chinese, and they see the importance of this event and they now come out to commemorate it. I have been at Gallipoli, I have spoken my Lone Pine and I know how important this is in our history and how important it is for our nation.

It is in that context that I want to note—as I did on the occasion of the 50th anniversary of the victory in the Second World War, where we noted, in a number of memorials around my electorate, the importance of that event—on this occasion, through the Centenary of Anzac grants, the people of my electorate were able to come together. The RSL branches, the sub-branches and the clubs, along with the schools, were able to plan activities which were important. We were able to upgrade our First World War commemorative statues and monuments.

On Anzac Day, I started at 4.30. I do not know whether everybody does at that hour in their electorates. But I was at the Hornsby RSL dawn service, where, as I said, I estimated more than 10,000 people were along what was the old Pacific Highway. It was inspiring to see the park and the cenotaph filled with our veterans, with our young scouts and guides, and with parents and children. The service, in our case, was led by Rod White. Maybe you are coming to know him more, because he is now the New South Wales president of the RSL. He has contributed greatly and facilitated the work of the Berowra Anzac Committee.

We had a similar service at Berowra, organised by the RSL. We were at Annangrove, Glenorie and Beecroft, and I might say that there were events elsewhere at other times involving my communities and the schools. Grants were provided; $12,100 was provided to the Kenthurst primary school. We saw there a new flagpole, brass plaques as well as educational material. For the Hills District RSL, for a new flagpole, there was $1,500; for the Lions Club of Beecroft, for a memorial, $7,000. For a sandstone memorial for the Berowra...
RSL Sub-branch—a very substantial addition to the longstanding memorial they have had—there was $17,600; the Annangrove Progress Associated updated theirs for $5,400. For the Brooklyn RSL Sub-Branch, for a bronze sculpture of a First World War digger, there was $15,000.

For the Marian Catholic College Anzac Centenary garden there was $5,400; for the Redfield College sandstone memorial and statue, $20,000; and for the Pacific Hills Christian School, for their service and special ceremony, $2,400. The Hornsby Shire Historical Society produced an education booklet—$4,900. There was also the Northholm Grammar School commemorative wall.

I might say that I was delighted at the way in which my electors, the citizens of Berowra, commemorated the 100th anniversary of the landing at Gallipoli. I am particularly grateful for my state colleagues and the mayors of both Hornsby Shire Council and the Hills Shire Council, together with Major Rod White, Bob Dobson, Alan Forno, Ken Shadie and Dick Gadsden in particular, who came together and regularly attended the committee meetings which planned the engagements that we had in Berowra to commemorate the 100th anniversary of that very significant landing at Gallipoli.

Mr BUCHHOLZ (Wright—Chief Government Whip) (18:45): The 100th anniversary of the landing at Gallipoli is a significant event. To acknowledge and understand the 100 years journey that we have just been on, tonight I want to deliver a speech that, hopefully, will enlighten someone who reads this speech in 100 years time. So, in preparing, I have gone back and grabbed some statistics from 100 years ago so that we can understand the transition as a country and as a nation that we have made.

Before I do that: my electorate of Wright is predominantly an agricultural seat, based from the Gold Coast to Toowoomba. There is deep history in my electorate, as there is in those of all of the members of this place. I want to thank the Anzacs, who gave such a commitment to our country, who gave the ultimate sacrifice and who provided a blanket of security for us as a nation for us to sleep under each night so that today we enjoy the pleasures we do, unfortunately due to the sacrifices of the brave men and women who went before us. I want to associate my comments tonight with some of the heartfelt commentary that has gone before me tonight from previous speakers about bravery and the accolades that need to be bestowed upon those brave men and women.

If you are reading this speech in 100 years time, let me take you on a journey. A hundred years ago, Australia was a young nation in more ways than one. Our average age was 24. That was the average age in our country. Today it is 37. Back then, the census showed that the Northern Territory had the oldest median age of 41, with Tasmania the youngest, with a median age of 22.4, so 100 years ago Tasmania was the frontier for our youth. A century later, it is completely reversed, with Tasmania now being our oldest state, with a median age of 40.8, and the Northern Territory, at 31.5, the youngest. Today, the Northern Territory provides opportunity and a haven for those with an element of excitement about them—fishing, tourism, a high income. In Australia in 1915, those aged 65 were classified as being of old age. How about that! Sixty-five was considered to be old. This week we gave tribute to a member of this parliament who passed away. His age was 62, and by all definition in this House we referred to him as a man who passed away way too early at the age of 62.
The average household today has two fewer people than it did in 1915. There was an average household occupancy of 4.5 people; today it is down to 2.6. It will be interesting to see what it looks like in the future. Back in 1915, Sydney was the city where most Aussies resided. However, Adelaide today has twice the population that Sydney did back then. As many people live in Sydney today, 4.9 million, as lived in the whole of Australia 100 years ago.

A loaf of bread would have cost you 3½ pence. A loaf of bread today will cost you around $2.50. Milk has gone from threepence to $1.50. However, land prices' rise has been even more significant. For example, blocks in newly developed suburbs were around 200 pounds, compared to around $600,000 today. You can only quantify what land prices may be into the future.

Irrespective of whether we talk about 100 years ago or we talk about today or we talk about what our country will look like in 100 years time, I advocate that the spirit of Anzac will live on forever. The spirit of Anzac that is being embraced by our younger generation is most comforting. Our Anzac Day parades around our national cities, our national capitals and our regional communities are exponentially growing, year in, year out. Our education system focuses on the contribution that our Anzacs made, and I hope that that will remain the case into the future.

To cite some of those examples in my electorate: on Anzac Day I had the opportunity to attend a community called Beechmont. Beechmont is a small community in the Gold Coast hinterland. They celebrated their Anzac Day somewhat differently, but it was rich with emotion. They celebrated by finding the descendants of those from their community who had gone to war and had not come back, and, for each person from their community, one of their family descendants got up and spoke passionately about what their role was in their community before they left, before they went away to war. It was a heartfelt ceremony in a community that is connected to the spirit of the Anzacs—a tradition in that community that I know will live on because there was not a dry eye, 100 years on, from those descendants who gave accolades to those brave people.

Anzac Day is also an opportunity for us to remember those soldiers who have been involved in conflict who may not have returned as well as they should have. At the Mount Tamborine Anzac Day service for the Anzac Centenary, I had the opportunity to meet a soldier who had been a commando in the Australian forces who was suffering the with the most debilitating illness—not physical, but mental. His stature was one of a very fit, buff, intimidating figure; obviously, he still keeps up his fitness regime. But he came and approached me and he shared with me some of the stories of how he—still today—suffers from the conflicts that he was involved in. And it reminded me that Anzac Day should be not only about remembering those magnificent sacrifices but also about remembering those who made a contribution to war, in whatever way that might have been, and then returned home to their communities—and that sometimes, we as a nation should have been more mature. We should have been more gracious.

I am currently reading a book, written from an Australian domestic perspective, about some of the conflicts that existed internally—in particular, those on the wharves of the then union movement who hampered the transition of medical supplies to our troops, and who raided the personal sacks of soldiers going off to conflict—for cigarettes and other goods.
hope that we as a country have matured since then, and learned from our mistakes there. The last 100 years for us have been something to celebrate for the bravery of those that have gone before. I hope that into the future, we as a nation learn from that. Evidence is already indicating that we are embracing the spirit of Anzac. We are truly embracing it. And we as a nation should be proud of that.

I want to acknowledge in my closing comments the contributions of some friends of mine who assisted with the grants program in my electorate, and who are ex-servicemen in their own right—chairman, Gordon French, and committee members, Marcus Bruty, Brian Ranse and Simon Warner: for your contributions to overseeing, from a commercial perspective, the federal government's grants to help communities commemorate the Anzac Centenary. I thank you so much for your diligence and for the commercial experience that you brought to that process.

Dr HENDY (Eden-Monaro) (18:55): This year marks 100 years since Australian and New Zealand troops landed on the shores of the Gallipoli peninsula in Turkey on 25 April 1915. In this centenary year, we came together—as we do every Anzac Day—to remember our nation's most significant commemorative event. By the end of the eight-month campaign, more than 8,700 lay dead. The Anzac spirit—the qualities of courage, mateship and sacrifice—was born on that day 100 years ago.

Australia's broader contribution to the First World War is breathtaking. From a population of less than five million, some 417,000 Australians volunteered and enlisted. By the war's end in November 1918, over 61,000 had been killed in action. A further 155,000-plus had been wounded. Australia's casualty rate was the highest in the British Empire. It is worth noting again: every one of these Australians was a volunteer. It is easy to get lost in the enormity of these figures; to lose sight of the very personal and tremendous sacrifice of each and every one of these individuals, their families, and their communities. Rural and regional Australia was particularly hard hit by the sacrifice. It is easy to form the view that the men and women who served at Gallipoli and throughout the First World War were superhuman—that they possessed qualities that made them 'natural' warriors, or better placed to deal with the horrors of war. The truth is that these young men and women were ordinary people placed in extraordinary circumstances. This is the true tragedy, and indeed the true glory, of their sacrifice. They were young people from our cities, towns, villages and regions. They were confronted with the full horror of war and conducted themselves with honour. I like to think of them as extraordinary, ordinary Australians.

One of these extraordinary, ordinary Australians was my great-uncle, Bill Browne, who served on the Western Front, endured the horrors of the Battle of the Somme, and won a military medal in 1918. I was very privileged to have known him when I was a little boy. Another was my great-great-uncle, Charles Briggs Hardy. Charlie was a blacksmith's assistant from Sydney, and was aged 21 when he enlisted as a private in the 19th battalion in February 1915. My great-great-uncle served in Gallipoli and in France. Fortunately, he kept a diary of his time at the front, and the State Library of New South Wales has digitised this piece of history. The diary is moving reading—though some of my great-great-uncle's entries are less than politically correct, as one might imagine from a 21-year-old 100 years ago. In the early parts, for example on a particular day in August 1915, it is very matter of fact, with him recording on that day that 'Corporal Wilson got his head blown off. He was the first to go.
down in B Company.' And in September, he noted a friend had 'died of wounds. Hard luck for Dick.' Then to increasingly sad entries, such as: 'Today ... I am 22 years old and have never had such a miserable birthday in my life.' And there is a moving passage from 23 November 1915, where he writes of a dream of kissing his younger sister, Rose, in the trenches before going over the top to die. Private Hardy was wounded at Gallipoli—a 'holiday wound,' he called it—but returned to the fighting, and took part in the evacuation. He was wounded again, this time very seriously, at the tragic Battle of Fromelles on the 19 July 1916. Luckily that was the end of the war for him. He was shipped back to Sydney, married his sweetheart, had four children and lived till 1974.

The battle of Fromelles, as members would well know, was that dreadful initiation for the Australians to the Western Front. Over 5,500 Australians became casualties, almost 2,000 of them were killed in action or died of wounds and some 400 were captured. This is believed to be the greatest loss by a single division in 24 hours during the entire First World War. Many consider the battle of Fromelles the most tragic single event in Australia's history. But it is not just the Gallipoli campaign, or Fromelles, or indeed World War I that we commemorate on Anzac Day; we pay tribute to all the men and women who have served our nation in all wars, conflicts and on peacekeeping operations—the extraordinary, ordinary Australians to whom we owe so much.

I believe that it is tremendously important, as the local member and representative of the people of Eden-Monaro, to attend as many services and commemorations as possible. I would like to inform the House of some of the opportunities I took to do just that right across the region. It also highlights the creativity and imagination of the community I serve and the broad range of activities held to commemorate the centenary. Prior to Anzac Day, I visited the Bega historical society's exhibition *The Great War: Tales from the Far South Coast*, which opened at the Bega Pioneers Museum in March. This exhibition was made possible by funding under the Australian government's Anzac Centenary Local Grants Program and the Bega Valley Shire Council. The exhibition runs through until the end of 2018, thus commemorating the four years of Australia's involvement in the Great War.

In addition, I was very pleased to join the school community of Jerrabomberra Public School in their recent commemoration of the centenary of the ANZAC landings. I also had the great honour of unveiling a commemorative stone in the playground. It is always important for the children of today to have knowledge of the past and reflect on those who have served and sacrificed for our country. At Jerrabomberra, that service and sacrifice has a unique currency. Of the nearly 1,000-strong student body, approximately 230 are children of Defence Force members. These children, along with their friends and teachers, live the Anzac tradition of service and sacrifice each and every day.

Another Anzac Centenary grant project was the Queanbeyan PeaceKnits open day of cottage garden knit-art and other activities held to mark the 100th anniversaries of the 'war to end all wars' as well as of the Women's International League for Peace and Freedom peace congress in 1915. Further, I joined the Cooma-Monaro Centenary of Anzac dinner held at the Cooma Ex-Services Club. This historic dinner was a fine and memorable salute to the men and women of the Cooma region. While only a small town of less than 2,200 people in 1915, several hundred enlisted from the Cooma district with 53 of them making the ultimate sacrifice.
I had the honour and great pleasure to attend an Anzac Centenary memorial dinner in Bombala, honouring the service, sacrifice and support to the nation's wartime efforts in all conflicts by the men and women of the southern Monaro. On the eve of Anzac Day I also attended the dedication of the new war memorial in Bombala. Another Anzac Centenary grant, this project has produced a striking sculpted rock centrepiece surrounded by boulders symbolising the 34 World War I names on the Bombala Cenotaph.

My Anzac Day was extremely busy but tremendously gratifying. I attended a moving dawn service in Bega. The Bemboka light horse troop emerged from the predawn mist creating a poignant and stunning opening for the 600 locals in attendance. I joined locals in Narooma for their ‘gunfire breakfast’ at Club Narooma. I was also able to speak with Jacob Castagna, who designed the magnificent memorial at the club. I attended the morning service at Bergalia, just south of Moruya. This tiny memorial, in a place that many in the House would not have heard of, was attended by more than 200 people from around the district. This service in Bergalia typified what this centenary of the Gallipoli landings means to our country.

In Moruya, I attended the launch of another centenary grant project, the Soldiers of the Eurobodalla. This project produced six documentary films detailing the lives of five servicemen and one nursing sister from our local region who served this country during the Great War. I then attended the morning service in Batemans Bay, where approximately 2,000 people gathered to commemorate the centenary. A particularly moving part of the ceremony was when special scrolls were given to families and descendants of a group of 26 fallen diggers who enlisted in Batemans Bay and are buried overseas. My final engagement for the day was the launch of another Anzac Centenary grant project. Some 465 men and women from the Braidwood district volunteered and went to Word War I, but 88 did not return. Individual booklets have been published on the 88 and the task continues for the 377 who did come home.

Over the years I have visited the cemeteries at Villers-Bretonneux and Gallipoli, and these experiences have left an indelible imprint on my mind. But so too does standing amongst your community, with young and old, on Anzac Day and reflecting on those extraordinary, ordinary Australians to whom we owe so much. Lest we forget.

Mr WILSON (O'Connor) (19:05): I want to open by taking the opportunity to detail some of the important accounts from the Gallipoli campaign and World War I. The campaign at Gallipoli began with the arrival of the first Australian troops at 4.22 am on 25 April 1915. Throughout that day, more Australian and New Zealand troops arrived on the beaches. By the end of day one, it was clear that victory for the ANZAC forces would not come easily, and a bitter stalemate set in. Two unsuccessful attempts to force a breakthrough—the battle of Krithia in May and the August offensive—proved both costly and futile. After almost eight months on the peninsula, the ANZAC forces were evacuated, remarkably without further loss of life, on 20 December 1915. Between 50,000 and 60,000 Australians served at Gallipoli, more than 19,000 were wounded and 8,709 were killed in action. There were also 11,000 New Zealanders at Gallipoli: 2,721 were killed and 4,752 were wounded. This Anzac Day, just like every other before it, I not only thought about the Gallipoli campaign but also about the entire First World War and the century of service that has flowed from it.

Australia's involvement in the First World War came at a great cost to our nation. Out of a population of just under five million in 1914, more than 417,000 Australians volunteered to
serve in the First World War and some 332,000 served overseas. Australia suffered one of the highest casualty rates of the allied forces. More than 61,000 made the supreme sacrifice and some 152,000, just fewer than one in every two who enlisted, were listed as casualties by the time of the armistice in November 1918.

Rural and regional Australia was particularly hard hit by this casualty rate. The men and women who wore the uniform of the First Australian Imperial Force were, by their own admission, ordinary Australians. They were called to duty to defend their nation and the values we hold dear. However, it was their extraordinary deeds on the battlefield which set them apart. This proud tradition has continued in all wars, conflicts and peacekeeping operations involving Australians, spanning more than a century of service.

I was honoured to be able to contribute in my own little way to the lead-up to the Anzac Centenary through the Anzac Centenary Local Grants Program. The purpose of the Australian government program was to enable communities to support the centenary commemorations at a local level. I received 24 strong applications for the program and was able to award 15 organisations funding under the program.

One of the successful applications was from the City of Albany Band and the Albany Sinfonia to purchase the musical score to perform an Anzac Centenary memorial concert. I was privileged to attend their concert on 24 April at the Albany Entertainment Centre, which was packed with a sell-out crowd. We were treated to an acoustic delight of music ranging from classical to contemporary and reflective pieces, interspersed with reflective World War One poetry. The evening closed with a rousing rendition of *Pomp and Circumstance* to which the enraptured crowd belted out, 'Land of hope and glory.' The enthusiastic crowd were invited to sing along with other popular old favourites and were stunned to silence during a unique arrangement of *Waltzing Matilda* which included a lone bugle solo of the last post. Congratulations to all involved, including the City of Albany Band director, Jim Neil, and the Albany Sinfonia conductor, Vickie Reynolds.

I would also like to take this opportunity to thank the members of the electorate committee who assisted me in developing an approach for commemorating the Anzac Centenary across O'Connor. Their hard work has made the 15 projects a reality.

This year there were more than 50 Anzac Day services held across O'Connor. This was a clear indication of our strong commitment to acknowledging the legacy the Anzacs forged for the service men and women who have followed in their footsteps.

Some towns used the Anzac Centenary to do something a little different with their services. The Shire of Kondinin unveiled a light horseman statue at Yeerakine Rock. The statue evokes the memory of the young locals who joined the 10th Light Horse Regiment all those years ago. Attending the unveiling was John Browning and his extended family, descendants of Charles John Browning, a young farmer who fought and survived some of the First World War's fiercest battles. They remembered the ultimate sacrifice of his cousin Bernard Browning and gave thanks for Charles's return, albeit badly wounded, to continue his life in WA. Many lines of his family, including his great-great-grandchildren, are still dotted on farms all around Kondinin.

The $16,500 horseman statue, paid for in part by a $10,000 donation from the Kondinin Community and Recreation Council, $2,500 from the Kondinin Hotel Community and
Sporting Association and $4,000 from the Carols by Torchlight 'no smoking' grant of 2013, is a special tribute to mark the Anzac Centenary. The Kondinin RSL and shire president, Allen Smoker, said the horseman statue was designed to represent all those who served in conflicts over the years. Although he came up with the concept, seeing it in the dawn half-light blew him away and he expects many others will have the same emotional reaction.

For the Browning family, it is a link to Charles, known as 'CJ', a talented horseman who fought in the 10th Light Horse alongside WA Victoria Cross recipient Hugo Throssell. They arrived in Gallipoli in late May but their first major fight was the notorious charge at the Nek. The waves of soldiers sent out of the trenches and mown down were halted just before it was their turn.

Later, the regiment fought in the battle for Hill 60, where Charles was blown up and evacuated with serious injuries, including the loss of one eye. He returned to the farm in Kondinin in 1916. In 1918, his cousin Bernard was killed on just his third day in France. Charles married his widow, Phyllis, who had two small children. They had four more.

In Albany, 4,000 people were at Mount Clarence at the Desert Mounted Corps Memorial dawn service. Albany, which was the final departure place for more than 40,000 of the first Anzacs, was the birthplace of the dawn service tradition when Padre White led his congregation to the top of Mount Clarence to mourn and remember the fallen in 1930.

From 31 October to 2 November 2014, the Albany Anzac Centenary event was successful held. This event commemorated the 100th anniversary of the departure of the first convoy of ships that carried the Australian Imperial Force and the New Zealand Expeditionary Force to the First World War. The official commemorative activities included a Royal Australian Navy ceremonial sunset, a troop march, a commemorative service and a ship open day. The weekend's activities were not only a fitting tribute to those who departed Albany for the First World War a century ago but a poignant reminder to pause, reflect and commemorate all those who have served since. The troop march and commemorative service conducted on 1 November 2014 were broadcast live across Australia on the ABC. For anyone interested, the ABC has produced the ANZAC Centenary: Albany convoy commemorative event special DVD set as a record of the weekend's activities.

Also a part of the Anzac Albany weekend was the official opening of the National Anzac Centre by Prime Minister Tony Abbott. The centre honours the Anzacs of the First World War and offers visitors a deeply personal connection with the Anzac legend revealed through interactive multimedia displays, unique artefacts, rare images and film and audio commentary. The key phases and events of the First World War are told within the centre through the personal stories of the Anzacs themselves, as visitors follow one of 32 Anzac related characters throughout the war. The experience concludes with the discovery of each Anzac character's final fate and a tribute wall where visitors may leave messages for the Anzacs. Fittingly, the National Anzac Centre recorded its 50,000th visitor on Anzac Day 2015.

In Narrogin, more than 400 people arrived at Memorial Park for a pre-dawn service. Many returned at 9.30 am for the march from the town hall to Memorial Park, where a formal service took place in front of almost 500 people. Dozens of wreaths were laid by members of the community as students representing each school read the honour roll of soldiers who fought in Gallipoli and on the Western Front.
Narrogin Senior High School year 12 student Emily Ballantyne played the last post after addressing the crowd and remembered the nurses of World War I. She recounted their arrival on the island of Lemnos and praised them as the forgotten heroes of Gallipoli. The touching moment capped off a series of services that happened throughout the region and in Narrogin. While I could not attend all 50-plus services across the electorate, hearing these stories about the many successful services is very rewarding.

I want to finish with a quote from Narrogin RSL Sub-Branch President Ries Chatillon, who said something very poignant that resonated with me. He said, 'The centenary is simply another day to remember the fallen soldiers. The other 99 services are just as important as this one.' He is right. I think there is a tendency for people to get swept up in the magic of the number '100'. While it is important to commemorate the centenary, it is equally as important to celebrate 101 years since the landing at Gallipoli, and 102 years and so forth.

I like to hope the same types of numbers will attend dawn services next year and that next year we still want to acknowledge the legacy the Anzacs forged for the servicemen and servicewomen who have followed in their footsteps.

Mrs SUDMALIS (Gilmore) (19:15): Our national journey towards the centenary commemoration of Anzac Day began more than 100 years ago. At a recent Boer War commemorative wreath-laying, where some of the descendants in Nowra recognised the contribution of their forebears, we were reminded by the speaker that this war straddled Australia’s Federation. This battle was the first stage of our national patriotism. That fledgling government was not to know of the deep and enduring contribution of efforts that would be initiated in 1914, would show Australia coming of age in 1915 in association with New Zealand and finally would be recognised all over our country 100 years later.

In the words of Arthur Burke OAM:

These bold, laughing soldiers were a new, unknown factor of a very old Empire.

He also refers to the words of poet laureate John Masefield as he describes Australian and New Zealand infantrymen, ‘They seemed to be of one race, for all of them had something of the same bearing, and something of the same look of humorous, swift decision.’ He went on to say:

These ‘colonials’ fought as they lived—bravely, openly, independently, and without fear. They proved that their young countries could produce men equal to any in the world, perhaps the greatest fighting force this world has known—the ANZACs.

Retired Colonel Arthur Burke also wrote that this spirit of Anzac is not just a part of history but that it lives in schools, sports fields and many other aspects of Australian and New Zealand modern-day life.

Soon after the 2013 federal election, the Shoalhaven Anzac Commemorative Committee invited me to attend. The original committee members included Nowra RSL Sub-Branch members Rick Meehan OAM, Fred Dawson, Debbie Rayner, John Bailey, Jan Bailey, and Ian Strathe; Bob O’Grady from Bomaderry RSL Sub-Branch; Stuart Christmas of Berry RSL Sub-Branch; Barry Edwards from Huskisson RSL Sub-Branch; Don Handley, Harry Back and Alan Beasley from Sussex Inlet RSL Sub-Branch; Iris Selby and James MacDonald of Callala Bay RSL Sub-Branch; and Clyde Poulton representing the Vietnam Veterans Association, South Coast. I might add that Gilmore is much more than just the Shoalhaven. Members from
other RSL sub-branches including Kiama-Jamberoo, Shoalhaven Heads, Gerringong, Milton-Ulladulla and Warilla were all equally passionate and dedicated in their pursuit to keep the history of Anzac well remembered and well honoured, keeping closely connected and active in their passion and dedication to keep traditions alive and educate the young.

The committee was determined to make the most of their available funds, particularly the increased amount allocated by the new coalition government, up to $125,000 for local commemorative projects, which was an absolute godsend for our local communities. The nucleus of the committee worked hard to bring me up to speed as a matter of urgency, as many of the projects needed long lead times. In addition, the projects were to assist groups to cover the length and breadth of the electorate. Warilla RSL Sub-Branch, under the guidance of Barry Young and Kim Kearney, gained funds to support the Anzac Day event itself as well as promoting their Adopt a Digger educational program for local school students. The primary goal is to assist students research the life of a local digger and to immerse themselves in the life experience of that digger so that the student can really relate to the events and emotions of the times and empathise with the amazing resilience that our diggers had.

Shell Cove Public School established a commemorative plaque on a very large rock in their school grounds to impress upon the students just how special this event was. Kiama Municipal Council, acting as the project manager for the Kiama memorial arch, gained part funds. They worked closely with Colonel Puller, Dennis Seage and the members of the Kiama-Jamberoo RSL Sub-Branch. Gerringong had an allocation for their brand-new flag pole and commemorative plaque and rock to be constructed alongside the area where in previous years a 'lone pine' descendant had been planted. Congratulations to Garry Hingle, Bill Popple, Bill Humphreys and Joh Koehler from their local RSL sub-branch for all their efforts with this project.

Congratulations to the Shoalhaven Anzac Centenary Committee for their commemorative dinner spectacular, including a special message from the Prime Minister Tony Abbott to the 350 attendees. The Nowra RSL Sub-Branch is coordinating with Robyn Florence the centenary edition of The Waratah March, which was the South Coast's answer to The Coo-ee March. The Vietnam veterans, under the guiding hand of Clyde Poulton, are putting together an amazing event that not only helps to promote the book just mentioned but is also a re-enactment of the Waratah March later this year.

The Shoalhaven City Council, with Tania Morandini, Margaret Simoes and Bruce Tindale, created the In Memory exhibition, honouring the service of Indigenous men and women in the Anzac conflicts. This was a healing and special collection of memories and artefacts that has meant a great deal to members of our Indigenous community. For descendants of those who fought and returned, or those who fought and died, there has not always been a significant effort for these elders to be either acknowledged or honoured. This was a very special exhibition on so many different levels.

The new commemorative wall in Huskisson, silver-etched black granite, is nothing short of a miracle. This commemorative space that is right next to Jervis Bay is quite spectacular. Congratulations to Rod Simpson, Barry Edwards, Don Handle and Shirley Rundel. Well done also to Craig Smith, Alan Beasley, Harry Back and Stan Berriman of the Sussex Inlet RSL. The new and improved memorial wall is outstanding. The special uplights for the dawn
service give this space a very solemn and honoured presence, and the community are
overawed with the successful improvement.

Benjamin Barry and the students at Ulladulla High School put their heart, soul and artistic
endeavour into creating banners and memorabilia for the 100 years of Anzac. The displays at
the Milton Show were outstanding, and I look forward to seeing them in the Lake Tabourie
Museum as part of a rotating exhibition space, also utilising the skills of the local Men's Shed
and the local historic society.

The Milton Ulladulla RSL Sub-branch must have a special connection to the weather
angels. After weeks of rain, contractors resorted to building the paths, laying the turf and
fixing the wall together under tarps with very dedicated workers, and the project wall is
brilliant. I am sure Darryl Bozicevic, Paul Warren and Bruce McIntosh are all relieved that,
except for the astro turf that had to be used to protect the newly-laid real turf, the memorial
was superb.

The Shoalhaven Heads Memorial Park was the scene for a talented and philanthropic local
sculptor, Grant Findlay of Unreal Rocks. He crafted four life-size sculptures in the likeness of
a World War I field nurse, airman, gunner and sailor, demonstrating classic Australian
mateship.

Anzac Day 2015 was not a single day event. You can probably see that these memorials
and events are only a part of the story, and the extra elements completed the picture for the
entire region. Schoolchildren had a colouring-in competition, and children from every school
in the area made the most amazing achievements in colouring-in. Kangaroo Valley had
special programs and medals for their school students, as did the students at Berry Public
School.

The Anzac ceremonies, always so poignant and heart-touching, began on 18 April at
Jamberoo, where a special sculpture had been made with a cast rifle on a stand and a leaning
slouch hat on top. Of course, the great voice of Daniel D’Amico rounded out the day's event.
There was the Anzac Service at the Christ Church on Terralong Street and the Sunday Anzac
Service at Warilla by their sub-branch with a huge contingent of navy and air force cadets.
This was a particularly moving ceremony for some, as they had only just lost a parent who
was a child at the time of the war. In addition the Kiama-Jamberoo RSL Sub-Branch worked
solidly to have the logo for the Anzac commemorative event displayed proudly on the
lighthouse up from Storm Bay. It is outstanding—congratulations, Dennis Seage.

Anzac Day itself was busy, but there is always the emotional connection of a dawn service.
This year I was at Gerringong and I would like to take a few words to share just how
wonderful this service was. Apart from the beauty of the sun gently coming up over the ocean
and the rays shining through the branches of the lone pine, there was a single poignant event
that truly stirred my heart, and the incident enabled me to know that the spirit of Anzac will
live beyond us all. As the sounds of the Last Post were being played, there was a little boy,
blonde and very active, dancing to the music, holding his Dad's hand. He noticed the
descending flag, and the next few minutes went something like this: 'Daddy, the flag's coming
down. Daddy, why has the music stopped?’ All curious and never-ending questions, and the
father quietly said: 'Shh, this is the time that we think of the soldiers.' So little Rueben—I
found out his name later—stood quietly to attention, eyes focused on the flag. Then as the
Reveille sounded and the flag was raised, he said, 'So we remember the soldiers like this?'
Our history is safe in the hands of parents like these, in the innocent acceptance of children like Reuben—our soldiers, sailors, nurses and airmen will never be forgotten.

There were a number of school services where children had made poppies and left them on the stage, with Indigenous people playing didgeridoo and Peter Williams playing a Boer war bugle. I would like to conclude with a poem.

When we look at the half-mast flag we think of fallen men,
Of battles won and battles lost and those who'll not come home again.
We see the flutter in the breeze,
The rise of the Southern Cross
We look to dawn with certain ease,
And know, we will not forget.
We hear the words and stories from those dark and desperate days
Thinking as they're spoken, bringing images to mind
Of pain, of courage and of great bravery displays.
We almost hear their cries of pain and rage
As they climb the bloodied hills,
Knowing that many from this day forward will simply never age,
Yet we will never forget.

We listen as the Last Post, sends shivers down our spine with sadness in those plaintive notes causing tears for all to see.

The dawn is nearly done, the light and wind combine,
The Southern Cross and Union Jack are flying proud and free.
The symbol of a nation, the coming of an age, for those who went before us, for the likes of you and me.

And on this day we stand and firmly say,
Lest we forget and we will remember them!

**WYATT ROY** (Longman) (19:26): It is a great honour to rise tonight in this chamber to mark the 100th anniversary of the landing at Gallipoli. On 25 April 1915 thousands of young Australians made landfall on a distant beach. They were cast into instant hellfire, but their bravery, their commitment and mateship saw them dig in. In the face of extraordinary hardship across a campaign that would last eight long months, up to 60,000 Australians served on the Gallipoli Peninsula—8709 of them were either killed in action or died of their wounds. A total of 61,522 Australians lost their lives in the First World War. Among this scale of tragedy, if not because of it, a young nation's identity coalesced and emerged. Those troops on the beaches at Gallipoli not only defended the values and ideas of our nation they helped to define what it means to be Australian. Those eternal Australian values of mateship and courage in the face of adversity.

This is a tradition that is surviving generations of Australians and, I am confident, will survive for generations to come. As I made my way around local Anzac services on Anzac Day, the thing that inspired me was the future generations of Australians picking up the baton handed to them from former generations, keeping that flame of the Anzac tradition burning strong. It was incredibly moving to see young Australians maintaining that tradition—
something that all Australians should be proud of. This is a tradition I have seen continued in new battlefields. I have had the great honour of travelling to Afghanistan and Iraq twice to see a new generation of Australian diggers once again displaying courage in the face of adversity and upholding that ultimate Australian tradition of mateship. We should all be incredibly proud of the sacrifice made by Australians so that we can live in a free, fair, democratic society today. That is the legacy of our Anzacs and we all owe them a great debt of gratitude. To see tens of thousands of Australians in my own electorate come out to uphold that tradition is something I am incredibly proud of and all Australians should be proud of. May our diggers rest in peace.

Debate adjourned.

BUSINESS

Orders of the Day

Mr FLETCHER (Bradfield—Parliamentary Secretary to the Minister for Communications) (19:30): I move:

That Federation Chamber Order of the Day No. 5, committee and delegation reports be returned to the House for further consideration.

Question agreed to.

ADJOURNMENT

The SPEAKER (19:30): It being 7.30pm, I propose the question:

That the House do now adjourn.

I call the member for Lalor.

Employment

Ms RYAN (Lalor—Opposition Whip) (19:30): Thank you for that perfect pronunciation of my electorate, Mr Speaker, and congratulations on your elevation to the office of Speaker. I rise tonight to talk about jobs and employment in the electorate of Lalor, a community of over 200,000 people. I want to talk specifically about the industry that is warehousing and distribution, that is transport and logistics. It employs thousands in the electorate of Lalor. Some are employed casually through third-party labour hire companies, some are employed casually as direct staff to larger companies, some are employed part-time and some are fortunate enough to be employed permanent full-time. It is an industry I know well. Permanent positions are highly sought after in this industry in our sprawling city, and casualisation is a curse. I know personally from families that I have worked with and from young people who have gone into this industry what life as a casual, working for a labour hire company, means on the ground. It means sitting up late at night waiting for the text to see if you are going to get a shift tomorrow. It means conversations on the phone when the shift you thought was six hours is now two and you have to make arrangements for leaving work that day. There is no guarantee of work for the people employed at that level in this industry. They are ‘pickers’ and many of them begin that way, as pickers, not necessarily as forklift drivers—there is a hierarchy in this industry.

The warehousing and distribution industry is an incredible industry. It is terrific for young people who work to targets. It is terrific for giving them feedback on how they are going on every shift. I would not criticise that. I believe that particularly young people are motivated by
targets. I have watched lots of young people go into this industry as casuals striving for 100 per cent or better every day and meeting their targets. Work is measured by those targets. It is also measured by warnings for safety breaches, because many of these warehouses are incredibly safety conscious—and I take my hat off to them for that; it is measured by near misses; and it is measured by damage to goods. But the trend in casualisation is worrying—it is worrying on the ground for families, it is worrying on the ground for our young people. Many people my age in the electorate, with children in their 20s and 30s are worried. There are many who have been working casually for a long time. They are worried about the house, they are worried about the start and they are worried about young people's futures. Many start as casuals and are lucky enough to move up the chain, to move on to permanent part-time and then to get to permanent full-time.

The Laverton Woolworths liquor distribution centre directly employs 500 workers—it is one of those in the electorate that still employs people directly. Some are casuals doing the guaranteed two shifts a week for four hours a shift, some are part-time permanent, some are full-time permanent. Early on Monday morning those workers went on strike. Last September they signed an EBA in good faith. This agreement guaranteed that Woolworths would not, I repeat would not, outsource employment or recruitment to a third-party labour hire company, but on Monday they were told that the Christmas peak would be dealt with by a third-party labour hire company. This means that direct casual employees working beside them, direct employees of Woolworths, might not get those hours in the Christmas peak—hours they rely on every year.

I empathise with and admire these workers for taking the stand they have taken, because I admire mateship. I came in when speakers were talking about Anzac and I cannot think of any more important discussion I could have followed. These workers are there for their mates, not just their mates employed directly at Woolworths but their mates, thousands of them employed in this industry, who are facing casualisation. And they are not only facing casualisation, they are also looking at new warehouses being built that have robotised. They are looking directly down the barrel at there being fewer jobs. These people need the support of their company. I urge them to work with the company to find a solution to this. I support the NUW in doing that. I would finish by saying that this country needs a leader like Bill Shorten who knows how to work these issues through with business leaders, with companies and with workers. That is the man we need. (Time expired)

Forde Electorate

Mr VAN MANEN (Forde) (19:35): Mr Speaker, I take this opportunity to congratulate you on your elevation to the speakership. I would like to take this opportunity to highlight some of the great things happening in the community of Forde, because one of the privileges in this place is being able to celebrate and speak about the good things that are happening in our community that our media frequently fail to report. Our region is home to some tremendous people, businesses and community organisations that go above and beyond to help others be creative, represent our country and most of all be outstanding citizens.

I recently had the opportunity to visit Norfolk Village State School at Ormeau to take part in one of the great sporting clinics they run as part of the federal government's $100 million Sporting Schools program. I would like to recognise our sports minister Sussan Ley for the tremendous job she has done with this program. It encourages young people to be healthy and
active and to try different sports. For the program's official launch I dropped in to catch up with Principal Chris Capra, Lee Harrington from Golf Queensland and former LPGA champion and international representative Rachel Hetherington. It was a fantastic opportunity for students to gain some expert tips from one of Australia's best female golfers—and she also said my swing was not bad either. Maybe there is hope for me yet. There were some great little golfers amongst the Norfolk Village students and it was a positive sign to see them turn up so early, before school, and excited about trying out a different sport.

Overall, the Sporting Schools program has been well received in the Forde community, with some 21 primary schools taking part. I also recently had the opportunity to attend Park Ridge State High School, which has a reputation for being an AFL school of excellence—but they will also soon become known for producing some top scientific minds with the opening of the Logan Scenic Rim Trade Training Centre. It was a pleasure to be invited along to the centre's official opening recently and I must commend their catering students for putting on a tremendous lunch for the occasion. The centre was built with a $3 million contribution from the federal government, and I was very pleased to officially open the new centre on behalf of our Parliamentary Secretary to the Minister for Education and Training, Senator Scott Ryan. I had the opportunity to tour the new centre following the official opening and meet some of the students utilising the new laboratory and testing lab. Skills training at secondary school provides a great basis for students to pursue further training after school. It was exciting to see so many students making the most of the new facilities and, who knows—I may have met the next Marie Curie or Alfred Nobel.

The Hyperdome Early Education Centre and pre-school have taken the health and wellbeing of their kids to another level, thinking outside the square when it comes to encouraging a healthy and active lifestyle. I visited the centre recently to see some of the great things they are doing to ensure their kids are healthy, happy and enjoying physical activity. The centre have not only hired a personal trainer once a month to teach basic skills like kicking, throwing and jumping but also they have a chef on board to provide healthy lunches and snacks every day. The result is healthy, happy kids who are excited about trying different food, playing outside and learning new things. I would like to commend the whole team and centre director Cherie Graham for providing an excellent service to the families of Logan and encouraging healthy habits as part of the early learning process.

The winter recess provided a great opportunity to visit many of Forde's businesses. One business that is booming in our region is Frosty Boy, and I could not resist the opportunity to become an ice-cream taste tester for a day. On serious note, this Australian company, which started operation in 1976, now distributes product to 48 countries, with exports representing 75 per cent of sales. Those sales represent two million soft-serve ice-creams around the world each and every day. I wish them every success with the future growth of their business.

Holt Electorate: Centenary of Anzac Fine Art Exhibition

Mr Byrne (Holt) (19:40): The Mr Speaker, congratulations on your elevation to the office of Speaker. Tonight I want to talk about an amazing group of people called Provenance Artists, led by Calvin Bell, who conducted what I would categorise as a hugely successful Holt Anzac Day Centenary Fine Art Exhibition on 4 and 5 July at the Mechanics Institute hall in Narre Warren. Over 100 people attended the launch on that very cold Friday night and over 250 people visited the exhibition during the weekend. The Provenance Artists organised this
event, and they received $22,600 under the Australian government's Anzac Centenary Local Grants Program. The event showcased 34 wonderful paintings from 24 local artists. I want to detail the artists and their paintings in this chamber, but nothing can describe the incredible work done by this artists, who have laboured for some period of time to paint an appropriate painting that commemorated the centenary of Anzac in the way they felt it should be. I wish I had with me the book of paintings to table. Each of painting had to be ticked off by the local RSL because we wanted the appropriate respect to be paid to the event and for the purposes of the event, and it succeeded beyond my expectations. Wandering into that very fine old hall, on a cold winter's night, and seeing this phenomenal display of artwork so good that people from other countries wanted some of these paintings—I will touch on that later—said a lot about the quality of our artists and their commitment to commemorating the event appropriately.

For the record I want to detail the paintings and the artists who painting them: _Lest We Forget_ by Carol Gorenko; _The Gas Attacks_ and _Our Brave Soldiers_ by Sam Michelle; _Light in the Darkness_ by Emily Fairbairn; _The Last Ride_ by Sarah Ferrante; _The Ghost of Macbeth_ and _All In It Together_ by Amanda Gray; _Last Man Standing_ by Leanne Hutchinson; _The Old Lie_ and _The Old Lie II_ by Annamaria Guilane, _The Australian Light Horse Brigade_ by Barbara Pain; _Dawn Landing_ by Rhonda Rawson; _Mourning at Lone Pine_ and _Compassion In War_ by Gabrielle Jenkins; _The Roaring Sky_ and _Fiery Earth_ by Kashmira Dubash; _Caesars Hope_ by Brendan Mulholland; _They Run through the Mustard Gas_ and _The Tunnel Walls Need Shoring_ by Mariane Blythman; _Holt Anzac Mural 1915-2015_ by Calvin Bell; _Our Brave Diggers_ by Steven Sweeney; _My Brother_ by Linkoln Gulian; _Somme Reverie_ and _God Speed_ by Zoe Panagiotopoulos; _A Shoulder to Lean On, The Badge of Honour_ and _We Are As One_ by Deborah Polman; _Australian VC Recipients_ by Colin Seivers; _Hellbound_ by Ezmeralda Gulian; _The Weeping Mother of Joan Stark_ by Mikaela Giaquinta; _Last Letter Home_ and _The Battle of Poziers_ by Elizabeth Thomson; _Hope—Aeroplanes of the Australian Flying Corps_ and _Ever Resolute_ by Marie Warnecke; and _Trekking Through the Poppy Fields_ by Kanthi Kurian. That is a list of 34 paintings, and I hope I have given the House a flavour of their quality.

A number of significant people were at the launch, one of whom was the Turkish Vice Consul, Mr Ersel Ozdemir. He was particularly moved by a painting entitled _Compassion in War_ by Gabriele Jenkins, which depicted an Australian soldier sharing a drink from a mug with a Turkish soldier at Gallipoli in World War I. I had the honour, a week after that art exhibition, to formally present that painting to the Turkish Vice-Consul. This painting is going to be hung at the Turkish Consulate.

Not only that, we have just received news with respect to our French colleagues. We have received a request from Myriam Boisbouvier-Wylie, the Honorary Consul of France, who has asked for two of the paintings that were painted by local artists to be displayed at the Sir John Monash Centre in Villers-Bretonneux, France.

To our local artists, I say: I am incredibly proud of the work that you do. The work has been recognised and will be hung and displayed here in Parliament House in my office and also in these great places. Congratulations! You have done us proud.
Mr TEHAN (Wannon) (19:45): Mr Speaker, I congratulate you on your election to the position of Speaker. It is well-deserved after a distinguished parliamentary career. I wish you all the very best for your role in what is a tough job but one I know you will do without fear or favour. I know you will make sure that this parliament is very proud of the official role that you play.

I want to talk tonight about how important it is that, as a government, we continue to keep providing road funding to regional and rural electorates. Nothing is more important than ensuring that we get proper road funding to regional and rural electorates. The coalition has committed a record $50 billion investment into infrastructure. I am proud to say that this is going into roads. We have the National Highway Upgrade Program, $229 million; Roads to Recovery Program, $2.5 billion; Bridges Renewal Program, $300 million; the Black Spot Program, $564.5 million; and the Heavy Vehicle Safety and Productivity Program, $248 million. All of these programs will bring jobs, growth and opportunities to Wannon with better and safer roads.

I will start with the Western Highway. The Western Highway from Ballarat to Stawell is being duplicated. This investment in the Western Highway will see a stretch of 57 kilometres duplicated, the vast majority of it through Wannon, making the transport between these cities safer and more efficient. Five thousand vehicles travel from Ballarat to Stawell each day. It is the busiest freight road to Adelaide from Melbourne. The coalition government has contributed $404 million towards the project, which will make the road more productive, sustainable and safe for communities and heavy vehicles. Not only will this project reduce travel times and make journeys safer; the construction of the wider road will create 480 jobs.

There is the Roads to Recovery package for Wannon. Roads across Wannon will be upgraded and renewed through the government's Roads to Recovery Program announced last year. Each council will receive funds to look at the roads in their area that are most in need of repair. This means that real work can begin faster and in a more targeted way for locals, and the communities will see the benefits in both jobs and better infrastructure. Between 2014-15 and 2018-19, Ararat Rural City Council will get $9.6 million; Central Goldfields Shire, $4.9 million; Corangamite, $4.6 million; Glenelg, $14.3 million; Moyne, $16.6 million; Pyrenees, $9 million; Southern Grampians, $13 million; and the City of Warrnambool, $2 million. In total, there is $85 million for the Roads to Recovery Program in Wannon.

We have the Bridges Renewal Program. The injection of $2.2 million to upgrade our local bridges will make using them safer and more reliable. On the Castle Carey Road between Camperdown and Mortlake, the two-lane timber bridge will be replaced with a wider two-lane bridge. For the Ziegler Parade bridge over the Hopkins River at Allansford, there will be the repair and reinforcement of existing concrete bridge structures and an upgrade of the guard railing.

There is also the investment in the Condah-Hotspur road, which is about to create dividends this spring, once we get through the winter. The government has delivered on its commitment to provide $2.5 million for the upgrade of the Condah-Hotspur road. This project is to widen, strengthen and seal 14 kilometres of road located north of Heywood. It will support efficient operational use of heavy vehicles linking timber harvest areas with a key...
pre-export processing facility and will improve safety for timber trucks, school buses, tourists and regional road users.

Last, but not least, there is $25 million for the Great Ocean Road upgrade, which, combined with another $25 million from the previous Victorian coalition state government, will make sure that this iconic tourist route is of the standard it should be.

We are delivering for the roads for Wannon. There is more to do, but we are delivering.

Parliamentarians' Entitlements

Mr GILES (Scullin) (19:50): Mr Speaker, I join other speakers in this debate in congratulating you on your well-deserved elevation to your present role.

I rise today to talk about trust in politics. This is something I have often spoken of in the short time that I have been a member of this place. It is most certainly timely to speak of it now. Over recent weeks we have seen the response from the public when there are breaches of trust and when rules and standards are broken. I think this is especially so at a time of economic uncertainty and of increasing inequality. That this reaction has been so strong, severe and visceral is illustrative of a wider malaise and disengagement, on the part of the public, from the political process.

The past few weeks present all of us who are fortunate to be in public life with a great challenge: we must restore and rebuild public confidence in how politics works in Australia. But let us not confuse symptoms with causes. It is of the utmost importance that we find a way to assure people that we meet the high standards they are entitled to expect from us in respect of our expenditure of public money, if we are to rebuild the bridge between citizens and their representatives. This is necessary but it is not sufficient. This malaise is not merely about expenses, and it certainly cannot be all about us politicians looking into the mirror.

I note that the Lowy Institute has asked Australians for their views on democracy in each of its annual polls since 2012. The results have been consistent and not uplifting. Support for democracy amongst young people is consistently below 50 per cent. Support for non-democratic forms of government is 18 per cent and 23 per cent among Australians and young Australians respectively. People feel remote from, and alienated by, decisions that affect their lives—and understandably so. These are questions of substance as well as of form. It’s not just about the tone of question time; it is about the purpose of the parliament and its members, and their relevance to the public.

This week’s trickiness on the part of the Prime Minister in relation to marriage equality and our response as legislators to a significant community concern is another symptom of this malaise. More broadly, it is one thing to seek to engage in debate around policy choices as a politician and quite another to be listened to, to be engaged with. A government that speaks of ending ‘the age of entitlement’ on the one hand, while demonstrating a lack of concern for the accountability of its members on the other, invites further cynicism in the electorate. It is a fundamental point: if we fail to heed and respect the concerns of the public, why should they continue to have faith in formal politics? This government has proven that three-word slogans are not a prescription for bringing people along on the challenges of governing or for having a real conversation around solving the problems of our future and seizing its opportunities.

Of course, there are great challenges for the Labor Party in fleshing out an alternative in an environment where the role of government itself is under sustained challenge. In an
increasingly globalised world, where many significant decisions are made by bodies removed from this political process, it is very easy to see how people can feel powerless to change the direction of their lives. Labor's recent national conference, however, offers an example of democracy in action. Labor have sought to broaden our membership and reach out to people to inform the policies we take to the next election, to offer a real choice in Australia's direction. Labor offer a stark alternative to this government, because meaningful politics is about choices. Bipartisanship is not a panacea. Indeed, to the extent that it suggests a lack of choice, it may be part of the problem for many who are sceptical about how politics serve their interests. This is something we have seen much of in Europe, with the rise of movements that are anti politics in recent years. Instead, perhaps we might strive in this place for a less rancorous partisanship and find ways of expressing our differences—these choices, and what these approaches mean for people—that do not exclude others by their very tone.

In this regard, I acknowledge the work of my colleagues the member for Gellibrand and the member for Hotham, who have just co-authored a book which focuses not just on ideas but on how they might be better expressed, grappling with the threshold issue of opening up our politics as well as setting out ideas for a better Australia. So, in the spirit of that book, Two Futures, let us all commit ourselves to tackling both of these challenges: through our work, constructing better politics and having a real and inclusive debate around a fairer future.

**Bonner Electorate: Stronger Communities Program**

Mr VASTA (Bonner) (19:55): Mr Speaker, I congratulate you on your recent elevation to that office. It is with great pleasure tonight that I inform the House and the community and sporting groups in my electorate of Bonner of the fantastic opportunities available to them through the Stronger Communities Program. The coalition are committed to local communities. We understand the importance of creating opportunities to support local community and sporting groups, and that is precisely what we are doing through this suite of grants.

In the last few weeks, I have had the privilege of being present at the openings of the Mount Gravatt Men's Shed's incredible new extension, the Gumdale and District Progress Association's new car park and the St Paul's Uniting Sporting Club's new clubhouse. These wonderful upgrades will serve the local community for many years to come and are evidence of this government's commitment to sporting and local community groups.

The Stronger Communities Program gives our local community the opportunity to apply for small capital works grants to upgrade areas across Bonner, such as town halls, sporting infrastructure like turf, change rooms, canteens and so on. The applications have now opened, and the Bonner community steering committee has been established to help assess worthy applications, so I am encouraging organisations in Bonner to get on board now. I have already received wonderful feedback from local group executive members who have wholeheartedly thrown their support behind this initiative and are eager to apply. Eligibility requirements have been designed to be simple and wide ranging, meaning there is scope for a huge variety of groups and clubs to apply. To be eligible, groups need to be listed as not for profit and have an ABN.

There is no doubt about the wide-ranging benefits of engaging positively with local groups. In Bonner, sporting clubs and community organisations are the beating heart of the community. They offer a space to fill the void of social isolation, they provide a platform to
allow our volunteers to showcase their skills and, most importantly, they are eyes and ears on the ground, plugged into the needs and aspirations of my constituency in an intimate and ongoing way. I rely on my community groups as a source of information and to fill the cracks that people can slip through at times. This is why it is so important to adequately support them. I am proud to be a part of a government that asks those who know best how to spend their tax dollars, rather than having a paternalistic approach that tells them what they ought to spend their tax dollars on.

I am also proud to support the Assistant Minister for Infrastructure and Regional Development, who recognises the importance of our local groups and has worked hard to make sure they are looked after. The assistant minister understands the value of our local community.

I am really excited to see the support of government being extended to the hardworking volunteers of Bonner. For those Bonner groups and clubs interested in applying, please contact my office for more information on how to apply and details of upcoming information sessions that I will be hosting.

Debate interrupted.

House adjourned at 20:00

NOTICES

The following notices were presented.

Mr Hockey: to present a Bill for an Act relating to the Asian Infrastructure Investment Bank, and for related purposes.

Mr Frydenberg: to present a Bill for an Act to amend the Banking Act 1959 and the Life Insurance Act 1995, and for related purposes.

Mrs McNamara: to move:
That this House:
(1) notes that:
(a) National Stroke Week:
   (i) will run this year from 14 to 20 September; and
   (ii) is about raising awareness to prevent stroke in Australia; and
(b) the National Stroke Foundation encourages all Australians to:
   (i) be aware of what stroke is, how to recognise a stroke and what to do;
   (ii) live healthy to reduce the risk of stroke; and
   (iii) get a regular health check;
(2) acknowledges the:
(a) launch in June 2015 by the Minister for Health of the Acute Stroke Clinical Care Standard; and
(b) bi-partisan work done by past governments in the area of stroke; and
(3) notes the requirement for greater awareness and promotion of the prevention of stroke within the Australian community.
The DEPUTY SPEAKER (Hon. BC Scott) took the chair at 09:30.

CONSTITUENCY STATEMENTS

Wakefield Electorate: Stretton Centre

Mr CHAMPION (Wakefield) (09:30): Deputy Speaker, it is a great pleasure to see you in the chair. We can only wish that you were in the chair in the House, but I will move on to other matters. It was my great pleasure to be on radio the other morning out at Munno Para in the newly built Stretton Centre. I was on radio with Ian Henschke, who did a whole week of programs from the centre, and it was a really positive thing for the northern suburbs in what is a very tough time. I was also there with my friend Phil Harrison, an old resident of the City of Salisbury, who is now working for the City of Playford.

A division having been called in the House of Representatives—

Sitting suspended from 09:31 to 09:47

Mr CHAMPION: The Stretton Centre is named after Hugh Stretton, who was a famous South Australian who played a particularly prominent role in the foundation of our housing trust and the continuation of that fine institution. The Stretton Centre was funded by the Gillard government, in particular by the Suburban Jobs Program—for which Tony Burke was the minister responsible—which provided $11.3 million of the $15 million required for the centre. That was announced on 6 September 2012, and in Tony Burke's press release he announced a completion date of 30 June 2015, so it is pretty much spot on the money.

I can remember getting the City of Playford's very worthy submission for the centre based around planning for jobs growth and for the sorts of transitions that we will need to make around the place in terms of the shift, in particular from manufacturing to service jobs and other jobs in the area. Sadly, with the closure of the car industry and the reckless behaviour of the Abbott government in regard to the submarine construction, we now know that that is an even higher priority than it was in 2012. This is a far-reaching concept by the City of Playford, and it was supported by the Gillard government and by myself. It is very important.

The University of Adelaide and Associate Professor John Spoehr were involved in undertaking it, and it is a very impressive centre architecturally.

My understanding is that the opening of the centre was delayed because the Abbott government wanted to take credit for it, and the minister for training, Simon Birmingham, wanted to be there—good boy of the northern suburbs that he is. He should remember what Benjamin Disraeli said, 'Plagiarists, at least, have the quality of preservation.' In this case, the Abbott government might seek to come out to the northern suburbs and to try and mitigate some of the damage they have done with the closure of the car industry, but they should not take credit for the funding and construction of this important centre, the Stretton Centre, which has a very important role in providing jobs for the future for the northern suburbs.

Lindsay Electorate: Volunteer of the Year Awards

Ms SCOTT (Lindsay) (09:49): I rise today in support of my wonderful community and, in particular, to honour many local residents who go above and beyond in service to our local
community to ensure that Penrith and St Marys are places where we all love to be and raise our family in.

Firstly, I would like to acknowledge Michael Kovacs as the Volunteer of the Year. Michael lost his own house to fire. He is a member of the Londonderry Rural Fire Service. He has also been at many fires, including at Burragorang, Pilliga, the Hawkesbury, the Hunter, the Shoalhaven, the Central Coast and Menai. He has provided 26 years of service to the Rural Fire Service.

Peter Harker is the Senior Volunteer of the Year. Peter has served 20 years with the Penrith SES, and he is only 65. He assisted in the Thredbo landslide, the Sydney hailstorm, the Singleton floods, the Brisbane floods, Cyclone Yasi and the search for Kiesha Abrahams.

Brooke Romcek is the Junior Volunteer of the Year. She works with the St John Ambulance Cadets, whom she joined when she was only eight years of age. She now raises money for many charities and has been very successful with the relay for life.

David Gerlach is Educator of the Year. David is a maths teacher at Caroline Chisholm College in Glenmore Park. He spends his lunchtimes helping children and is looked up to by many of his students for his dedication.

Warren Smith is the Sports Volunteer of the Year. Warren runs the St Marys Rugby League Club. He fosters young children's interest in sport and works tirelessly for the entire community, and is often seen manning barbecues right around the area.

Amanda Pentecost is the My Hero. Amanda is the wife of Nathan Pentecost, who has achieved many feats from his wheelchair. Amanda is the power behind the man. She also works as a teacher at Tyndale Christian School and spends hours of time preparing classes.

Martin Beckett is the Business Mentor of the Year. Martin is the CEO of Christ Mission Possible. He is seen as an amazing business leader in innovation and development and has helped so many people dealing with horrible circumstances.

Also commended were Sharon Parker, Ross Hutchison, Lana Borg, Roger Borg, Sally Reedy, Allan Cullen, Amanda Peachey, Linda Strickland, Cassidy Strickland, Annette Morris, Jim Tiberi, Pam Borsey, Joan Murray and Bev Fink.

I would also like to thank the committee that pulled all of these wonderful people together so that we were able to respect and honour the work of all of these brilliant people. I would like to thank my committee of Brad Waugh, Tricia Hitchens, Deb Summerhayes, Ben Felten and Lana Borg. Finally, I thank Penrith Press and Lisa Powers and Wayne Willmington from the local radio station for ensuring that this was a wonderful event.

Kingston Electorate: Australia Post

Ms RISHWORTH (Kingston) (09:52): I rise today to share the deep concern of many of my constituents and small businesses about the recent announcement that Australia Post will close its Lonsdale Business Centre in the southern suburbs of Adelaide. This will have a big impact on many residents and businesses that have relied on this important centre to do business. It is incredibly impractical for local businesses to have to travel to the city, over 25 kilometres away, where the nearest business centre is located. This will have a huge impact on the productivity and competitiveness of many small and larger businesses in the southern suburbs of Adelaide.
Australia Post has stated that local businesses and residents can use other local post offices nearby. However, businesses and residents dispute this. They have told me that post offices nearby do not have the capacity to deal with the large volume of bulk letter deliveries and parcels that the Lonsdale Business Centre accepts daily. Of course, at many of these post offices there is not the capacity to park trucks and large vehicles so that the parcels can be loaded and unloaded safely. Indeed, I am a regular user of the Lonsdale Business Centre, which ensures that my newsletter is distributed. This will be a big blow to so many other people who use it. It is important to recognise that this will affect not only traders with large volumes of mail, but also small business operators who send large parcels through Lonsdale.

I am also very concerned about the potential job losses at the Lonsdale Business Centre and the impact this is having on staff. There was not a lot of notice given to staff. There were rumours around the place that it was going to close, and they have just recently found out that it will close. I have written to the Minister for Communications, Malcolm Turnbull, and to the general manager of Australia Post imploring them to seriously reconsider this ill-founded move because it will affect people in the southern suburbs. We have a great diversity of business in the southern suburbs. We, like the northern suburbs, are struggling with the closure of the car industry and the manufacturing that goes along with it, and with the uncertainty caused by the delay of the announcement of the Future Submarine Project. And, indeed, we are of course concerned that the deal has already been done by the government to send that work offshore.

Ms Rishworth: I hear the member for Hindmarsh say, 'What about the frigates?' You made the election promise: 12 submarines to be built in Adelaide, and you should keep it. But we will get back to Australia Post and say that this Lonsdale business centre must stay open for the businesses and residents of the southern suburbs, and I call on the minister to act.

Defence Equipment: Lithgow Small Arms Factory

Mr John Cobb (Calare) (09:55): I take this opportunity to speak today about the fact that on the 22nd of last month the Australian Defence Force signed a $100 million contract with Thales and the Lithgow Small Arms Factory. Last Tuesday we visited Thales to mark the official signing. It is a new era for the Australian Defence Force with the entrance of the F90 assault rifle. The F90 is a light, versatile weapon that has been well received by our soldiers during trials—and by our special forces especially. Our soldiers deserve the best equipment that is of a high standard and is reliable. This agreement ensures our troops are using world-class weapons.

The F90 is born from over 100 years of engineering and manufacturing expertise in Lithgow. It is the latest chapter in Lithgow Arms' long contribution to Australian military operations. It is 103 years this year since it was opened. Australians have carried weapons made in Lithgow in Gallipoli, North Africa, Borneo, Kokoda, Iraq and Afghanistan. The contract is good news not only for the Australian Defence Force but for the community of Lithgow and the Central West. It secures an existing 130 jobs—welcome news for the workers, some of whom started as apprentices at age 15 and are still working in the factory 40 years later. Ten new jobs have been generated, bringing the total workforce to 140. Over the next six years the local workers will manufacture 30,000 rifles and 2,500 grenade launchers plus spare parts and auxiliaries. Lithgow Small Arms is where all the Defence Force small
arms are rehabilitated, including the .50 calibre machine guns. It is a long and incredible history. Very few people realise the depth of experience of the tradesmen and their quality,—just how good they are—and if any member of this parliament wants to see Australian workmanship at its best I will gladly take them through the small arms factory to show them how good it is.

The commitment shows our government is fighting hard to keep manufacturing jobs local, because, let me tell you, there were a lot of outside-produced weapons put in front of the Army or the Defence Force for their perusal. I am very proud of what we are able to do in our country, in Lithgow and in my electorate. The industry is in the midst of some tough times in the Central West, but this shows how good a job we can do given the opportunity to do so.

Family Court

Mr PERRETT (Moreton) (09:58): Thank you Deputy Speaker, and it is good to see you back after the six-week break from Canberra. You were my pick for the Speaker. I can see that, on occasions, the Prime Minister calls in the National Party to get things sorted out; I am sorry that did not happen with the speakership.

During my winter break I mostly spent time in my electorate, but one of our senators, the Attorney-General, George Brandis, took advantage of the parliamentary recess in a different way. The Attorney-General—the first law officer in the land—decided to make a regulation. He decided to make a regulation that was almost exactly the same as a regulation that the Senate had disallowed on the last sitting day before the six-week break. It was identical in all but one respect. They had increased the fees in the Family Court from $840 to $1,195. The Senate said, 'No, we don't like that, Senator Brandis.' They disallowed it, so 14 days later Senator Brandis, with the Executive Council, went to the Governor-General and, instead of $1,195, increased the fee to $1,200—$5 extra. It was identical except for a $5 increase.

The Legislative Instruments Act 2003 prohibits the reintroduction within six months of a regulation that is similar in substance to one that has been disallowed. I am sure that the nation's first law officer would know this. However, while that regulation had come through the Executive Council, that meant that people who had to file for a divorce—and obviously no-one rushes off to have a divorce unless things are pretty crook in their relationship—had to pay this higher fee. Despite the democratically elected Senate clearly expressing its view that this divorce tax was unfair, Senator Brandis, the Attorney-General, went to the trouble of making that new regulation on 9 July during the recess, taking advantage of the parliamentary recess.

Yesterday in the other place every single crossbench senator united to say to the Attorney-General, 'We do not like that regulation,' and they disallowed it once again. Three times now all of the crossbench senators have voted together. Three times the only person who has received that strike against them has been the Attorney-General. He certainly is a unifying force in the Senate in that he is able to coalesce that range of views against him. Because this divorce tax was so unfair, Senator Claire Moore and I have gone to the Federal Court seeking a decision from Justice Dowsett, which will be handed down at 10.30 tomorrow, pointing out how inappropriate that regulation was.
Economy

Mr CRAIG KELLY (Hughes) (10:01): In recent speeches I have given an update to the House on what I think is one of our unplanned economic experiments: the comparison of employment growth between New South Wales and Victoria. They are two similar economies, and we are a federation, but unfortunately in Victoria we have a rather left-wing Labor government when compared to the Liberal government we have in New South Wales. So it is very interesting to compare the employment growth between those two states.

The latest Australian Bureau of Statistics figures released only last month show there was a net 6,900 new jobs created in Victoria for the month of July, but in New South Wales the number was 29,600. So in the month of July we had four times more employment growth in New South Wales than we had in Victoria. In fact, if we go back to March, we see that since March 71,600 new jobs have been created in New South Wales, and 64,200 of those jobs are actually full-time. Guess how many net jobs in that equivalent time were created in the state of Victoria. Remember, there were 71,600 in New South Wales. I see there are some members from Victoria in the chamber. Can anyone guess how many were created in Victoria with their left-wing Labor government? If you said zero you would be close, but you would be wrong. It is actually less than zero. Since March, the employment in Victoria has gone backwards. They have lost jobs. But in New South Wales, with a Liberal government, 71,600 jobs have been created.

That is the difference between the Liberal policies and the Labor policies. We have seen this throughout our history. Whenever a Labor government have come to power they destroy jobs. We saw that during the previous coalition government in the Howard years. They put 353,000 people back into employment. They took those people off the employment queues. Under the six years of the rabble of the Labor government, we saw 278,000 people join the queues of the unemployed. With their renewable energy target and their plans to put inefficient renewable energy to 50 per cent, this will only destroy tens of thousands more jobs. The evidence is clear: if you want job creation, you elect Liberal governments.

The DEPUTY SPEAKER (Mrs Griggs): Before I call the member for Corio, Member for Greenway, your voice is carrying a little, so if you want to have a conversation could you please go outside the chamber.

Corio Electorate: National Broadband Network

Mr MARLES (Corio) (10:05): A couple of weeks ago the Minister for Communications visited my electorate of Corio to spruik the government's second-rate broadband network. The minister came to Geelong with much fanfare, using as his mode of transport one of the largest rail infrastructure projects in Australia's history, the Regional Rail Link, which was made possible by the former Labor government. But while that project actually happened, when it comes to the NBN the minister has been found wanting. The minister promised during the 2013 election that all premises would have access to download speeds of 25 to 100 megabits per second by the end of 2016. But is this happening? Certainly not in my electorate, even though, as the minister has discovered, we now have some very impressive rail timetables.

Under Labor, NBN Co had begun work on the fibre network in Geelong. In June 2013, work began to bring fibre broadband to about 2,400 homes and businesses. Work was scheduled to deliver fibre to about 44,000 homes and businesses in Greater Geelong, from
Lovely Banks to St Leonards, from Clifton Springs to Corio. But despite promising to honour all contracts prior to the election, in government Tony Abbott and Malcolm Turnbull cancelled the entire fibre rollout to Corio. Nearly two years into their term, the coalition has only just started rolling out their second-rate network on the Bellarine Peninsula. Despite promising to deliver the NBN to all homes by 2016, the coalition has not added a single existing home in Geelong to their 18-month rollout schedule.

This stands in stark contrast to our neighbour, Ballarat, which had the NBN rolled out prior to the 2013 election. Their good fortune in being at the head of the queue in Labor's rollout of the NBN has placed Ballarat firmly in the 21st century, while Geelong loses ground.

For regional Australia the NBN offered the prospect that businesses could now operate in cities like Geelong and Ballarat, when previously the only option was Melbourne. In regional Australia we could aspire to have our share of the economic activity which had previously been possible only in our capitals.

*Ms Henderson interjecting—*

**The DEPUTY SPEAKER:** The member for Corangamite.

**Mr MARLES:** This exciting future is now Ballarat's present, while Geelong is increasingly left behind in the digital past.

*Ms Henderson interjecting—*

**Mr MARLES:** The truth is that when it comes to the NBN, as with so much else, the Prime Minister, the minister and indeed the member for Corangamite have abandoned Geelong.

This week marks the six-month anniversary of the Prime Minister's infamous statement that 'good government starts today'. The people of Geelong and most people in Corio still do not know when they will get the NBN as part of that good government, or the type of NBN they will get. Geelong must not be left behind when it comes to rolling out the NBN.

*Ms Henderson interjecting—*

**An honourable member:** A point of order, Madam Deputy Speaker. The member for Corangamite will have an opportunity to respond in a moment. It is a three-minute constituency statement. There is not much time.

**The DEPUTY SPEAKER:** Yes, you are wasting your colleague's time.

*Honourable members interjecting—*

**The DEPUTY SPEAKER:** It does not do that in this chamber. Please, the member for Corio has the call.

**Mr MARLES:** I am nearly finished, Madam Deputy Speaker. So the next time the minister is in my electorate, I would ask him to accompany me to the suburbs and streets around my electorate that do not have the NBN or even broadband connections. I would ask him to come with me to the schools where the kids are being left behind. I would ask him to talk to the businesses which are now considering relocating because of the appalling state of Geelong's broadband infrastructure. As I said in this place in May, the government needs to make good on its promise to the Australian people and remedy the situation immediately, and there is no better place to start making good on that—*(Time expired)
The DEPUTY SPEAKER: Before I give the call to the member for Hindmarsh, Member for Greenway, I am sorry that I pointed out that your voice was carrying. I would like us to have respect for each other and to listen to each other in silence, please. Your voices do carry. I would like the rest of this session to be respectful and for us to hear each other in silence, please.

Defence Procurement

Mr WILLIAMS (Hindmarsh) (10:09): For the first time in Australia's history, the government will deliver a continuous naval shipbuilding plan that will give industry and employees security for years to come. Not only does this mean more jobs for Australians and job security for employees at shipyards around Australia, but it will also allow industry to invest and will allow supply chains in the defence industry. It will allow professional services that work for the defence industry to continue.

Following numerous meetings I have had with defence businesses and industry leaders, I know that we can get the productivity up to world-class levels at Australian shipyards. Despite the challenges we have had with the Collins class submarine and air warfare destroyer, I have every confidence in our workforce in Australia. Significant economic growth will be generated from a sustainable shipbuilding industry that will sustain about 2,500 long-term shipbuilding jobs that would otherwise have been lost. Yes, in the short term there might be some decline in the shipbuilding industry, but we know that this is because of the failure of the previous Labor government to invest.

The Future Frigates are a major part of the coalition government's plan to deliver a long-term, sustainable Australian naval shipbuilding industry. I have been fighting for more jobs in the defence sector for a couple of years, having regular meetings with government ministers. This latest announcement is great news for our defence industry. I am thrilled at the jobs created and will continue to fight to maximise Australian involvement in the Future Submarine Project. As Premier Weatherill said, 'This is a big win for South Australia.' The Adelaide shipyards and workforce are strategic national assets. I am informed by leading defence companies that the facilities at Osborne are the best in Australia.

The $39 billion that will be invested in ships for the Navy over the next 20 years which will end the boom-and-bust cycle which has impacted on defence companies' abilities to continue to maintain employment. Unfortunately, the previous government failed to initiate one shipbuilding project during their term in government. There was a lot of noise from the other side about defence shipbuilding, but their record is poor. Like the surpluses the member for Lilley promised at the dispatch box, the boats that were promised were never built. The former government ignored Defence advice, leaving a future capability gap, and, furthermore, took billions of dollars from the Defence budget.

As published in The Australian on 28 June this year, Defence department secretary, Dennis Richardson, and Air Chief Marshal, Mark Binskin, told The Australian it was too late to bridge the 'valley of death' shipbuilders faced when current projects run out. They said that, to avoid job losses, the previous government would have had to have placed orders for ships at least three years ago and probably much earlier. A sustainable shipbuilding industry is part of the federal government's commitment to defence. As the acting chief executive of BAE Systems said:
We know from our experience ... that when a continuous build program is in place, we can achieve and sustain productivity improvements that result in a globally competitive performance.

That is what we all want from our defence industry: globally competitive performance, security and investment.

**Holden, Mr Brien**

Mr THISTLETHWAITE (Kingsford Smith) (10:12): It is with great sadness that I pay tribute to the life of my mate, Brien Holden, an internationally acclaimed researcher and head of the Brien Holden Vision Institute at the University of New South Wales. Brien was a tireless advocate for the vision impaired and, in particular, those in developing nations. He has been described as the most influential optometrist of our time. After studying optometry at Melbourne university, Brian travelled to the UK to undertake his PhD. He was a social activist during his university years. On the journey to England, Brien saw firsthand the poverty and hardship of many at ports along the journey. This inspired Brien to use his medical expertise for human improvement and social justice, and that is exactly what he did for the remainder of his life: he devoted his life to vision correction for the poor throughout the world.

In 1971 he took up a position at the University of New South Wales and quickly worked on establishing a world-leading optometry research and development institute. In 1976, the Cornea and Contact Lens Research Unit was established, developing breakthrough advances in vision correction and attracting the best and brightest researchers and students throughout the world. This also attracted the support of government. The Hawke government, through the Cooperative Research Centres Program, worked in collaboration with the institute and industry to develop and commercialise some of the most advanced contact lens and corrective eye care in the world. One man had a passion for humanity and devoted his life to making life better for others. The Brien Holden Vision Institute works in 54 countries. It provides optometry services to 3.2 million people throughout the world. It has trained 139,000 in eye care, developed nine schools of optometry throughout the world and generated millions of dollars in royalties to the Australian economy. The institute is fittingly named after the man whose vision it was to establish it.

In 1997, Brien was awarded a Medal of the Order of Australia. He received 30 international awards and six honorary doctorates. He was, quite simply, a great Australian. He was a larger-than-life character who loved his family and loved his staff. On several occasions, I visited the Brien Holden Vision Institute. If you want to talk about jobs of the future, walk through the halls of the Brien Holden Vision Institute and see the jobs of the future in operation today. I have never seen a workforce that was so passionate and so devoted to their boss as the staff of the Brien Holden Vision Institute were to Brien Holden. He loved his staff, he took an interest in all of his staff and they reciprocated. He loved his sport; he was a great fan of the Swans. He loved life, he had a big heart and he devoted his life to making the lives of others better. Sincere condolences to his wife, Yvonne, and to Anthony, Karen and Daniel.

**Durack Electorate: FeNaCING Festival**

Ms PRICE (Durack) (10:15): I am thrilled today to take this opportunity to speak about this year's FeNaCING Festival, which I attended in Karratha in the Pilbara earlier this month.
The annual FeNaCING Festival is organised by the volunteers of the Karratha Dampier Lions Club, and this year the festival celebrated its 43rd birthday. The name of the festival is derived from the chemical symbols of the periodic table: Fe, meaning iron; NaCl, meaning salt; and NG, meaning natural gas, these being the industries that have driven the success of Karratha—very fitting.

This year's festival attracted over 30,000 visitors. The festival celebrates community diversity, increases participation and contributes to the vibrancy of the local communities of Karratha, Dampier, Roebourne, Wickham, Point Samson and also the wider Pilbara community.

The festival is the main fundraiser for the Karratha Dampier Lions Club, which puts all money it raises back into the community. This year, the club was able to donate $60,000 to the St John Ambulance transfer centre, which is located at the Karratha airport, along with numerous donations to all of the local schools. It is a fun festival, which has something for the whole family, from wide-ranging stalls, displays and children's workshops—I particularly loved the arty umbrellas—to float parades and sporting and community groups' performances. About 200 stallholders participated in the festival, showcasing small businesses, along with other community groups and organisations such as schools, emergency services and also the Pilbara Regiment of the Army, which I particularly enjoyed spending some time with. Local produce and products were on display, which illustrated that the Pilbara matches it with the best in the country when it comes to innovation, creativity and quality.

Visitors from right around the country attend, with many interstate regulars labelling it—and do not be offended, Madam Deputy Speaker—better than the Darwin Royal Show and have affectionately named it—the Pilbara Royal Show. The local schools combined to perform an ensemble, and Karratha Primary School demonstrated their musical prowess through their choir. This year's family night entertainment featured Australian rockers Mental as Anything on the Saturday night and country musician Troy Cassar-Daley on the Sunday evening—all of this for free. How wonderful that is for the people of Karratha and the wider community.

I congratulate the Karratha Dampier Lions Club on such a wonderful festival and cannot wait for the next festival. I encourage all those here, including the member for Solomon, to maybe come to Karratha next year and start saving up—you will not regret it.

The DEPUTY SPEAKER: Thank you. It is good for the Darwin show to be acknowledged in such a good way. I can attest that the Darwin show is a fantastic event.

Greenway Electorate: Recall of Samsung Washing Machines

Ms ROWLAND (Greenway) (10:18): A few weeks ago, I received a letter from a local resident in Seven Hills, detailing her ongoing problems associated with the recall of certain Samsung washing machines. In making contact with her, and subsequently some other consumers affected by this recall as part of a support group, I am starting to understand the intense frustration, hurt and disappointment that this issue is causing to many innocent Australians. I cannot think of a more routine and regular task than putting on a load of washing, and I am sure those individuals affected by this matter could never have foreseen what, for some of them, would become life changing.
Let's step back to a notice, dated 30 April 2013, on the website of the New South Wales Department of Fair Trading. It is entitled 'Electrical safety recall of Samsung top loading washing machines'. The notice reads in part:

Samsung Electronics Australia Pty Ltd is recalling six models of top loading washing machines due to a risk of fire.

... … …

Samsung has advised NSW Fair Trading that 150,000 machines have been sold in Australia through various retailers between 2010 and 2013, including 62,285 in New South Wales. Another 36,000 machines have been sold in New Zealand.

There have been 15 fire incidents involving machines around Australia, including six fires in NSW. Fire & Rescue NSW … fire investigators identified safety concerns with the washing machines after firefighters attended at least six fires linked to the appliances since last November.

Fires occur when internal water condenses onto an internal connector (motor connection) causing tracking.

The notice goes on to include the specific models of the affected appliances, statements by the Fair Trading Commissioner urging consumers to check their own models, and contact details for Samsung, including social media. That was around 28 months ago.

My constituent in her letter dated 6 July 2015 informed me of the following: in the last seven days three house fires have been caused by the affected machines; according to Choice, there have been 200 house fires caused by the affected machines since the recall commenced; and, again according to Choice, there have been 19 fires caused by machines that had already been serviced by Samsung technicians. But the parts of my constituent's letter that hit me above all else were: a member of their support group had been living in her new home for only three weeks when her affected machine caught fire—a fire that destroyed 80 per cent of her new home, leaving her and her family in emergency accommodation for five months—children were taken to hospital to be treated for smoke inhalation and there is the trauma for a child whose home is burning.

Unfortunately, these are not isolated cases. As Hannah Francis reported in The Sydney Morning Herald on 22 May, the company is aware of 181 incidents in Australia involving the recalled models, including overheating, smoking or catching fire, since the recall notice was initiated. Indeed, in that article Francis refers to three fires in New South Wales within days of her writing it, including two in Sydney's western suburbs.

The scale of this problem is deeply concerning and deep concern has been expressed by consumers about the effectiveness of the recall, including questioning the effectiveness of the technical fix itself. And I note they are not alone in their concern. This needs to be remedied; this is a situation that has been going on for too long and too many innocent consumers are at risk. (Time expired)

Illicit Drugs

Mr HOGAN (Page) (10:21): Along with probably most members in the room and indeed the other chamber, I see that the drug ice is becoming more of an issue in all of our communities. About 12 to 18 months ago when I was starting to talk to a lot of our front-line healthcare workers, our front-line police and our welfare agencies I was quite taken back by some of the stories that they were telling me about how not only their safety but indeed the safety of drug addicts was an issue. Although the number of people using this drug is not
necessarily high relative to the number for some other drugs in our community, certainly the impact of this drug is quite large.

In March of this year I asked the Assistant Minister for Health, Fiona Nash, to come to my community. While she was there I invited her to speak to some of the people that I have been speaking to, including obviously front-line police, front-line health workers, welfare agencies et cetera. She had obviously been aware but some of those discussions and others she had around the country encouraged her, along with the federal government obviously, to establish the National Ice Taskforce. As part of that they held community forums around the country. On 19 May of this year Senator Nash again came back to my community and as part of the taskforce held a forum which hundreds of people from around the region attended—people like the front-line healthcare professionals from emergency hospital departments, front-line police, welfare agencies, addicts including some who were recovering, their family members and many other people.

I have been to other local forums too around the community in Kyogle and Yamba. At the Yamba forum I ran into a man called Patrick, who is a recovering addict who has not used for about three to four months now. He showed bravery in sharing with that forum and the community his stories—the effect that the drug has had on his life and what he is now trying to do. I am starting a group for recovering addicts and family members because the extended family are very affected by this. I am holding a support group meeting on Monday the 24th of this month in Grafton. Patrick is helping me to put this together.

The forums that were held obviously encouraged the federal government to note that they need to act at our level as well. They are looking at six areas in the interim report focusing on: law enforcement actions, obviously in relation to the dealers; primary prevention, and obviously education is important; early intervention, treatment and support services; supporting local communities to respond, and we have some great local community events; things that are helping front-line workers; and consolidated research and data.

Abbott Government

Mr GILES (Scullin) (10:24): I rise to give voice in this place to the concerns of the hundreds of constituents who have indicated to me their deep dissatisfaction with the Abbott government. During the winter break I held a series of community meetings throughout the Scullin electorate, from the Diamond Creek Football Club to the memorial hall in Epping. I took every opportunity I could to listen and to better understand what matters to the communities right across the Scullin electorate. I was struck both by the range of issues people raised with me and by the unity of purpose behind their concerns: the record and the rhetoric of the Abbott government. Concerns included everything from a tax on Medicare to concerns about road congestion; a lack of urban rail funding, constraining transport options; a lack of transparency across trade negotiations, threatening jobs, threatening access to medicines; university deregulation and $100,000 degrees; broken promises on Gonski funding for schools, increasing educational inequality; and of course jobs.

Deep concern was raised in particular about what will happen following the closure of the auto industry, goaded away by Treasurer Hockey. There was deep concern about youth unemployment, which is more than 20 per cent in the western end of the Scullin electorate. There was simply disbelief that this government has not got a credible plan for jobs—just an
agenda to attack wages and conditions, particularly penalty rates that are so important to so many of the people I represent in this place.

Again and again, people expressed to me, right across the electorate and in no uncertain terms, they want the Commonwealth government to do more to respond to all of these concerns. But, instead, this government seeks to do less—less funding to support GP visits, a continued refusal to fund urban rail, support for $100,000 university degrees and a failure to fund schools on a needs basis. At a time when everyone in this place should be seeking to rebuild trust and confidence in the political process, it seems that this government is determined to make things and people's lives worse. And of course insult has been added to injury, over the three weeks before we returned to parliament, when the Prime Minister took way too long to restore public confidence in the standard-setting role of this parliament and its former speaker.

Part of every member's job in this place is to listen to the concerns of their constituents. I do not doubt that constituents in coalition members' electorates are saying very similar things to what constituents in the Scullion electorate are telling me. They want a government to listen, they want a government to support a fairer approach to education, health and infrastructure investment. They want a government that will stand up for jobs. They do not want another reset; they want a Shorten Labor government.

**Lyons Electorate: Norske Skog Boyer**

Mr HUTCHINSON (Lyons) (10:27): Last week I had the pleasure of visiting a really important business in my electorate and that is the Norske Skog paper-manufacturing plant, at Boyer, in the Derwent Valley. I was joined by Senator David Bushby. We were given a presentation by the managing director, Rod Bender. Senior members of his management team and union representatives within the business also joined us for lunch. What a really fantastic business this is and what an important business it is not only for the Derwent Valley but also for the state of Tasmania. There were some themes around our discussions and they focused primarily on energy. We were marked on our policies as a government in that area and, indeed, were acknowledged for keeping our promises on not only the carbon tax but also the renewable energy target, particularly in relation to energy-intensive trade-exposed industries, of which Norske is one.

In terms of transport, the advantages that we have had through the expansion of the Tasmanian Freight Equalisation Scheme are absolutely critical to that business and its ongoing viability. That was acknowledged by all in attendance. Fibre supply is fundamental to this business. We were marked as 'talking a good game.' And, indeed, the inclusion of biomass within the renewable energy target provides an enormous opportunity for that business but also other businesses within Tasmania to take advantage of a resource that we have there that is currently stranded.

Of course, industrial relations are important within any business. Whilst this is a fantastic and a cooperative workplace where the staff are engaged and very cooperative, which really underpins the performance culture within the organisation, one of the things that hurt the business were decisions by the previous government in 2009 and, again, in 2012 in relation to 'revitalising' the Coastal Trading (Revitalising Australian Shipping) Act. This has hurt that business. It virtually stopped their ability to export paper from Tasmania to Western Australia.
The key opportunity that we have within the renewable energy target is the inclusion of thermal energy. At the moment we can generate electricity from biomass, but there is an enormous opportunity—for this business and many other businesses around Australia—with thermal energy, generated from biomass, to be able to be included within the renewable energy target.

**Shortland Electorate: NAIDOC Family Fun Day**

Ms HALL (Shortland—Opposition Whip) (10:30): I rise to pay tribute to the Bahtabah Local Aboriginal Land Council for the fantastic NAIDOC Day celebrations they organised in Eastlake Macquarie on the foreshore of Lake Macquarie in Pelican Park.

It was a fantastic day. It commenced with a flag-raising ceremony at the Bahtabah Land Council. It was a privilege to meet the CEO's mother. Mick Green's mother was present at that ceremony. The day itself was a fantastic success. The previous year, over 4,000 people had visited the celebrations on the foreshore. This year, I would have to say that there were probably double that number of people that visited and became engaged in the activities at the foreshore.

There were activities such as face painting, there was entertainment and a free barbecue for everyone. There were a number of information stalls and interactive activities: Wollotuka, New South Wales Fair Trading, the Department of Human Services, FACS, Aboriginal Tenancy, NDIS, UnitingCare, Benevolent Society, Bahtabah Land Council themselves and Centennial Coal. I sponsored the event, along with Yasmin Catley, the member for Swansea. We had a stall that we shared with Jodie Harrison, the member for Charlestown. The AEC was there, Northcott, Wombat Stories, and a number of other organisations. There was a breastfeeding tent and kids carnival show bags; the Cancer Council was there, as well as the Centre for Hope and New Horizons, and there was an Elders' tent.

Throughout the day people interacted. My three grandchildren attended the Day in the Park. They are young Indigenous children that actually live in Canberra. They had a fantastic day, along with other non-Aboriginal children. There was a spirit of coming together, joining and enjoying the day.

I really want to pay tribute to Mick Green. He is a fantastic CEO of Bahtabah Land Council. He has shown leadership at all levels and he has my absolute utmost respect. Congratulations to Bahtabah Land Council for yet another successful day. (Time expired)

**Ryan Electorate: Witton Barracks site**

Mrs PRENTICE (Ryan) (10:33): I rise today to talk about the Witton Barracks site at Indooroopilly, in my electorate of Ryan.

The Department of Defence has recently announced that they are going to dispose of this site as they do not have any future needs for it. However, this site is very special to the local community. It has a lot of history, as well as providing the opportunity for local facilities so needed in that area. I am delighted that Darren Chester, the parliamentary secretary, recently came and met me on site with local councillor, Julian Simmonds. Julian Simmonds has worked with the Brisbane City Council to put together a submission to the department as to why this site should be given, or sold at concessional rate, to the Brisbane City Council so it can use the site for the local community—for the residents of Indooroopilly. I appreciate that the Defence department wants to make money on behalf of taxpayers who originally bought...
the site, but equally those same taxpayers are the ratepayers and the residents of Indooroopilly.

This site has many special attributes. Primarily it is an historic site. These are the barracks where there are the only remaining prisoner of war cells left in Australia. These are the prisoner of war cells where prisoners were brought for interrogation during the Second World War. Those cells are still there, so there is an opportunity to create an historical military museum on the site.

It is also in the same place as the Walter Taylor Bridge, a very famous bridge that is tragically getting on in years and above capacity. The Walter Taylor Bridge is a suspension bridge. In fact, the cables that hold it up were once used to pull the Sydney Harbour Bridge span together. Walter Taylor very cleverly used those cables to save money in building bridge. But the bridge is rapidly nearing capacity, if it is not already over it, and because of its nature it is only two single lanes, so it is impossible to expand. The council has already acquired land from the other side of the river at Chelmer, and the obvious place for a new river crossing to land would be on this side of the site.

At the same time, Indooroopilly is one of the oldest suburbs in my area. It has been listed by the state government as a principal site, meaning that buildings in redevelopment can go to 10 and 20 storeys high, but because it is an old suburb there are no real parks and recreational areas. So once again there is a great opportunity to provide green space and a park for the local residents. I am delighted that the council has taken this up through Councillor Julian Simmonds. I call on the federal government to work with the council for the outcomes that we need for the residents of Indooroopilly and for the best outcome for the local people.

Asylum Seekers

Mr BANDT (Melbourne) (10:36): Australians do not often have a chance to see the reality behind the Abbott government’s cruel policies against asylum seekers, but sometimes stories get out that let us see into the darkness of this government’s secret on-water matters. In April this year a fishing boat carrying 46 Vietnamese asylum seekers was intercepted by Australian authorities. Rather than granting these asylum seekers the right to have their claims assessed, the government simply returned them to the very government they were fleeing.

Nobody chooses to get on a boat and leave behind their lives. Forty years after the end of the war in Vietnam, the Vietnamese community in Australia tells of the reality that many people still face: the capture, torture and incarceration of religious leaders, the bulldozing of land from the poor farmers and the lost opportunity to fish to earn a living, with the Vietnamese government giving away land and territorial waters. Despite this, in July this year, Minister Peter Dutton and the Abbott government returned to Vietnam another 50 asylum seekers on board the boat 96282. We have heard disturbing reports that some have since been detained. In fact, we know that at least one person on that boat, Hai Nguyen, remains in prison. Several others repeatedly faced hostile interrogation by the authorities.

Today I call on the government to come clean. Does the Minister for Immigration know for certain the fate of these asylum seekers that he forced back to the very country they were seeking protection from? If not, how can the government be sure Australia is living up to its most basic and serious obligation under the Refugee Convention and customary international law not to refoule refugees to their countries of origin? What assurance has the government
received that these asylum seekers will be safe? What measures did the Australian government take to assess these asylum seekers' claims?

Sadly, on the very same weekend that our immigration minister was secretly sending asylum seekers back to the country they had fled, the ALP followed opposition leader Bill Shorten's lead and formalised its support for turning back asylum seekers. Boat turn-backs mean returning people to danger, to persecution, to face imprisonment or death somewhere else, out of sight, out of mind.

The Vietnamese community in Australia has been very clear: we must say no to refoulement. No person should ever be returned to danger anywhere in the world. This year, 2015, marks the 40th anniversary of the Vietnamese community here in Australia, and Australians have rightly celebrated the outstanding contribution that Vietnamese Australians have made over this time, not least to my electorate of Melbourne. But had we done 40 years ago what this government is doing now we would not have the Vietnamese community in Australia that we currently have.

It is vital that when we celebrate these achievements we also recognise that human rights everywhere, including in Vietnam, must still be defended and that Australia must remain a place where we welcome and support those who come here for safety. The Vietnamese community here in Australia shows us that Australia is a better place when we say 'welcome', and, no matter what your political persuasion, no Australian could be anything but deeply moved to see Vietnamese Australians and the way they are being treated.

**Bennelong Electorate: Community Organisations**

**Mr ALEXANDER** (Bennelong) (10:40): I rise to inform the House of milestone achievements for two great organisations in my electorate of Bennelong. The 1st Epping Scouts was founded in July 1915, and I had the absolute pleasure of recently attending their 100th birthday celebrations. In attendance were descendants of Bill Hunt, a local plumber who founded the group during the First World War, only eight years after Baden-Powell launched the first group in England. It is one of the oldest scouting groups in the world. Over the century the group has expanded, merged and featured every possible facet of scouting, from Sea Scouts to Air Scouts, Joeys to Venturers. They have been in their current location in the centre of Epping for 90 years and have owned a boatshed on the Parramatta River since 1939. They have also been instrumental in the creation of five other scout groups around Bennelong. Many thousands of young people have benefitted from membership of this excellent group, and Bennelong's community has been enriched by the contribution of this scouting group and all those who have walked through its doors. Congratulations to Epping Scouts, and may you have many more decades of good service ahead of you.

Another important local organisation is STARS Sports, which runs sports camps, tournaments and training sessions for children in schools and through the holidays. Its aim is to promote a healthy lifestyle through participation in numerous sports, but the emphasis has always been on enjoyment and encouragement. This spirit of infectious fun is why STARS Sports has flourished in this its 10th year. It is run by a unique and tireless founder, Andrew Hill, who deserves special mention here as his drive and determination has not only led to STARS' success but enriched the electorate of Bennelong.
Andrew is highly active in the local chamber of commerce and numerous other local groups and was deservedly recognised by the City of Ryde as the Citizen of the Year in 2007. He is also integral to the ongoing success of the Bennelong Cup, our local school table tennis competition, which I set up to encourage engagement in sports across the many ethnic groups with which we are lucky enough to share our community. Through STARS Sports, Andrew visits most schools within Bennelong in the weeks and months before the competition, drumming up excitement and teaching kids the vital table tennis skills for success. Without this work the cup would not be the success that it is. So, from the whole of Bennelong, congratulations on the last 10 years to STARS and Andrew Hill, and may there be many more years of success and activity in the future.

**Franklin Electorate: Aquaculture**

Ms COLLINS (Franklin) (10:42): It was a pleasure last week to visit Tassal, our salmon producer at Ranelagh in my electorate, with the shadow minister, the member for Hunter, Joel Fitzgibbon. We visited the hatchery down at Ranelagh. The hatchery was opened in 2010, and I was pleased to go along to that opening. While we were down there last week Tassal explained to us how the process is working and showed us their new hatchery, which is an expansion at Ranelagh. The current hatchery has salmon eyed eggs go in twice a year, so they can have salmon on the market in Australia the whole year round. The process from arriving in the hatchery to the plate takes about three years for salmon. The current hatchery re-uses more than 98 per cent of its water and is at Ranelagh in my electorate, as I said.

During our visit, Joel and I were able to see the new hatchery under construction. It means that Tassal will be able to produce at the site, for on-growing in Tassal’s farms, 8.2 million smolt. That is more than double the current amount of smolt that is able to be produced at the hatchery. The project is estimated to cost between $25 million and $30 million. It is estimated that around 100 local contractors will be employed during the construction. This project is really important to my electorate. Tassal has tried to use locals from the local area in the construction, and of course there are long-term jobs that go with the salmon industry in Tasmania.

In Tasmania, we have seen the recent opening of the Huon Aquaculture site at Parramatta Creek, which was made possible by a $3 million grant provided by the former federal Labor government. This was a co-investment. During the break I was also pleased to be able to visit Huon Aquaculture's pens in the Huon River and the channel areas in my electorate and witness the great effort that has gone into the design of these new pens to protect and keep out the seals. I also had the opportunity to visit Tassal’s processing plant for smoked salmon at Huonville.

This is a massive industry in Tasmania now. It has been in Tasmania for more than 30 years. Currently 43,000 tonnes of Atlantic salmonid and ocean trout is grown in Tasmania by farming. For the past five years that industry has grown at more than $1 million a week. It is now a $625 million industry for the Tasmanian economy. More than 80 per cent of the product is sold domestically. There is some export, mostly of the larger salmon, to Asian markets. The industry currently employs more than 1,500 Tasmanians directly and more than 3,700 FTEs around Tasmania and Australia. It is one of the employment success stories in Tasmania. The majority of these jobs are full time and are in regional and remote areas,
particularly in Tasmania. This is an industry that wants to grow. It is estimated to be a billion dollar industry by 2030. I thank those companies for allowing me to visit.

**Corangamite Electorate: Advanced Manufacturing Growth Centre**

*Ms HENDERSON (Corangamite) (10:45):* It was a great day in Geelong and Corangamite last week when the Prime Minister visited to announce a $14 million Advanced Manufacturing Growth Centre. This is an incredibly important initiative for our region. The growth centre will lift growth and productivity and drive new innovations in our region. It also sends a very strong signal to our nation that Geelong and Corangamite are at the forefront of advanced manufacturing. This is an absolute game changer and just shows how much the Abbott government is investing in the jobs of the future and, of course, in advanced manufacturing. The first task of the Advanced Manufacturing Growth Centre will be to develop a competitiveness plan. That will ensure that domestic businesses will be linked with exports and export opportunities. It will identify the jobs and skills needed and provide a pipeline of well-developed innovations ready to commercialise. So this is incredibly significant for our region. There is more. I am very pleased to say that we have also announced another $1.3 million for Geelong Region Job Connections. This is an incredibly important $2.6 million over the next two years to drive local job-creation projects, to fund the local employment facilitator, to set up a Job Connections office and to fund really important initiatives like the Geelong Jobs Fair.

We are absolutely determined to do everything we can to drive jobs growth. Despite what Labor would have you believe, in Corangamite the current unemployment rate is only 5.2 per cent. We have been seeing some terrific jobs growth over the last 12 months. While, yes, there are pressures in some sectors—in the manufacturing sector in particular—we are working incredibly hard, combined also with a new TradeStart office that we will be opening in Geelong, to help businesses connect with wonderful export opportunities—supplemented, of course, by the three free-trade agreements which we are delivering. For instance, the free trade agreement with China will deliver some 178,000 jobs over the next 20 years, which just goes to show how reckless and irresponsible the xenophobic union campaign against the free trade agreements is. Along with our rollout to 40,000 premises receiving the NBN, including some 14,000 premises in the electorate of Corio—we heard a very deceptive and dishonest contribution by the member for Corio before—we are working very hard. We are putting $15 million into the Geelong Region Innovation and Investment Fund—all of that money delivered by our government—for upgrading roads and assisting small business. We are working very hard and we are not making terribly reckless decisions like cutting the East West Link project and destroying 7,000 jobs.

**The DEPUTY SPEAKER (Ms O'Neil):** In accordance with the resolution agreed to earlier, the time for members' constituency statements has concluded.

**PRIVATE MEMBERS' BUSINESS**

**Australian Defence Force Parliamentary Program**

*Mr PITT (Hinkler) (10:49):* I move:

That this House:

(1) acknowledges that the Australian Defence Force Parliamentary Program (ADFPP) has enjoyed bipartisan support since its formation in 2001;
(2) recognises the importance of providing an opportunity for Parliamentarians to experience life working alongside Australian Defence Force (ADF) personnel;

(3) notes that the ADFPP provides ADF personnel with direct access to Members of Parliament in their own workplace or as a part of the exchange program to Parliament House; and

(4) expresses gratitude to ADF personnel who make ADFPP a great success.

The bipartisan Australian Defence Force Parliamentary Program offers a unique and often intimate firsthand experience of the challenges of service life. It also gives a broader understanding of the capabilities of the Australian Defence Force and the application of military power in the pursuit of strategic government policy. Between 2001 and the end of 2014, about 340 attachment options were undertaken by federal parliamentarians, 120 by senators and 220 by members of the House of Representatives. Of the 34 participants in 2014, 19 undertook their first attachment and, by all accounts, their experience was excellent.

In a bid to better understand the daily demands placed on our Defence personnel, exactly 12 months ago yesterday I boarded Australia's navy frigate HMAS Newcastle as part of the federal parliamentary exchange program. For much of the time they conducted work-up exercises under the supervision of the Navy's Sea Training Group. I had access to all operations, a flight on the ship's support helicopter, boarding parties, damage control and the general life of our naval personnel. It was an experience I will never forget.

The other important element of the program is the annual exchange of up to 15 Australian Defence Force members from all ranks conducted during a sitting week, usually in September of each year. The exchange element of the program allows the Australian Defence Force participants to gain a unique insight into the operation of parliament and the daily working routine of their hosts.

The program culminates each year with the military dining-in night. For many, it is an opportunity to experience another fine tradition of the military, receive a commemorative award and share experiences with fellow travellers. At the 2014 dinner we heard the member for Parramatta, Julie Owens, speak to her five previous attachments, starting with her first experience with the Regional Force Surveillance Unit in Arnhem Land. The second speaker was the member for Riverina, Michael McCormack, who spoke of his attachment last year to the Middle East region. So, as you can see, Madam Deputy Speaker, the ADF Parliamentary Program is truly bipartisan.

Seconding this motion today is the Labor member for Gellibrand, Tim Watts. Mr Watts took part in a tour of the Middle East and Afghanistan in April this year. Like all of us who have been fortunate to participate in the program, Mr Watts was moved by the camaraderie and dedication of our diggers, describing them as 'our modern-day ANZACs'. I thank him for his support here today.

I would also like to thank the member for Forrest, Nola Marino, for her contribution today. Ms Marino has participated in the ADF Parliamentary Program every year since her election in 2007, travelling to places like Afghanistan, and this year she boarded the USS Mercy in Papua New Guinea.

It is this parliament that deploys our Defence personnel to often dangerous and hostile locations. I think it is essential for members of parliament to have at least a rudimentary understanding of the conditions we ask them to work in in the defence of our great nation. It
is equally important that we at least try in some way to walk in their shoes so we can better understand what some of our constituents may have experienced.

My electorate, for example, has a larger than average veteran community. They may have retired from service, but every day they continue to make valued contributions to social life and local life. And they inspire our young people—the number of young Hinkler residents applying to join the Australian Defence Force continues to increase significantly. In the 2012-13 financial year, 575 Hinkler residents applied, compared to 744 in the 2013-14 financial year. So far, more than 50 young people from my electorate have applied for the coalition’s reinstated ADF Gap Year program.

While national security is one of the top issues of concern among my constituents, what may come as a surprise to many is that Hinkler has historically received less defence spending than any other electorate in the country. Given the high unemployment rate in my region, that is something I would like to see remedied. I have written to the Minister for Defence to put forward three long-term proposals that are being worked on by the Hinkler community.

They would like to see a naval maintenance base established at the Port of Bundaberg and for Enoggera Barracks to be relocated to the Fraser Coast when it outgrows its current Brisbane site. An advisory group has also been established to produce a business case for the recently decommissioned HMAS Tobruk to be sunk in Wide Bay to create a military dive wreck and fish breeding ground. It would complement our Fraser Coast military heritage trail and the Rats of Tobruk Memorial in Bundaberg. It would create an additional tourism industry to keep boats in the water when the whales and nesting sea turtles are not present. It is a plan that would be of enormous benefit to our local economy, one that would see a military asset continue to serve the people of Australia well after its retirement.

Finally, I would like to commend the Parliamentary Secretary to the Minister for Defence, Darren Chester MP, for his oversight of the parliamentary exchange program. It is a very worthwhile venture that benefits current ADF members, parliamentarians and indeed our veterans communities.

The DEPUTY SPEAKER: Is the motion seconded?

Mr WATTS (Gellibrand) (10:54): I am very pleased to second the motion before the House today put by the member for Hinkler. As he mentioned, in April this year I joined the member for Dobell, the member for Gippsland, the parliamentary secretary, the member for Solomon and Senator Lisa Singh in the other place in travelling to the Middle East region and Afghanistan to see firsthand the work being done by our Australian Defence Force personnel overseas. You do not know how unfit you really are until you take part in an ADF training session. On our arrival in Afghanistan, the parliamentary delegation was taken outside and put through our paces in a series of gruelling drills. Our drill was one that ADF personnel practice routinely—dragging someone out of an army truck 150 metres down the road by their bulletproof jacket while strapped with 30 kilograms of military kit yourself. The ADF practice this exercise because attacks on their trucks and heavy armoured vehicles are commonplace in the region and it helps to be able to drag an injured comrade to a secure zone. In our case, we did not drag a burly soldier but a poor logistics clerk, who I expect did not wake up that morning thinking that her day was going to involve being dragged across the turf by Australian parliamentarians. However, this was one of the many experiences that helped me
grasp the kinds of challenges and pressures that our ADF personnel endure, which we would not be able to understand fully in this place without the ADF Parliamentary Program.

While there I saw the ADF's missions Operation ACCORDION and Operation OKRA. We visited the ADF personnel involved in the Air Task Group, running airstrikes against ISIS in Iraq, and Task Group TAJI, doing important training work in Iraq. This experience was made all the more confronting when, on our journey over, it was announced that we would be sending 300 troops as part of Task Group TAJI to contribute to the international effort to train and build the capacity of Iraqi security forces. Although we did not visit troops on the ground in Iraq, they are there as we speak, along with 100 Kiwi fellow servicemen. Those Australians are just 80 kilometres from the ISIL occupied city of Ramadi, which was captured by ISIL forces in May this year. One cannot really imagine what life would be like working in the Taji camp under those circumstances.

In Afghanistan we met ADF personnel from Operation HIGHROAD, our major presence in the country and contribution to Resolute Support, the international post NATO-led ISAF mission in Afghanistan. The Australian ADF personnel I saw there were very keen for me to bring the message back to Australia that ADF members are still serving in Afghanistan. We had the welcome-home parades in Australia this year, but there are still hundreds of Australian servicemen doing us proud in Afghanistan.

It is not easy being a member of the ADF. At the very least it means being separated from your family for significant periods of time and flown to isolated areas with little to no outside contact. We in this place know something of this, but I could hardly imagine leaving my young children for six months or nine months at a time. Seeing the work of our diggers up close gave me another perspective of the ADF than the one I have as a parliamentarian. This year we celebrate the Centenary of the Anzacs and it is clear to me, after visiting our ADF personnel overseas, that the values that we celebrate in the Anzacs are very much alive today.

The ADF Parliamentary Program has helped me and hundreds of other members of parliament broaden our understanding of the ADF and its operations abroad. Since the program started in 2001, over 120 senators and 240 members of the House of Representatives have taken part in the program in some form or another. Not all participants went to Afghanistan or the Middle East. Many spend weekends with the Reserves or take part in the Army Aboriginal Community Assistance Program, another essential part of the current operations of the ADF.

The member for Hinkler, who I am proud to work with in seconding this motion today, spent four days on the HMAS Newcastle a year ago. The HMAS Newcastle is one of the frigates that served in the Persian Gulf in 2002-03 and in East Timor from 1999-2000. I am very proud to say that the HMAS Newcastle was constructed in my electorate, at the Williamstown shipyards—something that we are all very proud of in Melbourne's west.

The ADF Parliamentary Program has enjoyed bipartisan support since its inception so that parliamentarians can better understand the Defence Force and we can make informed decisions about it. The program is certainly not a one-way street. I look forward to meeting some of the members of the ADF who are due to spend the next parliamentary sitting week learning the ropes of our workplace—somewhat less dangerous, I can assure them. The program promotes a better and more informed conversation about defence policy in our parliament, and, as a strong supporter of it, I hope that it continues for many years to come.

FEDERATION CHAMBER
Ms MARINO (Forrest—Government Whip) (10:59): Firstly, I would like to thank and commend the member for Hinkler for bringing this motion before the House. It is something very close to my heart. Nothing gives a member of parliament a better understanding of the Australian Defence Force than this particular program. As we have heard, it is a bipartisan program that not only conveys the experience of ADF life but also gives the MPs an opportunity to work together in a particular field.

Senator Judith Adams introduced this program to me when I was first elected, and my first trip was with NORFORCE in the Northern Territory. That was followed by Talisman Sabre, a program focused on the interoperability shared between our forces and our allies in this space. One of the most profound experiences of my entire life was my visit to Afghanistan in 2011 and meeting so many of our Defence Force men and women. I was particularly keen to talk to the first combat engineers, who were doing an extraordinary job on the ground, particularly in relation to IEDs and mines. I also wanted to check the CV joints on the labs, because I knew there were some challenges there. This was at a particularly fraught time, when you consider 2011. I went to see the end of mission in East Timor, and it was very interesting to compare and contrast the mid-mission in Afghanistan with the end of mission in East Timor. I am always fascinated by the logistics and how good Defence is at logistics.

Most recently, only in the last few weeks, I have been on the USNS Mercy out of Bougainville. This is part of the Pacific Partnership of 2015 and is the delivery of health and a broad range of community outcomes for the Pacific, particularly Western Pacific nations. The USNS Mercy will deliver free health and medical experiences to over 40,000 people in that area. What a level of commitment to our near neighbours. Let me tell you, some of the people I met said that the USNS Mercy and its complement of medical people were a godsend. It is so important. I would like to acknowledge the work of Lynton Dixon with this particular program. For years Lynton has been the driving force of this behind the scenes. He has made sure that so many of us have had the opportunity that we so desperately wanted.

Importantly, my program in Afghanistan gave me the opportunity to go out in the community and talk about what our forces were doing. It was not just about the headlines that the media are so fond of—the negative headlines. It was about the community building and the great work on the ground that our forces and personnel were doing in community building.

The reciprocal program is very, very useful and brings Defence Force members in to spent time with us, and I think we share an enormous respect. As I have said previously in this place, as the daughter of a war widow I am very deeply committed to Defence and will stay that way. All of my experiences with this program are the most memorable experiences of my life. I have met some of the most capable, inspirational, well-trained men and women, working in some of the most challenging situations that you will ever find. One of the things I value most is our people in Defence. That is what our Defence is about—it is about the people. When you are on the ground in their working environment and you get to listen to them talk, you get the best information from the ground up—whether it is about their role in Defence and what their job is on a day-to-day basis; whether it is about the resources and the equipment; or whether it is about their families and all of the other issues that they face. This is one of the best places. The gloves are off. There is nothing that you cannot have access to. There is no-one who cannot talk to you. They can talk openly and freely, and they do.
As a member of parliament, I find that incredibly valuable in the work that I do in this place. It also brings into sharp focus for us, as we make decisions in this place as to what we request of our Defence Force men and women, exactly who we are asking it of and what the impact of it is, when you meet men and women, particularly in Afghanistan, as I did, who are perhaps on their fifth tour of duty and you consider that they are away from their families and the commitment they give in a live war zone. I commend this bill and the efforts of the Defence Force program.

Mr Griffin (Bruce) (11:04): I congratulate the member for Hinkler for putting forward this motion and the member for Gellibrand for seconding it. The ADF Parliamentary Program has been a particularly significant initiative since 2001 and is an initiative which both sides of the House absolutely support. I certainly encourage all members of parliament to avail themselves of the opportunities that the program presents.

The genesis of this program was very much a sense that the modern parliamentarian, because of the nature of our defence activities over the last 20 or 30 years, often were less likely than previous generations to actually have an in-depth understanding of the Defence Force. In previous generations, often many members of parliament had in fact served. Although we do have some members who have served, the fact is that that is true. Providing people with an opportunity to actually see what our Defence forces do on our behalf is an opportunity that I have cherished in the time that I have been a member of parliament. My only regret is that I was somewhat a late convert to being involved in this program; I think I went on my first ADF program in 2006 or 2007, but I have been going every year I could ever since.

I have been to places like Afghanistan, the gulf, the Solomon Islands, the fleet air base down at Nowra and, last week, Williamtown air base in Newcastle and off the coast of Queensland during a war game such as Talisman Sabre. This has given me an opportunity to get a small insight, an understanding of what our Defence forces are doing, whether it be Army, Navy or Air Force. It has given me an opportunity to speak to the many outstanding men and women both young and old who serve us in the Defence Force. It has provided me with a degree of understanding of the sorts of complexities that those involvements require and the sort of professionalism and courage which is on display on a daily basis by those who wear uniforms on our behalf across the services. It has also provided me an opportunity, as a host on a number of occasions, to do the reverse, which is to come to Parliament House and try to make sense of what we do in this place and where it fits with respect to what we then ask them to do in their place of work. That in itself has been fascinating.

I have found invaluable that personal aspect of being able to talk to people in the Defence Force and have a bit of time to get an appreciation of what we and they do. I certainly say that this is a program which has many people on both sides of the House who are incredibly encouraging and supportive of it, but I say that there are more members of parliament that ought to be involved and more MPs—particularly newer MPs—who should avail themselves of those opportunities in order to ensure that they do understand better what is done through the Defence forces with respect to our needs as a grateful nation.

I mentioned the complexity, the courage and the professionalism. They are on display across all three services, and you really do feel extremely proud when you visit some of these bases, see the activities that they undertake and get that understanding. I found it particularly
useful, as a member of parliament who has had ministerial responsibility in the defence field, to help enhance my understanding of those issues and my involvement on things like the Joint Standing Committee on Foreign Affairs, Defence and Trade and also to better appreciate what has to be done. I have certainly also found it very useful in talking to constituents. There is often a situation with the Defence Force where a lot of people in the general community think: 'Do we really need this capability? Is it really something that we're ever going to use?' I can tell members of this House that I find it very useful to be able to say: 'I've been where these people go. I've seen what they do. I understand not only the threat but also the importance of having the ability to meet threats and to provide support in humanitarian circumstances when it is required.'

I tell people every chance I get: they ought to be very proud of our defence forces for the work they do. They ought to be very proud of their professionalism, their courage and their decency, and they should know that they serve us in a very, very important way.

Debate interrupted.

Baiada Poultry's Employment Practices

Mr CHAMPION (Wakefield) (11:10): I move:

That this House:

(1) notes:

(a) the recent media reports and the Fair Work Ombudsman (Ombudsman) finding about the abuse of employees, including Working Holiday visa holders (subclass 417) and Temporary Work (Skilled) visa holders (subclass 457) by Baiada Poultry Pty Limited (Baiada);

(b) complaints against Baiada included that employees were being underpaid, forced to work extremely long hours and required to pay high rents for overcrowded and unsafe employee accommodation;

(c) Baiada and its labour-hire contractors failed to work with the Ombudsman during the inquiry into its employment practices, including:

(i) refusing permission for Fair Work Inspectors working on this inquiry to access the factory floor at its worksites;

(ii) failing to provide the inquiry with any 'significant or meaningful' documentation on the nature and terms of its labour contract arrangements; and

(iii) producing inadequate, inaccurate and/or fabricated records to inspectors;

(d) the findings of the Ombudsman are damning of the governance and employment practices of Baiada; and

(e) that these reports and the employment practices of Baiada have caused significant community concern which must be addressed; and

(2) calls on the management of Baiada to immediately address the findings of the Ombudsman and bring its employment practices up to community expectations.

The DEPUTY SPEAKER (Ms Henderson): Do you have a seconder for the motion?

Ms Chesters: I second the motion.

Mr CHAMPION: There have been a number of very important reports by the ABC—in particular, 7.30, Lateline, and Four Corners—which have highlighted for the public's benefit and for the benefit of this House some of the really concerning practices now going on in Australian workplaces. And we are not just talking about some corner deli or some backyard
operator or somewhere at the very end of a very long subcontracting chain in the clothing industry, where we once found these sorts of breaches of workplace laws—not that that excuses them. We are now finding them at the heart of the food production chain, not very far away from our major food producers, from our major retailers. That is a great concern to the Australian public. In particular, we find the egregious use of contract labour and the abuse of people who are on either 417 backpacker visas or 457 skilled migration visas. Both these visa categories are now subject to practices that no Australian, whether conservative or progressive, Labor or Liberal, would fail to be concerned about.

The member for Hinkler was here before, and, to give him his due, he was on *Four Corners* calling the public's attention to these issues, asking the government and the ombudsman to act. That is a credit to him, but it is not a credit to the government that they have no speaker on this motion today. It is not credit to the government that they do not have much to say on this. And it is not a credit to the minister, who hides behind the workplace ombudsman and simply says, 'Well, I'm not going to comment on any of these issues.'

We are now seeing very concerning findings by the workplace ombudsman on these issues, and they are backing up the concerns raised on *Four Corners*, on *Lateline* and on other ABC programs. I commend the statement of findings to the House. We should all read it, because it outlines a set of arrangements that are just not fair—verbal agreements from the extensive list of labour hire operators which source most of their workers through 417 working holiday visa holders through Taiwan and Hong Kong. I would suggest that this is an abuse of that visa category. These are not people who are visiting our country for the purposes of a holiday but, rather, are caught up in an intricate web of labour hire operators, both here in Australia and back home in Taiwan and Hong Kong. These people are being manipulated and underpaid—paid per kilogram of poultry processed rather than per hours worked. That has the effect of employers not paying night shift penalties, not paying weekend penalties and not paying public holiday penalties.

We have six principal contractors that are subcontracted to seven other second-tier entities, and then further subcontracting down to up to 34 separate entities in total—no written agreements, and a model that was based on 'trust'. During the course of that inquiry, four of the six principle contractors and 17 of the other subcontractors ceased trading. So what we have here is a major Australian company, Baiada Poultry Pty Limited, having its whole supply chain literally collapse as a result of an investigation by the Fair Work Ombudsman, and that should concern every Australian.

We have recently had exposes on Australia Post contractors where not only were they treating workers appallingly but there were very interesting practices going on in regard to vocational training. We have seen Thomas Foods International the subject of claims in *The Weekly Times*. This is a very concerning matter. It undermines the integrity of our immigration system, it undermines the integrity of our workplace laws and the government need to act. They should set up a task force and they should put some resources behind it. *(Time expired)*

**Ms CHESTERS** (Bendigo) (11:15): I stand today to speak to this motion and also to second it because I believe it is a very important issue that this parliament needs to deal with. It is very disappointing that nobody from the government benches is speaking in favour of this motion, because it not only highlights a problem that we have within our poultry industry
but also highlights the work that an arm of government has done to try and clean up this behaviour.

The Fair Work Ombudsman has done an investigation into what is going on in Baiada and has exposed some pretty horrific things, such as workplace breaches, going on within Baiada and the enterprise. In summary, the Fair Work Ombudsman inquiry found that there was noncompliance with a range of Commonwealth workplace law. It found that there were very poor or no government arrangements relating to various labour hire supply chains. The inquiry found the exploitation of a labour pool that predominantly comprised overseas workers in Australia on 417 working holiday visas. It outlined this exploitation as being significant underpayments, extremely long hours of work, high rent for overcrowded, unsafe worker accommodation, discrimination and misclassification of employees as contractors. These are some pretty major breaches of our Fair Work Act and workplace relations in this country.

The investigation has been done by the independent umpire. Their report has been tabled, yet we have failed to see any action by Baiada. In fact, they are refusing to let Fair Work inspectors go into some of their facilities. We have also failed to see a response from this government calling on this company, now we have the independent report, to clean up their act.

Unfortunately, this is not an isolated case. What I am learning as I meet more and more people in the poultry industry and in the food processing industry is that unfortunately this is happening too often. In my own electorate, the chicken and poultry processor Hazeldene’s is also under investigation by the Fair Work Ombudsman. Similar issues have been raised in this particular investigation. I have met with some of the workers that are working for subcontractors and the stories that they have told me are not only heartbreaking but disappointing. It is disappointing that it is occurring in this particular poultry factory when we already know, because of another report, that there are recommendations that this behaviour be cleaned up.

What I have heard from some of these workers who work for the Hazeldene's contractor—and this has just been a genuine, one on one conversation—is that they receive their payments in an envelope with a cash figure on it; they do not receive pay slips. They have told me that they get picked up in Melbourne and they are bussed to Bendigo. They get picked up at five o'clock in the morning and they do not know their end time. They work processing chicken until the work is done. Some of them are paid piece rates; they are paid by the kilo. There is no such thing as piece rates in the poultry processing industry. There are piece rates in the horticultural picking industry, but there are not piece rates currently in the poultry industry.

These are some of the stories that I am hearing about a local manufacturing facility in my electorate. I acknowledge that Hazeldene's employ about 700 local workers, and it is great that they provide local employment, but there is a problem with some of the contractors that they use within their facility. I would like to see Hazeldene's, before we have the Fair Work Ombudsman's report into what is going on, come out and commit to the people working for the contractors that they are going to work to resolve some of their grievances.

There is a problem in our poultry industry, and given that it is happening across the board and not just in Baiada, and given that we have a Fair Work Ombudsman's report into the functions of Baiada, I believe that it is time that the government step in. We want to be a
country that has good quality food processing. That does not just mean in the quality of the food; it also means in the working conditions of the people in these facilities. We must ensure that every worker in Australia is treated with respect and paid their correct entitlements. We should not be condoning the exploitation of people here on temporary work visas, and the government needs to act.

Mr LAURIE FERGUSON (Werriwa) (11:20): Earlier speakers have referred to the failure of the government to provide speakers to deplore the abuse of these people or, indeed, to defend the minister, who is operating the system of subclass 400 visas which is facilitating this abuse.

However, one government member has certainly gone on the record. One has to wonder whether it is because of local pressure and media coverage and whether she actually intends to do anything in regard to lobbying the minister, who seems more intent on protecting the big end of town in Shanghai than protecting Australian workers. The member for Gilmore recently commented—and I think she has belled the cat—that, 'I believe companies should advertise extensively in Australia before being allowed to employ anyone under a 457 visa.' She was responding to the exposure of a situation in Manildra, where $400,000 has been recovered by the CFMEU. The workers, after a full year, earned $14,000. They worked 10 or 11 hours a day, six to seven days a week, paid $13,800 for board and lodging and $8,000 for transport and food, and there were, of course, importantly, no safety instructions in Chinese. The contracts were not even located in Australia. Independent scrutiny by Australian investigators could not be undertaken because the contracts were not available. As I say, there were no instructions in Chinese. There is no investigating unit within the department of immigration to actually look into the way in which these various subclass 400 visas are being utilised, and there is, of course, a government which is on the verge of trying to further widen this through trade deals and to undermine the need to inspect, the need to have skills or the need to have English.

In the same manner that we see with Baiada, a family who enjoy a comfortable lifestyle in leafy Castle Hill, we see the same thing on a broader expanse in this country. There is Australia Post, whose manager earns a mere $4.8 million a year and, through taxpayers' money or operations money, can put 96 people on planes to the London Olympics at a cost of $2.5 million. He still runs an operation where we have seen, in the last few weeks, revelations that, despite the fact that Australia Post supposedly ensures that its contract prices cover paid superannuation, penalty rates and holiday pay, a variety of students were not receiving that from the contractors. This is the important point. These so-called labour market or labour hire companies are just a subterfuge by these large Australian corporations—whether it is Baiada, whether it is Australia Post, whether it is various building construction companies—to basically escape their responsibilities and say, 'Oh, it's nothing to do with us. We didn't know anything about this. We have basically relied on these companies. They are decent people' et cetera. At the end of the day, they are doing it to ensure a lower cost structure for themselves. It reached a stage with these contractors in Australia Post that one person had 30 bundles of mail at his house because he had to sort them out in his own time. There is another other thing that is happening—I am having it myself—and that is mail being undelivered by contractors because (a) they have limited English or (b) they have not got enough time to deliver. These students with Australia Post had reached a stage where, despite the restriction of working only
20 hours a week, they were basically compelled by the contractor-employer to work full time. That is another question that has really got to be asked of the minister for immigration: what is going on with these student visas?

To return to Baiada, another disturbing aspect of this issue was the role of the Mayor of Griffith who pronounced himself to be a 'friend of Baiada'. Mr John Dal Broi was very prompt to say that it was understandable that the Ombudsman was not allowed access to the factory because even he, as a friend, on occasion had been denied admission because of biosecurity, and said it was 'preposterous', because of the hours at which these people were working, to think that they might be able to facilitate inspection visits. Despite his friendship, his own council in Griffith had closed down a house where 20 people were living.

So it is not only the wages; it is not only the conditions; it is the sexual exploitation of people; it is the overcrowding; it is the cutting them off from contact with the wider society; it is the making sure that they have no rights of access or appeal. So I very much commend this resolution from the member.

Debate adjourned.

Pacific Women's Parliamentary Partnerships Forum

Mrs PRENTICE (Ryan) (11:26): I move:

That this House:

(1) notes that the Pacific Women's Parliamentary Partnerships Forum (Forum) is funded by the Australian Government and is designed to support women in the region in politics and to assist Pacific parliaments in addressing gender equality issues;

(2) recognises that the Pacific region has the lowest regional average of women parliamentarians in the world, currently 13.1 per cent female representation in single or lower houses across the region, including Australia and New Zealand;

(3) recognises that the third annual Forum was held from 29 April to 1 May in Suva, Fiji, with the focus on addressing family violence in the Pacific region; and

(4) notes that reducing family violence will require a coordinated approach, and that the Forum agreed on a list of priorities for Pacific parliaments to pursue that will raise awareness and encourage action to address the issue.

I rise today to move this motion recognising the work of the Pacific Women's Parliamentary Partnerships Forum. In late April I was privileged to attend the third annual Pacific forum in Suva, Fiji, with many of my colleagues, including the member for Macquarie. Funded by the Australian government, the forum brings together female parliamentarians from Australia and New Zealand as well as from nations across the Pacific region. What we try to do is to support women parliamentarians and build their capacity to address gender equality issues in parliaments in the region.

It is clear that forums such as these remain relevant and necessary. Just 13.1 per cent of positions in unicameral parliaments or lower houses of parliament are held by women in the Pacific region. This is the lowest of any region in the world. Exclude Australia and New Zealand and the figure drops to just 5.4 per cent. In countries such as Vanuatu, Tonga and Tokelau, women are not represented at all in parliament. In the case of the Federated States of Micronesia, it is one of the few countries in the world to have never elected a female member
of parliament. As one participant astutely observed, it is difficult to be a truly representative democracy when so few representatives are women.

The paucity of female representation in parliaments across the region means there is much more work to do in reducing the barriers to entry to parliament for women, as well as in supporting those who have made it. There is still a perception in many countries that politics is primarily a man's profession. So women seeking to enter parliament often face an entrenched male-dominated culture, both in seeking endorsement by a political party and in parliament itself. They can also have difficulty raising money to support their campaigns. The forum heard the story of one woman representing a constituency of multiple islands having to physically row herself from island to island to visit constituents, as she was unable to afford an outboard motor.

On the occasions that women are actually elected to parliament, there can often be few women members from whom to draw support and advice. To address this problem, the forum developed and tested a learning program that has been drafted by the Pacific Women's Parliamentary Partnerships and is aimed at newly elected parliamentarians. It introduces the concept of gender equality and ways in which it can be pursued within a parliamentary context. Constructive feedback was provided that will assist in the final rollout of the program to Pacific region parliaments next year.

The major focus of the forum this year was on ending family violence. As we know, this is a global problem but one that is endemic in large parts of our region. Figures shared at the forum indicated that, globally, 35.6 per cent of women have experienced some sort of physical violence, including sexual violence. However, for women in Tonga the figure rises to an astounding 79 per cent—almost four in every five women. Sixty-eight per cent of women in Kiribati have experienced violence from an intimate partner; this is more than twice the global average of 30 per cent. One in four women in Solomon Islands report that they have been abused during pregnancy. The figures are no less startling for girls. Thirty per cent of women in Vanuatu report being sexually abused before the age of 15.

This pattern of abuse challenges the already strained social services. It is estimated that, in Papua New Guinea, domestic violence injuries make up 80 to 90 per cent of injuries presented by women at health facilities. We know that such abuse leads to poorer employment prospects for women, and the consequential family dysfunction leads to lower educational attainment for children. This cycle of abuse must stop. It is heartening that most Pacific nations have finally begun the process of addressing family violence in the last few years by enacting legislation specifically addressing the issue. This sentiment is admirable; however, it must be backed up by real action. It is now up to law enforcement agencies and the legal system to treat this insidious problem with the seriousness it so clearly warrants.

The forum agreed upon a set of agreed priorities to address family violence that are reasoned, practical and achievable. I was encouraged by the constructive and collegial attitude shown by all participants and their collective determination to do all that is necessary to end family violence. My colleagues, including the member for Macquarie and the member for Chisholm who are in the chamber today, have worked over the last three years to strengthen our relationship with these other countries. It is so important that we continue to foster and support these women.
On a happier note, I want to congratulate the women in Bougainville, where four women were elected in the recent elections, including one women who ran in a seat against many male candidates. I look forward to future years, when they will have more successes.

The DEPUTY SPEAKER: Is the motion seconded?

Ms BURKE (Chisholm) (11:31): I second the motion. I do not want to do the member for Macquarie out of her right to second the motion but in this instance I would like to thank the member for Macquarie and I have managed to get to all three of the conferences—in Sydney, Tonga and Fiji. Sadly, many people from the Australian parliament did not make it to the Tonga conference because of parliamentary sittings. In Fiji it was fantastic to have such fantastic representation from Australia—both federal and state parliaments—and our colleagues from New Zealand. This is a genuine bipartisan effort and a genuine Pacific effort to address an issue that is endemic in our societies—and, sadly, even in our society. Members from the Pacific, women who were at these forums, said, 'If Australia can't reach the goals for getting rid of domestic violence, what hope have we?' That was a salient point made by women coming together to ensure that their voices are heard at the highest level.

This is a wonderful program that was started under Prime Minister Gillard and continued and supported very heavily by Julie Bishop. I want to thank all those people for the continuation of this support because without funding from the Australian government this program would not exist. With 51 per cent of the world's population being female, we need diversity across all sectors of our community—business, civil and parliament—to ensure that we achieve greater economic, social and community outcomes. Without female voices on company boards or in parliament we cannot achieve the best we have to offer. We need to show leadership by having females in parliament to demonstrate that their voices are important, valid and needed. This is so true in any parliament, but it is particularly true in our region, where domestic violence is such a scourge. A UNICEF-UFPA study within the South-Pacific region concluded:

Violence against women and children is regarded as symptomatic of a wider gender inequality in society, and laws and policies need to be reviewed, changed and implemented in order to address this inequality. Governments in the South-Pacific island countries should make changes to current laws and policies, procedures or regulations in order to comply with national and international policies such as CRC and CEDAW.

That was a great focus of the Pacific Women's Parliamentary Partnerships Forum—by having women in positions of authority at the very top, they can engender change not only in their legal system but throughout their whole society. So we need women's voices in parliaments on issues that impact not just women but families and whole communities. These communities cannot flourish and prosper if we are still dealing with this insidious situation of domestic violence.

After three years we have had some successes in this space. The member for Macquarie and I met a phenomenal woman when we were in Tonga. She was then a candidate for the Fijian election—she was from Fiji. She is now a member of the Fijian parliament, Salote Rodrodro. We met her when she was a candidate. She was a fledgling. She was very nervous, did not know what to do and did not know whether she was taking the right step; given the
situation in Fiji it was also fairly complicated. But then we met her in Fiji, and she is a fully endorsed member of her parliament. A great array of women from the Fijian parliament were there. Indeed, the speaker of the Fijian parliament was hosting us and we were honoured to have the Prime Minister of Fiji come along and speak so emphatically about the need to end family violence in his country. It was quite a way to open the whole proceedings. Ex-Senator Natasha Stott Despoja, the Australian Ambassador for Women and Girls, came along and spoke, again giving the whole sense of how important this space is and how committed we as the Australian parliament are to continuing with this program to see genuine change.

We endorsed an outcome statement, and I recommend that people look at it and see what we can do in this space not only to end domestic violence across the globe but also to bring more women into parliaments so that they can lead and be voices for change. We hear reports that the economic cost of family violence is considered to be approximately three per cent of GDP—and I think that that is probably an underestimate—and that childhood experience of family violence may be repeated from generation to generation, growing exponentially. We need legislative measures and women to ensure that we end this situation of violence.

Mrs MARKUS (Macquarie) (11:36): I am delighted to support this motion moved by the member for Ryan and joined by my colleague opposite. We have attended a number of these forums. They have been most beneficial not only for the women of the Pacific who have been present but also for us. Despite the Pacific region being vast and culturally diverse, Pacific island countries and territories face many common challenges in addressing gender inequality. Violence against women in the Pacific is a chronic epidemic, with over 60 per cent of women in some countries reporting experience of physical and/or sexual violence. Women make up just four per cent of parliamentarians in the Pacific— the lowest rate in the world—compared to the global average of around 20 per cent. Across the region there is a significant and persistent gap between male and female participation in economic activity and labour markets. Men outnumber women in paid employment outside the agricultural sector by approximately two to one. These are some of the challenges that we are focusing on from Australia.

Pacific Women Shaping Pacific Development is an important investment by Australia in the Pacific. One of the best ways to achieve economic growth and prosperity in the Pacific region is to empower women. The Australian government is supporting the 10-year, $320 million Pacific Women Shaping Pacific Development program, which aims to improve the political, economic and social opportunities of women in 14 Pacific countries. It focuses firstly on increasing the effective representation of women and women's interests through leadership at all levels of decision making, secondly on expanding women's opportunities to earn an income and accumulate economic assets, and thirdly and most importantly on reducing violence against women and increasing access to support services and to justice for survivors of violence. The time I have today does not allow me the opportunity to talk about examples of all the initiatives that are funded by the Pacific Women Shaping Pacific Development program. One of the most important is the Pacific Women's Parliamentary Partnerships project, which facilitates dialogue, mentoring and training between Australian and Pacific island women MPs and parliamentary staff to improve the capacity of parliaments to address gender equality issues. It is around $2.8 million over five years.
In the few minutes I have left I would like to focus particularly on what happened in Fiji and some of the outcomes of other forums that have taken place. As has already been mentioned, we participated in the Pacific Women's Parliamentary Partnerships project annual forum in Suva alongside 63 other parliamentarians from 15 jurisdictions in the region. The focus was on legislative responses to family violence.

Participants agreed to a set of priorities to strengthen legislative action, and I will mention some of those. Reliable data and research are needed to better understand what does and does not work in addressing violence, to justify and prioritise funding and to establish baselines against which to monitor progress. Current legislation and regulations that address family violence should be audited and their implementation monitored to ensure that they are effective, comprehensive and adequately funded. Legislators must work with a range of groups, including church and traditional leaders; NGOs; government agencies; and police, health, education and justice systems. Legislators need training to scope the causes and effects of family violence, and men and women legislators together must work in legislative reform. It was recommended that cross-party parliamentary gender equality committees be established to ensure that awareness of family violence in the Pacific region is raised as a matter of urgency and that the scope of the issue is understood by legislators and parliaments to encourage the sharing of lessons learned.

I want to highlight a couple of outcomes achieved that are specific to some of the nations represented. Senators from Palau were inspired to establish a new NGO, the Centre for Women's Empowerment Palau, which aims to support women's political representation following their participation in the PWPP forum for Pacific and Australian women MPs in February this year. Ongoing mentoring relationships have been established between the Victorian and Solomon Islands regions. Learnings gained from participation in the research skills placements at the Australian Parliamentary Library will assist PNG parliamentary officers to establish a gender office in PNG. (Time expired)

Ms HALL (Shortland—Opposition Whip) (11:41): I would like to endorse the comments of all speakers in this debate so far. I was very privileged to attend the Pacific Women's Parliamentary Partnerships program in Suva between 29 April and 1 May. As has already been stated by other speakers in this debate, the theme of the gathering was family violence in the Pacific region. The forum took place in and was supported by the Fijian parliament, and the speaker of the Fijian parliament was the host.

On the first day, the Prime Minister of the Republic of Fiji, Mr Bainimarama, delivered the opening address. He said in his address that family violence is a vitally important issue and a test of values. I think that was a very significant statement that he made in that forum. He encouraged the forum to send a strong message to the world that family violence is a matter for public discussion. It is not something that should be kept behind closed doors; it should be recognised and addressed in an open forum and all the issues surrounding family violence should be addressed.

The forum provided an overview of actions taken in different countries and identified issues, actions, engagement and changes that have taken place. It is very easy to focus on the negatives, but there have been changes and there have been more women elected to the parliaments of Pacific nations. These things are all positive. It looked at the form and complexity of aid budgets, the way money is given by donor countries and the need to
simplify that. It looked at the economic and health impacts of violence against women in societies in the Pacific. There were a number of really good, strong statements from the floor and a number of women shared their experiences and the experiences of their constituents.

Some areas in the Pacific are missing programs. Children before their birth was identified as an area that needed to be addressed, as well as employment of women and the importance of the employment of women in relation to the issue of violence against women. Bilateral relationships with donors were highlighted as being very important, as were the need for election platforms of various nations to include policies that directly mentioned violence against women; impact statements on policies on families; budget programs where violence against women is specifically mentioned; gender training; and looking at the millennium development goals.

On the last day we had a number of modules where the women broke into different groups, and I was privileged to lead one of those modules. The module that I led was 'the MP survival kit'. It was extremely interesting to look at the diverse backgrounds that the women in the group came from and the challenges that they faced. Everybody sharing their experience and talking about their challenges placed them in a better position. The forum had a number of outcomes, which have been highlighted by previous speakers—outcomes that we endorse—and also established priorities into the future. Pacific Women's Parliamentary Partnerships is a very valuable forum and it is one that we as a nation should continue to support.

Debate adjourned.

**Government Procurement**

Mr ZAPPIA (Makin) (11:47): I move:

That this House:

(1) notes that:
   (a) the Government spends around $40 billion each year on procuring goods and services;
   (b) the Commonwealth Procurement Rules provide considerable flexibility to Government departments when making procurement decisions;
   (c) considerable economic, social and environmental benefits arise from the Government buying Australian products and services; and
   (d) domestic Government procurement encourages innovation and investment;

(2) expresses concern at the level of goods and services that are being sourced from overseas by the Government; and

(3) calls on the Government to apply a comprehensive value for money test which includes all national benefits which accrue when goods and services are procured locally.

Each year, the federal government spends in excess of $40 billion in the procurement of goods and services for the country. When you combine that with the procurement value of the other two levels of government, state and local government, the best figures would suggest that the figure would be somewhere between eight and 10 per cent of GDP. Even on a very broadbased figure, that amounts to over $100 billion a year spent by governments on procurement of goods and services. It is a very important economic lever, but one that seems to be largely ignored by governments of this country. Indeed, we do not know how much of those procurement dollars ends up overseas and we do not know how much of it goes to local suppliers. All too often I hear of local suppliers who lose out on bids or tenders that they put
in, and the work has gone offshore to a company, which, in my view, the justification for is pretty weak. In addition to that, we have the added complexity that not only do we have a disjointed approach when it comes to government procurement around this country—in that federal, state and local government do not seem to work at all together—but also within each level of government the various departments also seem to do their own things. It seems they are driven, inevitably, by their own budget bottom lines, as opposed to what is in the national interest.

It is true that each of them would claim that they have procurement policies in place, but I have read some of those policies and it seems to me that they are written in a way which allows them to make the decision that they want. There is sufficient flexibility within them to give them the freedom to do what they want when it comes to procurement. One of the fundamental differences that I see between government procurement and private enterprise procurement—and quite often government departments try to emulate private enterprise practices when it comes to procurement—is that, unlike private enterprise, governments have a social responsibility. They also have a financial responsibility attached to that social responsibility. So trying to emulate private practice does not work when it comes to government responsibility.

Another excuse I often see—in fact, it is confronting us right now—is the excuse that free trade agreements limit the ability of governments to purchase products from where they want and how they want. We are seeing a firsthand example of that right now, with the Victorian government being challenged in its attempts to use Australian steel in some of the work that it wants to do in its state, it being claimed that the purchasing of Australian steel breaches free trade agreements. I would hope that the Victorian government proceeds with what they want to do and allows those who want to challenge them to do so in the courts. We also saw in South Australia—and I notice my colleague the member for Grey is here—Rossi Boots missed out on a contract to manufacture Defence boots, and the contract went to an Indonesian supplier. When I looked at the reasons for that and the implications of that decision I was left perplexed. Quite frankly, the jobs that could have been gained had Rossi Boots won that contract more than offset the few dollars that might have been saved by going offshore. Again, there was the same issue when it came to the BMW cars that are used by government ministers right now, where previously the contract went to GMH.

The problem is this: when we lose jobs here it is the same government that is spending the money that also loses, because there is a decline in taxation revenue, an increase in unemployment and other health and social costs, which inevitably have to be borne out by the government of the day. I know that other governments around the world are in fact doing differently. The USA has set a framework for how procurement is done in that country for a long time. The UK, Scotland and Europe are also applying what I call ‘smart procurement policies’, where they are putting their national interest ahead of anything else. We need to do the same. We need to apply a much more broad national interest test than that which I have seen applied in recent times by governments: a national interest test that includes the whole-of-life cost of a product, the cost to society of losing those jobs if the tender does not go to a local supplier, all costs that will otherwise be borne by government as a result of that and the flow-on benefits to local communities if we actually support local industries.
Lastly, by supporting local industries we also create certainty for them, which leads to research and development, innovation and modernisation of those industries, which continues to make them more competitive all the time, and it reduces our overseas net debt. It makes sense to have good, smart government procurement policy, and I urge the government to think about the way our policies are run in this country right now.

The DEPUTY SPEAKER: Is the motion seconded?

Ms MacTiernan: I second the motion and reserve my right to speak.

Mr WILLIAMS (Hindmarsh) (11:52): I note the member for Makin spoke about the free trade agreements. Only just last Wednesday the Prime Minister and I attended the Adelaide produce markets out at Pooraka, in his electorate. The member for Makin well knows that the produce market signed an MOU with the Guangzhou produce markets and were very excited about the opportunity that would bring in terms of more trade, more export opportunities and more jobs for our country. As we heard the Australian Minister for Trade and Investment say yesterday in the House, this is replicated with wineries and seafood companies—the list goes on.

I have worked in the private sector and in state government. Also, I have put in tender applications for both the state government and for the federal government. Let me tell you, it is not that much fun putting these documents together. It is time-consuming and also costs money, naturally. That is why we are looking to free up regulation and reduce red tape where we can, because it is often a challenge for governments to get that balance right. That does not mean that we have to give up on reforms, like the previous Labor government did, because we are committed to making changes that will make the necessary obligations easier in terms of best practice.

Value for money is one of the things that has been mentioned in regard to procurement rules. The member for Makin just raised Rossi Boots. I was disappointed, like many of my colleagues—probably the member for Grey, as well—about the decision by the Department of Defence on that procurement contract. Governments—departments in particular—make poor decisions from time to time. The member for Makin probably reflects on SA Water buying milk from Victoria, when they should be buying milk from Fleurieu and some of the dairy producers in South Australia. I am sure the member for Makin will take that back to his South Australian Labor colleagues and tell them to get that right.

I congratulate Rossi Boots on how they have responded since that decision. They have got some great publicity. I know they were on the Today show yesterday morning. Recently, a friend said that he went out and purchased a pair of Rossi's after the good publicity they were receiving. I heard this story many times. It just shows you what good publicity can do. They have been on the front foot and they are chasing new export markets. So well done to Rossi on that and I will continue to support them. I have had many discussions with their management. They have got some good people involved, and a future for them.

I am surprised that the member for Makin did not mention the naval shipbuilding contract, because, not only was his previous Labor government asleep for six years on that but there was a great announcement last year about the Future Frigate Program. There will be thousands of jobs—2,500 jobs—for the offshore patrol vessels and the future frigates for Australia—a great decision for a continuous shipbuilding program.
Let me touch on the Commonwealth Procurement Rules. These are the facts. Over the last three years we have bought 93 per cent of services from Australian suppliers, totalling some $60.2 billion, and 60 per cent of goods from Australian suppliers. Talking about boots, I am wearing some R.M. Williams at the moment and I hope the member for Makin is wearing R.M. Williams or Rossis. Do I get any response from the member for Makin? No, obviously not.

Let's do what we should be doing; let's support the local industries. I know R.M. Williams have the contract for dress boots for our Armed Forces. It is worth a significant amount of money. In terms of the South Road procurement contract, something that I have fought hard for with the Torrens to Torrens, we have York Civil and local company Bardavcol working on that. These are massive contracts for them. These are a couple of examples of how we are supporting local industry and supporting good companies.

Getting back to defence, when you exclude defence contracts for large military items that are not going to be built in Australia, like the Joint Strike Fighter aircraft, the percentage of goods supplied by Australian suppliers increases. I know that with a Joint Strike Fighter some of the building is done by BAE Systems—the fitout of the plane in Australia. So there are these good procurement decisions being made, across the board, by the Australian government.

In closing, the submission of the Department of Finance to the Senate on the Commonwealth procurement procedures states:

The Commonwealth Government's procurement policy framework is non-discriminatory in nature.

It goes on to say:
Achieving value for money is the core principle of the CPRs and the cost of goods and services to be procured is not the sole determining factor in assessing value for money.

I am sure the minister will look at all instances where value for money is relevant and he will continue to support jobs on all fronts in South Australia.

Ms MacTIERNAN (Perth) (11:57): Australia is a trading nation and we are fierce advocates for tearing down trade barriers. Standard economic theory tells us that that is how we maximise the efficiencies of production. But I believe that this is a very simplistic position that underestimates the need to nurture core competencies to provide a feedstock for innovation and the emergence of new industries. If we look at the dilemma that Greece is in today, as a classic example, its entrance into the EU led to a total erosion of their manufacturing sector and it has become a highly vulnerable economy. My home state of Western Australia experienced this. It was not until the 1890s, with the gold rush period, that we started to develop a manufacturing sector. But Federation, which followed shortly thereafter, led to a massive dumping of eastern states’ goods, which swamped and crippled our fledgling manufacturing industry.

So, government procurement, and particularly Defence procurement, is a critical mechanism for fostering a baseload of production. We are not talking about propping up inefficient industries, but about recognising that if we are going to give our relatively small population, which is located a long way from export markets, the ability to keep in the game, we need to leverage off government procurement. The government in WA that I was a part of introduced a similar provision in 2002.
It is a wrong move for us to become surrender monkeys in the cause of Australian manufacturing. I refer you to a report by McKinsey Global, in 2012, which stated:

Manufacturing makes outsized contributions to trade, research and development (R&D), and productivity …

Picking up this theme of how essential this is to drive new industries, it says:

The role of manufacturing in the economy changes over time.

... … …

As economies mature—
as in Australia—

manufacturing becomes more important for other attributes, such as its ability to drive productivity growth, innovation and trade. Manufacturing also plays a critical role in tackling societal challenges, such as reducing energy and resource consumption and limiting greenhouse gas emissions.

So we need to work very hard in Australia to make sure that we do have, particularly, an advanced manufacturing sector.

In 2013-14, the Defence Materiel Organisation and the Department of Defence, received a combined total of almost $30 billion. When we do an analysis of that procurement data it says that whilst most of the government sources of services were local, the vast majority of goods, including heavy and advanced manufacturing items, came from overseas. In fact, around $3.6 billion was handed to overseas contractors for the manufacturing of Defence items. Of course, there is always going to be a component of this, but we need to embrace this much more seriously. In terms of our submarines, we need to make sure that we have them built locally and that we do that local procurement. In relation to the offshore patrol vessels, we must make sure that the best Australian manufacturer has the opportunity to produce these. We are very disappointed that the Prime Minister seems to have unilaterally ruled out Western Australia being the provider of those, notwithstanding our clear history in that area. This is not about making Australia into a sheltered workshop, but it is about recognising that we have to have an advanced manufacturing industry if we are going to drive innovation and productivity in the emerging 21st century industries in this country.

Mr RAMSEY (Grey) (12:02): In South Australia at the moment we are facing pretty difficult times. This motion was put up by the member for Makin, and my electorate of Grey, which has virtually all the resource projects in South Australia situated in it, is feeling quite the brunt of this at the moment. We have just had an announcement this week of further retrenchments at Roxby Downs, at the BHP operation there at Olympic Dam. We have had the recent announcement and approaching closure of the Alinta Port Augusta power stations, which has been brought about, it must be said, by government policies from both sides of politics. It is the inevitable outcome of preferencing in subsidising renewable energy. Many of us will applaud that outcome, but there is a very real cost on the ground. Arrium operation in Whyalla has already put off over 600 workers at Southern Iron, and they are undergoing a review at the moment.

There are quite a few storm clouds around at the moment, and we are dealing with some displacement and high unemployment levels, so it is right that we should focus on how we can maximise our input and the employment prospects and opportunity for our citizens. I do not think this debate is a particularly partisan one, and I do not really want to go down that
path, but I could not let the member for Makin's comments about Rossi Boots go past. I concur with the member for Hindmarsh's view on it. My recollection of it was that, in fact, the Rossi Boots contract was all but let by the time we came to government. So the whole process had gone through during the previous government. The recommendations were made. Defence had dealt with it. Everything but the announcement had been done. It was far too late, in fact, for us to intervene in any way, and I was, like the member for Hindmarsh, very disappointed. I think the member for Makin was probably of the same view.

However, there are some positive things happening as well, and the member for Hindmarsh has already touched on the announcement made the week before last week on the frigates and the commitment to the naval shipbuilding industry that we will have a continuous build here in Australia. This will have a lot of ramifications for our workforce and for our skill levels going forward. In fact, recently I spent some time in France and in Germany. I went to Cherbourg in France and to Kiel in Germany to inspect their submarine building facilities and met with representatives of those companies both here in Australia and in their home countries. Here in Parliament House I also met very recently with Mitsubishi, the Japanese submarine builders. I have hopes of visiting their yards in Japan as well.

The point I want to make about the competitive evaluation process that the government has chosen is that all three of those manufacturers are of the mind that the best outcome will be either a significant or a complete build in Australia. This will maximise Australian content in a very real way. They understand that there is pressure on them to perform at that level. I have quoted a number of times that the Germans in particular have said they are prepared to build the submarines completely in Australia. They are prepared to do it on a fixed price and they are prepared to have an audit from the German navy. They are not controlled by the German government and they are not owned by the German government, but the German government has put this up as an option to guarantee that we get the same value for money as the German navy. I have said a number of times that this will be difficult to walk past, but I expect the other two bids to come in roughly similar and the competitive evaluation process will bring those options to the fore. I am very confident of that.

In closing, I would like to point out that the federal government is spending over $85 million on the Cultana expansion. From my point of view, when I talk about local procurement I am talking about local procurement off my patch. This is, as I pointed out before, the eye of the storm in the employment program in South Australia at the moment. I have had a number of meetings with Defence, I have spoken to the relevant parliamentary secretary and I have hosted forums in Whyalla and Port Augusta to try to maximise this outcome. I will keep banging on doors to make sure that we get the maximum for my constituents.

Ms CHESTERS (Bendigo) (12:07): I too rise to strongly support the motion before the House, specifically in relation to (2) and (3), which say that this House:

expresses concern at the level of goods and services that are being sourced from overseas by the Government ...

and:

calls on the Government to apply a comprehensive value for money test which includes all national benefits which accrue when goods and services are procured locally.

FEDERATION CHAMBER
I am also one of the regional MPs who knows how important it is that government procurement focuses on local goods and services. We have had a number of people speak about defence manufacturing. I would not be forgiven by my electorate if I did not put on the record in this debate how important it is that defence manufacturing dollars stay in this country. In Bendigo we currently produce the Bushmaster. That work is coming to an end and we are waiting on this government to sign the next contract that we hope to manufacture there: the Hawkei contract. Like the Bushmaster, the Hawkei contract will secure not only the defence manufacturing jobs at that facility, Thales, but also the supply chain. There are 120 small to medium businesses in Victoria, predominantly in regional Victoria, that will feed into the supply chain of the Hawkei. These are government dollars that the government is sitting on and not committing to.

Let's focus on what the government has announced in defence manufacturing and procurement in the last couple of weeks. They have made commitments towards projects that are almost a decade down the track. The funding for these projects for the big spend of defence procurement, which is the bulk production, is not even in the forward estimates yet. So we will probably have another election before we even get to the actual build of these projects. For example, the government is talking about LAND 400, which is at best estimates a decade away from being able to go into full production. Meanwhile, we are waiting for the government to make a commitment to Hawkei, to secure those jobs in regional Victoria and in my electorate. There is another area that I want to see the government commit to. If they want to be the government for infrastructure, then they should take a leaf out of the Victorian Labor government's book, do what they are doing and secure within those infrastructure contracts a commitment to local procurement of goods. Let's see a commitment to Australian steel, let's see a commitment to Australian concrete and let's see a commitment to Australian products being used in our big infrastructure builds. We can do that because we are the client. What people in Australia want to see is this government commit to spending Australian taxpayers' money in creating Australian jobs and supporting Australian industry.

Another area of concern, particularly in regional Victoria and particularly in my electorate, is the jobs—the jobs that we can lock in by supporting local industry and local business through good, smart spending of Australian dollars through strong procurement policy. I am concerned about what the free trade agreements—the China free trade agreement—could mean to our defence manufacturing dollars and our procurement manufacturing dollars. It concerns me that a Chinese-based state enterprise could bid for an Australian infrastructure project—that is big Australian dollars—and bring in the entire workforce, through the proposed China free trade agreement, to do that work. This is not scaremongering. This is the reality. Australians do not want to see that happen. If we are building a freeway, if we are building a port or if we are building rail infrastructure, we want to see the jobs associated with that project go to Australians first. That is the kind of smart procurement policy which is about the nation test and what is in the best interests of the nation.

In the few moments I have left, I would like to talk about services. The government is also one of the biggest purchasers of services in this country. I am talking about cleaning and security services, not just here in Parliament House but throughout the Australian government. This government has already demonstrated that it has little regard for people working in those industries by scrapping the Clean Start guidelines and by lowering the wages
and conditions of hundreds of people working and cleaning its buildings. If this government were serious about procurement and securing jobs, it would be investing more and not outsourcing. It would not be outsourcing as we are seeing currently.

Mr WILLIAMS (Hindmarsh) (12:12): I seek leave to address the Chamber again.

Leave granted.

Mr WILLIAMS: The member for Bendigo would realise there is another massive defence contract called LAND 400 that the Australian government is to award. She talks about the delay in projects. Let's have a look at some facts: Future Frigates brought forward and offshore patrol vessels brought forward. I understand that Williamstown—the member for Gellibrand just came in, and he might be writing another book about this, after the success of the government's continuous build shipbuilding project. There will be opportunities for Victoria and there will be opportunities for other states around Australia—the member for Gellibrand knows this—and if his previous government had made a decision—

Mr Watts: Mr Deputy Speaker, I was just wondering whether the member knew that 125 people have just been laid off at the Williamstown shipyards this morning. That is a point of order of some form.

The DEPUTY SPEAKER (Mr Conroy): There is no point of order.

Mr WILLIAMS: The member for Gellibrand might have read an article recently in The Australian where the head of the Department of Defence made the point that a decision needed to be made in 2011 in relation to the current job losses being experienced at Williamstown and also at ASC in my state of South Australia, which is disappointing news. That was 2011. The member for Gellibrand well knows that the previous Labor government failed to make a decision and that has had serious repercussions. But back to the purpose of this motion. The Australian government, as I mentioned in my earlier address, procures goods and services in significant amounts, and it will continue to look at supporting Australian industries where it can and where there is a value-for-money result. I commend the work of the Australian government in its focus on the future of our country in terms of jobs, economic development and economic prosperity.

Dr GILLESPIE (Lyne) (12:14): The opportunity to speak about the member for Makin's motion raises so many important points for Australian industry, Australian government, Australian employment and Australian manufacturing in particular. The value for money principle should apply in all government purchases. At the moment Australian government bodies are purchasing up to $40 billion worth of goods every year. It needs to be taken into account the added costs of production in Australia that are not imposed by inefficient business practices but by federal, state and local government regulation, red tape and industrial tape that binds the hands of private enterprise in manufacturing anything in this country. It is very difficult for private manufacturers when they tender for government contracts to be told they are marginally too expensive and the tenders are awarded to other non-resident businesses that can obviously produce things cheaper because they are not bound by the industrial tape, the red tape, the green tape, the local government tape, the state government tape and other taxes that we put on them like six per cent payroll tax in various states or the requirement for compulsory superannuation. This makes us a high-cost centre for many things. We have wonderful manufacturing businesses that still tender to government and miss out.
There is a refund that the federal government gets when it purchases goods from Australian manufacturing operations because it gets a return on PAYE tax, it gets a return on company tax profits and it avoids unemployment. Government contracts are huge contracts and deliver long-term stability to many manufacturing sectors of the economy. The concept of the federal Treasurer getting a rebate, the Minister for Employment or the Minister for Social Services not having to fund unemployment benefits or the minister for trade or any of the other ministries that assist government to retrain people—not paying if they are employing local bodies—(Time expired)

Debate adjourned.

BUSINESS

Rearrangement

Mrs GRIGGS (Solomon) (12:18): At the request of the member for Murray, I fix the next sitting as the day for moving notice No. 12, private member's business.

BILLS

Marriage Amendment (Marriage Equality) Bill 2015

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr WATTS (Gellibrand) (12:18): I was scheduled to speak on the Marriage Amendment (Marriage Equality) Bill 2015 last night before yesterday's impromptu six-hour meeting of the Liberal Party and the National Party on this question of marriage equality but that coalition party room meeting caused proceedings in the Federation Chamber to be abandoned. My hardworking staff prepared an excellent speech full of evidence and logical argument in favour of marriage equality but this morning I read the comments made by Senator Abetz in the coalition party room last night—comments that gay men did not really want to get married and that somehow Dolce and Gabbana were evidence of this—and I thought forget it. Reading Senator Abetz's comments made me wonder whether he had ever met a gay man. So I am tossing the script and I am talking about a gay man that I knew—my Uncle Derek, a man who my Uncle Ian was never able to call his husband.

I knew Derek through a child's eyes. He was the uncle who did the Christmas planning and made elaborate Christmas wreaths, decorations and wrapping paper. He was the life of the party, the kind of person that people just wanted to be around. He was particularly good with kids. He would have been a great dad—as his partner Ian has since been to my kids. Looking back, I can never even remember wondering why Derek and Ian were both men. It just seemed normal to me as a kid. Unfortunately, it did not seem normal to the adults in my family, at least at first. My grandfather in particular, a man I acknowledged in my first speech as being one of the biggest influences in my life, struggled greatly with this. He was a conservative man, a pillar of the Queensland country town that I grew up in. He was active in his church and a committee man for decades. He was a man who told me that Jo Bjelke-Petersen was the best thing that ever happened to Queensland. Other members of my family counselled my uncle not to come out to my grandfather. Remember, this is the Queensland of the 1980s—a different place to Australia today. But he did come out, and it was not a smooth
process. It was not instant acceptance. People did not change their firmly held views overnight. But our family took the same journey that so many other Australians have in recent times—a path to acceptance and then love. Slowly, Derek became part of our family. It was a good thing, too, because the family had some very difficult times. It is a horrific thing to watch someone die from AIDS, and it was particularly horrific in the Queensland of the 1980s and 1990s. If you had AIDS then, you had to deal with not only the horrors of the illness but also the indignities and horrors of the lack of recognition from the society around you. You had to deal with being beaten by hateful thugs in the street while your body was destroying itself from the inside.

My grandfather was not an emotionally expressive man. Like many men in 1950s country Queensland, he showed his love through deeds, not words. So as Derek's body wasted away he showed his love by turning up to their home uninvited to do DIY jobs on things in the house that did not need to be fixed. It was a journey that so many Australians have taken—a journey from ignorance and hate to understanding and love.

Derek planned his own funeral and I hated it, because it was a party—a celebration of his life. I hated it because I did not think that people should have been happy at that occasion. But it was a party that he planned with a political message. Red ribbons were ubiquitous at the event, and I know that, in light of the last 24 hours, he would have wanted me to deliver a political message in the chamber here today. He would have wanted me to say to Senator Abetz: 'Do not claim to understand what gay Australians want. Do not tell them what they do and don't want. Do not use the law to deny them the equal right to choose the same recognition for their relationships as heterosexual couples.' People like Senator Abetz and the Prime Minister are rightly viewed as anachronistic jokes on this issue by the majority of Australians. The absurd references to Dolce and Gabbana in yesterday's coalition party room will reinforce this. Believe it or not, not all gay men are Italian fashion designers. But we should not lose sight of the fact that we are dealing with serious issues of human dignity and legal discrimination in this debate. We should not lose sight of the fact that the LGBTI rights movement in Australia is a serious cause with serious consequences for LGBTI Australians. It is a cause that has experienced some very difficult times in Australia in the past decades and a cause that all in this place should treat very seriously in our representations.

**PRIVATE MEMBERS' BUSINESS**

**Boeing E-7A Wedgetail**

*Mrs GRIGGS* (Solomon) (12:23): I move:

That this House:

(1) notes that:

(a) the Boeing E-7A Wedgetail, an airborne early control and warning aircraft, has reached its final operational capability; and

(b) this aircraft is a significant enhancement for our Australian Defence Force (ADF) and has been a vital asset on Operation Okra in the Middle East region; and

(2) acknowledges the excellent work done by ADF personnel in carrying out their roles of protecting Australia and its national interests.
In defence circles, we sometimes hear the phrase 'force multiplier'. A force multiplier is a technology or a tactic which, when employed, has the ability to significantly increase the effectiveness of a unit. A few weeks ago I had the privilege of joining the Minister for Defence at RAAF Base Fairbairn for a ceremony to mark the completion of Project AIR 5077 Phase 3. While the name is not particularly inspiring, the result of that project certainly is. On display on the tarmac that afternoon was the Royal Australian Air Force's newest asset, the E-7A Wedgetail. The Wedgetail is a significant force multiplier for the Australian Defence Force and one of the most advanced military aircraft in the world. The RAAF Wedgetail is an all-seeing eye in the sky, equipped with advanced multi-role electronically scanned array radar. The Wedgetail controls tactical battle space both in the air and on the surface. A Wedgetail can detect and accurately track aircraft across a huge area of sky; in fact, a single Wedgetail can cover over four million square kilometres in a single mission. This incredible capability allows the ADF's other assets, particularly aircraft, to get into the right place at the right time to complete their missions.

In the theatre of combat such as the skies over Iraq right now, Wedgetail aircraft and their RAAF crews are coordinating and directing allied aircraft in their fight against terrorists and the so-called Islamic State. Already the RAAF Wedgetails have flown over 120 missions over Iraq with our coalition partners, logging more than 1,500 flying hours. Reports back from Iraq indicate the Wedgetail is performing admirably. One aircraft concluded a single mission lasting 16 hours and 18 minutes and including two air-to-air refuellings. This is the longest any 737 based aircraft has ever flown.

Beyond the ADF's combat roles, Wedgetails have been deployed closer to home in the search for MH370, with the aircraft working over the southern Indian Ocean, directing other aircraft over the search areas.

This government is committed to equipping the men and women of the Australian Defence Force with the tools they need to get the job done. Under the previous, Labor government, spending on the ADF fell to its lowest level as a percentage of GDP since 1938. The coalition government is working hard in a tight financial environment to undo some of the damage done by Labor's ham-fisted cuts. This financial year we are investing $7.2 billion in Defence equipment, nearly double the amount Labor spent in their slash-and-burn budget of 2012-13.

Since coming to office the coalition has committed to upgrading the RAAF's capabilities with additional C17 heavy transport aircraft, P8A Poseidon maritime patrol aircrafts, Triton unmanned aerial vehicles and an additional 58 state-of-the-art Joint Strike Fighters. On the ground our army is getting new protective equipment for soldiers, including a new generation body armour. We are funding new vehicles for our special forces soldiers and have begun a tender process—LAND 400—to replace ASLAVs. The Royal Australian Navy is seeing replacement programs for its vessels being brought forward. The Future Frigate Program has been moved forward three years with a commitment to the ships being built in Australia. Our offshore patrol vessel replacement program has been brought forward two years with a commitment to being built in Australia.

As you know, I have a very big Defence contingent in my electorate, and in the little time I have left I would like to place on record congratulations and thanks to the fantastic men and women of the Australian Defence Force. They do a fantastic job to keep and protect all of us,
and we are absolutely committed to making sure that, if we put people in harm's way, we will do everything we can to ensure that they have the right equipment to stay safe.

The DEPUTY SPEAKER (Mr Conroy): Is the motion seconded?

Mrs Sudmalis: I second the motion.

Mr MITCHELL (McEwen—Second Deputy Speaker) (12:28): I rise to speak in support of this motion and agree with most of what the member for Solomon said, but we will just disregard the cheeky political stuff because I think this is a good motion that should be spoken about properly. Recently I had the honour of spending time with the 42nd Wing 2nd Squadron of Williamtown air base in the electorate of the member for Newcastle, sitting beside me, who kindly allowed me into her electorate. I must say that it was a fantastic opportunity to spend time on the E7A Wedgetail in operational use.

For obvious reasons, I am not going to go into detail about how the aircraft operates, but I can say that it is one special bit of kit crewed by exceptional people. I was immediately impressed with the professionalism and enthusiasm the crew have for their job, their pride in the work they were doing and how this work protected our nation and kept our fighter pilots and ground troops out of harm's way.

We now have the opportunity for detailed briefings and witness the Wedgetail in action, including what I would call a scary in-flight fuel refill. That is something that really shakes you up a bit—when you are sitting in the front of a 737 at 21,000 feet and you are 30 feet from the back of another jetliner full of fuel. It is not something you would normally expect when you travel. The professionalism in which it was done was something to behold. It is a credit to the pilots and all the staff involved.

It is worth noting some of the significant milestones of the aircraft: in 2014, air control of marine patrol aircraft taking part in the search for MH370; in October 2014, the first Australian sortie over Iraq supporting coalition forces conducting airstrikes against Daesh; and in 2015 the Wedgetail performed the longest Australian command-and-control mission over a war zone—a 16-hour and 18-minute combat mission over Iraq, including two of the air-to-air refuelling to stay aloft. Wedgetail crews routinely performed 13-hour missions. Operation OKRA is another part of the Defence Force's contribution to the international effort to combat Daesh, the terrorist threat in Iraq. Australia's contribution has been closely coordinated with the Iraqi government, the Gulf nations, and the broad coalition of international partners. I was reading an article in which the commander of Australia's Air Task Group, Air Commodore Steve Roberton, commented on the endurance mission and what it meant. The article states:

"After already being 'on station' for a number of hours, the Australian Wedgetail crew was advised the Coalition aircraft due to relieve them was delayed," Air Commodore Roberton said.

In response, the Wedgetail crew quickly assessed their ability to coordinate additional air-to-air refuelling and agreed to substantially extend their mission.

"Try to imagine coordinating a short-notice, mid-air refuel for a Boeing 737 in the middle of a combat zone. It is no small task," he said.

Air Commodore Roberton noted Australia’s ability to ‘go above and beyond’ is a clear demonstration of the nation’s important contribution to the Coalition air campaign.
The E-7A Wedgetail crew completed two air-to-air refuels during this mission, allowing it to stay airborne and make the historic time.

The fact is, these aircraft are the envy of other nations. It has not happened by default—it has happened because of skills the RAAF personnel have obtained.

I also recently read an article by Brian Hartigan, titled: 'When the "shit got real" for Australia’s Wedgetail'. He writes:

That first mission was supposed to be a fairly easy-paced shadowing of an American E-3 Sentry on station over the northern-Iraqi Battle Management Area (BMA), to allow the mission crew (using their own onboard callsign “Outback”) to observe how the job was done in real time before taking on any live tasking.

But when the ageing E-3 developed technical problems … the Aussies stepped up and took over—throwing themselves and Australia’s newest and most advanced warplane headlong into the fight.

…… …

So successful has Australia’s Wedgetail now become that stories of American strike squadrons delaying or planning missions to coincide with Wedgetail flight times have filtered back to a proud Aussie hierarchy.

This aircraft is a vital piece of our Defence Force and its capability to defend our nation. It may not be as exciting to look at as a Super Hornet or a JSF but, I tell you, the crews who fly these things and the crews who put the capability into action, including the magnificent ground crew, and the men and women of the surveillance response group in this country—we would be far worse off without them. The Boeing E7A Wedgetail, an airborne early control and warning aircraft, has reached its final operational capacity. That is due to the skills of the ADF personnel and we thank them very much for their service to our nation. (Time expired)

Mrs SUDMALIS (Gilmore) (12:34): 2015 marks an important milestone for our Defence Force capability. After so many years of inaction, reduced investment and a lack of security vision for Australia, we now have a sense of appropriate investment and the ability to protect our people while also participating on the international defence stage. Whilst I am always most impressed by the work, training and personnel of HMAS Albatross and HMAS Creswell, it is never good to gloss over the other significant Defence developments. Knowing that the process of defence procurement is a complicated and multi-layered one, it is great to acknowledge that our six new Wedgetail aircraft have the logistics, management plans and sustainment chains, facilities and training protocols all in place. The Boeing E7A Wedgetail is an airborne early control and warning aircraft, and provides our nation with one of the most advanced air battleship capabilities in the world.

The Howard government made the decision to commence the Wedgetail program, known as AIR 5077 Phase 3, in 2000. This a heavily modified Boeing 737-700 with an advanced multi-role electronically scanned array radar and 10 mission crew consoles. It is probably one of the most advanced pieces of technology for the Australian Defence Force. The RAAF base in Williamtown, Newcastle, is the home of these aircraft. Australia's six E7As are capable of communicating with aircraft and providing air control from the sky. They can cover four million square kilometres during a single 10-hour mission while, at the same time, being in control of the tactical battle space, providing direction for other fighter aircraft, surface combatants and land-based elements, and supporting aircraft such as tankers and intelligence platforms.

FEDERATION CHAMBER
The Wedgetail significantly multiplies the effectiveness of our existing Navy, Army and Air Force, and it will help Australia maintain a capability edge well into the future. To date, they have completed more than 120 sorties with our coalition partners over Iraq, flying more than 1,500 hours. It is highly reliable and effective in all of its operations. So far, it has also participated in defence exercises Bersama Lima, Cope North, Red Flag and Pitch Black. It is currently deployed in Operation OKRA supporting the coalition forces in their fight against Daesh. The aircraft has already participated in other landmark events—actually, I should say airspace events. In fact, one Australian Wedgetail crew made Boeing 737 history when they conducted a 16 hour and 18 minute command control mission over Iraq, requiring two air-to-air refuels. It has also been involved in the search for the downed plane, Malaysia Airlines flight MH370, in the southern Indian Ocean, safely controlling and directing air traffic to the search areas.

The highly specialised crew of the Wedgetail aircraft, and the Royal Australian Air Force more generally, are to be commended on the work they are doing to enhance this unique capability, providing support to coalition forces in the Middle East as a main event. I would like to take this opportunity to thank the Defence Force men and women who have been involved in those operations, demonstrating the immense professionalism and dedication of our very talented air crew, ground crew, supply crew and all those involved in the very effective running of these fighting machines.

It is vitally important not just to acknowledge the outstanding work of our Defence Force personnel in words, but to also acknowledge them by continuing to invest in their equipment, training and other financial needs. We are putting $7.2 billion into our defence equipment—nearly double the amount spent in the last disastrous 2012-13 budget, which took us down to a lousy 1938 expenditure level for defence. Our defence personnel need to know that we have confidence in them, that we will invest in them and we will look after them. We are committed to making decisions to modernise our Air Force—as well as many other aspects of the Navy, because that is my local base—and we are looking at 58 Joint Strike Fighters. This year, the government is also delivering new and improved personal protective equipment for our soldiers, including new generation body armour—how welcome that will be! There will be more to announce later this year once the 2015 defence white paper is handed down. This white paper will reflect the government's strategic national security fiscal and border policy priorities, outlining our total commitment to ensuring a safe and secure Australia through increased funding for our vital Defence Force.

Mr CONROY (Charlton) (12:38): I think this is a good motion. I have been disappointed by the politicisation of it by those opposite—a theme that I will return to in a minute.

The E7 Wedgetail is a great platform for the RAAF. I am really proud that it is based out of RAAF Williamtown in the member for Newcastle's seat—my neighbour's seat—with the mighty No. 2 Squadron. It is some of the best equipment in the world, and I have had the honour of visiting the squadron many times. In fact, in a previous role I had the privilege of visiting the Northrop Grumman radar factory in Baltimore, Maryland, where they were producing this world-beating radar. It is a great platform for the RAAF, but it has been delivered 6½ years too late because of the incompetence of coalition governments, who are great at signing cheques for the ADF but are hopeless at delivering the platforms that the ADF actually need on time and on budget.
This is a classic example of this. This contract was signed under Prime Minister John Howard. It was an incredibly detailed development project. It was a project that the ADF and the Defence Materiel Organisation freely admit challenged the laws of physics in terms of the capabilities specified in the contract. Ultimately, because of the incompetence of coalition governments, it was delivered 6½ years later than originally scheduled. Unfortunately, this is not an isolated example. Of the top 30 acquisition projects by the ADF, 87 per cent of schedule slippage has been in projects approved under coalition governments. The total of deferred capabilities of 81 years. Let me repeat that. In projects approved by coalition governments, government mismanagement has led to deferred capability of 81 years. That is equipment that the ADF has desperately needed and that their government has failed to provide. The projects of concern are projects that have had acquisition problems and are posing challenges. They are behind time, over budget or they are not able to be delivered. Of the 10 projects on the projects of concern list, all 10 were approved by coalition governments. Let me repeat the point. There is a bit of a pattern here. They are happy to sign cheques, they are happy to grandstand, but they cannot deliver the projects because they do not understand defence procurement.

It was a Labor government that substantially reformed defence procurement through processes like the projects of concern process, empowering the Defence Materiel Organisation to work with contractors and the ADF to really get to the nub of these issues, work out what was wrong with the contract, what had broken down in the relationship between the contractor, the DMO and the end user, and really get to the heart of it. The Wedgetail project is a classic example of that. When we came to power in 2007, and I had the honour of working for the then parliamentary secretary for defence procurement, this project was in deep, deep trouble. We had had to cancel the Seasprite project because of failures of the last government. Wedgetail was in huge trouble. We had a contractor who was unable to deliver the project, saying that the things the Commonwealth was demanding were outside the laws of physics. They had subcontractors who were not able to deliver on their systems and were not able to talk to the contractor. We had the DMO's relationship with the contractor breaking down, we had the relationship between the RAAF, the contractor and the DMO in serious trouble. But through instituting the projects of concern process, through convening high-level, CEO-level discussions between the DMO, the contractors and the RAAF, we were able to get a breakthrough on the contract, we were able to get external experts, the Lincoln laboratories, in from the United States to look at the radar issues and find a way forward. We were able to resolve this issue so that this platform was eventually delivered to the RAAF, and we are now celebrating what a great capability it is.

It is only through this focus that we can deliver these extremely complex projects. No country does defence procurement perfectly. It is a very complex area because you want the best equipment for your armed services, but you need a government focused not just on signing cheques but on delivering capability, working with the defence industry, working with the ADF, working with the DMO, so that the materiel is delivered on time and on budget. This is why this motion and the debate have been so disappointing. Instead of celebrating what was achieved, instead of working out and honouring how we resolved it so we could learn from it, we saw nasty politicisation of this whole issue. But, ignoring that for a second, I am glad that the RAAF has finally got the Wedgetail. I am glad that it has achieved FIC. I am
glad that it is doing sterling work in the Middle East, based out of RAAF Williamtown, and will do for decades to come. I commend the motion to the chamber.

Debate adjourned.

Federation Chamber adjourned at 12:43
Dr Leigh asked the Treasurer, in writing, on 23 June 2015:

In return for securing the support of the Australian Greens to cut $2.4 billion from pensions, did the Government commit to undertake a comprehensive review of all components of the retirement income system including tax and superannuation.

Mr Hockey: The answer to the Honourable Member's question is as follows:

I refer Dr Leigh to Minister Morrison's media release, Government's fairer and sustainable pension budget changes secure critical Senate support, and my media release, Tax White Paper consultation process to be extended, both dated 16 June 2015.