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SITTING DAYS—2012

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FORTY-THIRD PARLIAMENT
FIRST SESSION—SEVENTH PERIOD

Her Excellency Ms Quentin Bryce, Companion of the Order of Australia, Commander of the
Royal Victorian Order

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

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

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

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

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

Printed by authority of the House of Representatives
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### PARTY ABBREVIATIONS

ALP—Australian Labor Party; LP—Liberal Party of Australia; LNP—Liberal National Party; CLP—Country Liberal Party; Nats—The Nationals; NWA—The Nationals WA; Ind—Independent; AG—Australian Greens

### Heads of Parliamentary Departments

- Clerk of the Senate—R Laing
- Clerk of the House of Representatives—B Wright
- Secretary, Department of Parliamentary Services—C Mills
## GILLARD MINISTRY

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<td>Senator the Hon Stephen Conroy</td>
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<td>Minister Assisting the Prime Minister on Asian Century Policy</td>
<td>The Hon Dr Craig Emerson MP</td>
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<td><strong>Minister for Social Inclusion</strong></td>
<td>The Hon Mark Butler MP</td>
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<tr>
<td>Minister for the Public Service and Integrity</td>
<td>The Hon Gary Gray AO MP</td>
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<tr>
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<td>The Hon Warren Snowdon MP</td>
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<tr>
<td>Cabinet Secretary</td>
<td>The Hon Mark Dreyfus QC MP</td>
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<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>Senator the Hon Jan McLucas</td>
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<tr>
<td><strong>Treasurer</strong> (Deputy Prime Minister)</td>
<td>The Hon Wayne Swan MP</td>
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<tr>
<td>Minister for Financial Services and Superannuation</td>
<td>The Hon Bill Shorten MP</td>
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<tr>
<td>Assistant Treasurer</td>
<td>The Hon David Bradbury MP</td>
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<tr>
<td>Parliamentary Secretary to the Treasurer</td>
<td>The Hon Bernie Ripoll MP</td>
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<td><strong>Minister for Tertiary Education, Skills, Science and Research</strong></td>
<td>Senator the Hon Chris Evans</td>
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<td>(Leader of the Government in the Senate)</td>
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<tr>
<td>Minister for Industry and Innovation</td>
<td>The Hon Greg Combet AM MP</td>
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Thursday, 1 November 2012

The SPEAKER (Ms Anna Burke) took the chair at 9:00, made an acknowledgement of country and read prayers.

BILLS

Defence Trade Controls Bill 2011

Returned from Senate

Message received from the Senate returning the bill and informing the House that the Senate does not insist upon its amendment (9) disagreed to by the House.

National Gambling Reform Bill 2012

First Reading

Bill and explanatory memorandum presented by Ms Macklin.

Bill read a first time.

Second Reading

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (09:02): I move:

That this bill be now read a second time.

These bills represent the first time that a national government has legislated to help tackle gambling addiction. The reforms they deliver will help problem gamblers take control of their addictions, and help their families take back control of their lives.

This bill, together with the National Gambling Reform (Related Matters) Bill (No. 1) 2012 and the National Gambling Reform (Related Matters) Bill (No. 2) 2012, delivers on the government's commitment to reduce the harm caused by gaming machines to problem gamblers and those at risk of harm, their families and communities.

These bills enact a series of reforms to help problem gamblers, including the requirement that precommitment technology be implemented on gaming machines.

When the government announced our intention to legislate on 21 January 2012, we said we would act to undertake a large-scale trial of mandatory precommitment, and that we would expand precommitment technology to every poker machine across the country.

These reforms also build on the May 2011 agreement of the Council of Australian Governments Select Council on Gambling Reform to support the infrastructure for precommitment in every gaming venue in the country.

The bills were released as exposure drafts on 17 February 2012, and are informed by consultations since their release with key industry groups, manufacturers, state and territory governments and community groups.

These bills are based on the evidence and recommendations of the Productivity Commission.

Of course, we know that many Australians enjoy the occasional bet. Gambling is a legitimate industry that provides recreation for many Australians and is a major employer.

For most people, gambling is a form of entertainment that is enjoyed responsibly—whether it's a flutter at the races, buying a lottery ticket, a turn on the pokies or a night out at the casino.

For some people, however, gambling can be highly destructive. Up to half a million Australians are at risk of becoming, or are, problem gamblers.

The evidence is clear.

Problem gambling can—and does—ruin lives and destroy families.

Australians spend nearly $12 billion a year on poker machines.

Three-quarters of problem gamblers play the pokies. And one in six people who play
the pokies regularly has a severe gambling problem.

Problem gamblers lose an average of $21,000 a year on their addiction. That's about a third of the average annual salary—hard-earned money that isn't being used to pay bills, the mortgage or put food on the table.

But this isn't just about the money lost. It's the harm problem gamblers inflict on themselves and their families.

Problem gamblers suffer mental and physical health problems, can find it difficult to hold down a job, and struggle to maintain relationships.

People with gambling problems are six times more likely than non-gamblers to get divorced—and they are four times more likely to suffer from alcohol abuse.

The actions of one problem gambler have negative impacts on the lives of between five and 10 other people. This means there are up to five million Australians who could be affected by problem gambling each year—including friends, family and employers of people with a gambling problem.

We also know that the children of problem gamblers are up to 10 times more likely to become problem gamblers themselves than children with parents who don't gamble.

And we know that only about 15 per cent of problem gamblers seek help.

The Productivity Commission estimated that the social cost of problem gambling to the community is at least $4.7 billion each year.

And there is the cost we can't put a dollar figure on. Like the hours problem gamblers spend away from their families to feed their addiction—precious time they can't get back.

We must act to make gambling on poker machines safer, and we must act to help protect people whose addiction is hurting themselves and others.

And this parliament has a duty to act—which is why this legislation is so important.

The bills brought before the chamber today will reduce the harm caused by gaming machines to problem gamblers.

They respond to the Productivity Commission's 2010 inquiry into gambling, into the harm arising through the use of poker machines.

The National Gambling Reform Bill requires that all gaming machines be part of a state-wide precommitment system and display electronic warnings by the end of 2016.

We understand, of course, that small pubs and clubs, many of them in regional areas, just aren't the same as the big gaming venues in the city. So we have provided for longer implementation time lines for small venues.

Venues with between 11 and 20 gaming machines will have an extra four years—until 2020—to bring in precommitment technology on their gaming machines.

And the very small venues—those with 10 or fewer gaming machines—will be able to implement the technology as they replace their machines in their usual replacement cycle.

All new gaming machines that are manufactured or imported from the end of 2013 will be required to have precommitment capability. This means that machines that are turned over from the end of 2013 will already have the functionality required and be 'precommitment ready'.

Precommitment lets pokie players decide themselves how much they are willing to lose, set a limit before they play—and stick to it.

Under these bills, people who play gaming machines can choose to register for
precommitment. Once registered, they can set a 'loss limit' on the amount that they are prepared to lose during a chosen period—known as a limit period.

Once the person reaches that loss limit, the person is prevented from using gaming machines in the state or territory within the precommitment system for the rest of their defined limit.

We know that a big part of the problem with gambling addiction is that some people can get into what is called the zone. They sit down with the intention of spending an amount they can afford but, once they start playing, they get stuck in a destructive cycle they cannot get out of.

Getting into the zone can be dangerous—and it can happen quickly.

We know that no-one sits down to lose their whole pay cheque, or the week's grocery budget, or the money for school items for their children. And that is what precommitment helps to protect against. It gives people a tool to help them take control of their own spending.

A player registered for the precommitment system will be able to choose not to set a loss limit, and still be able to access transaction statements and other player information to help them to track and review their play.

The bill also provides that it will be the personal choice of a user whether to register or use the precommitment system. However, it does require that all gaming machines be linked to a precommitment system. If a person does register for the precommitment system, they will also be able to exclude themselves by setting a loss limit of zero.

This will complement existing arrangements currently operational across Australia, which allow some users to exclude themselves from gaming venues.

The bills protect the privacy of players by making clear that biometric processes cannot be used in registration for, or access to, a precommitment system. The bill also makes clear that a national database of player information must not be established.

The bills establish minimum requirements for harm minimisation for gaming machines. States and territories will be able to impose stronger measures, and the minimum requirements can work concurrently with state or territory laws. States and territories will also continue to be able to determine the distribution and number of gaming machines in their jurisdiction.

The bills also introduce a number of complementary reforms to support problem gamblers to take control of their addiction.

In addition to requiring gaming machines to be linked to a precommitment system, the bills require all machines to provide electronic warnings to players about their use of gaming machines, and the potential harm caused. These changes will be introduced on the same time line as precommitment, with the same concessions for smaller venues.

We know that warning messages can be an effective way to change people's gambling behaviour, and that dynamic warnings can have a greater effect on people than posters or stickers. This bill requires warnings to be electronic, so they have a greater influence on player behaviour.

The bills also introduce a $250-per-day automatic teller machine withdrawal limit for gaming machine premises—other than casinos and exempted premises in smaller communities, where access to cash is not readily available from non-gaming outlets. This will take effect from 1 May 2013.

This change responds to the recommendation of the Productivity Commission that a daily limit of $250 could help address gambling harm without overly
affec
ting non-problem gamblers and other patrons. An analysis of ATM transactions shows that 85 per cent of withdrawals from ATMs in venues with gaming machines are below the proposed $250 limit. The Productivity Commission also suggested that the daily withdrawal limit should be adjusted periodically to account for inflation—and this is provided for by the bills.

The bills also provide for the monitoring and investigation of compliance with the new legislation, which will be undertaken by the regulator or their delegate, as outlined.

It sets out enforcement measures, including civil penalty orders, infringement notices, injunctions, enforceable undertakings and compliance notices.

A precommitment provider may contravene a civil penalty provision or have their approval revoked if they provide the precommitment system otherwise than on terms and conditions approved by the regulator.

A person may contravene a civil penalty provision if they make a noncompliant gaming machine available for use. Civil penalties also apply for making or importing gaming machines that do not meet precommitment system requirements.

Defences to possible contraventions are provided where a gaming machine premise operator did not know and could not reasonably be expected to have known that a system or machine was noncompliant. A defence is also provided for operational or technical matters where a failure was not the fault of the gaming machine operator and remediying the fault was not within the gaming machine operator's control.

Offence provisions protect information obtained under the new legislation, including through precommitment systems, from unauthorised disclosure or use. Disclosing and using information is authorised in certain situations, including for the purposes of the new legislation or law enforcement, or with consent.

The bills also provide for two inquiries by the Productivity Commission—one into the results of the proposed trial of mandatory precommitment, and a separate inquiry to assess the progress towards the key reforms contained in the bills.

Further, the bills establish a new Australian Gambling Research Centre within the Australian Institute of Family Studies to undertake and commission research into gambling, and to build the capacity for research into this area.

The centre will be guided by an independent Expert Advisory Group on Gambling, consisting of members of the academic community.

This delivers on recommendations of the Productivity Commission and of the Parliamentary Joint Select Committee on Gambling Reform, and it is the first time an Australian government has committed to advancing an independent, national gambling research agenda.

The package of measures outlined in these bills is supported by two levies: the supervisory levy and the gaming machine regulation levy. These two levies are imposed, respectively, by the National Gambling Reform (Related Matters) Bill (No. 1) 2012 and the National Gambling Reform (Related Matters) Bill (No. 2) 2012.

The bills also provide that the regulator may charge a fee for services, such as for application fees associated with becoming an approved precommitment provider, which would be likely to reduce the supervisory levy.

These reforms represent the first time the Commonwealth is legislating to help problem gamblers and their families.
They will help problem gamblers take control of a harmful and destructive addiction.

They will help the bloke feeding the poker machine instead of spending time with his kids.

They will help the mother who is worried sick about her daughter, and the mounting debt she cannot escape from.

And they will help the people who may fall victim to problem gambling in the future.

I commend the bill to the House.

Debate adjourned.

**National Gambling Reform (Related Matters) Bill (No. 1) 2012**

First Reading

Bill and explanatory memorandum presented by Ms Macklin.

Bill read a first time.

**Second Reading**

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (09:17): I move:

That this bill be now read a second time.

This bill is one of the two companions to the National Gambling Reform Bill 2012. The three bills form a package that give effect to key parts of the Australian government's commitment, announced on 21 January this year, to reduce the harm caused by poker machines to problem gamblers and their families.

The purpose of this bill is to impose a supervisory levy in relation to gaming machines. The levy is established by the National Gambling Reform Bill 2012, the primary bill in this legislation package.

The purpose of the supervisory levy is to cover the costs to the Commonwealth in relation to the administration of the three bills. The method of calculating the supervisory levy will be determined by regulations. The government will be consulting with industry in the development of the regulations.

The primary bill also allows arrangements which enable the regulator to charge fees for its services to the industry. A combination of fees for service and the supervisory levy will be used to cover the costs of administration of the bills.

The formal imposition of the levy in this bill arises from section 55 of the Constitution, which requires that laws imposing taxation deal only with the imposition of taxation.

Both this bill and the primary bill are necessary to establish the levy.

I commend the bill to the House.

Debate adjourned.

**National Gambling Reform (Related Matters) Bill (No. 2) 2012**

First Reading

Bill and explanatory memorandum presented by Ms Macklin.

Bill read a first time.

**Second Reading**

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (09:19): I move:

That this bill be now read a second time.

This bill is the second companion bill to the National Gambling Reform Bill 2012.

The purpose of this bill is to impose the gaming machine regulation levy. This levy forms a part of the penalty regime imposed on venues and operators of gaming machines for non-compliance, which is established by the National Gambling Reform Bill 2012, the primary bill in the legislation package.
The gaming machine regulation levy is payable in relation to the revenue from gaming machines in certain instances. The levy is payable by those persons who are not constitutional corporations and who make gaming machines available that do not meet the requirements relating to precommitment systems and dynamic warnings that are outlined in the primary bill.

The formal imposition of the levy in this bill arises from section 55 of the Constitution, which requires that laws imposing taxation deal only with the imposition of taxation.

Both this bill and the primary bill are necessary to establish the levy.

The provisions in this bill deal primarily with the imposition of the levy and the amount of the levy.

The amount of the gaming machine regulation levy for each applicable gaming machine is determined first by multiplying the rate of the levy by the amount of revenue from that machine for the levy period. Allowable reductions for the gaming machine for the levy period are then subtracted from this figure. Any allowable reductions will be determined in accordance with regulations. If the gaming machine revenue from a levy period is less than zero, no levy is payable for that period.

I commend the bill to the House.

Debate adjourned.

**Second Reading**

*Mr CLARE* (Blaxland—Minister for Home Affairs, Minister for Justice and Minister for Defence Materiel) (09:22): I move:

That this bill be now read a second time.

On 23 May this year the minister for trade and his Malaysian counterpart Mustapa Mohamed signed the Malaysia-Australia Free Trade Agreement.

I rise to introduce the Customs Amendment (Malaysia-Australia Free Trade Agreement Implementation and Other Measures) Bill 2012.

This legislation implements Australia’s obligations under chapter 3 of the Malaysia-Australia Free Trade Agreement.

Both countries have committed to the treaty coming into force on 1 January, and passage of this amendment and the subsequent amendment to the Customs Tariff Act will enable this to happen.

Chapter 3 sets out the rules-of-origin criteria and related documentary requirements for determining the eligibility of goods to obtain preferential tariff treatment in accordance with the agreement.

Goods imported into Australia that meet the rules of origin, implemented through this bill, will be entitled to claim preferential tariff treatment in accordance with the agreement.

The amendments also include the requirements for Australian exporters and producers who wish to export Australian goods to Malaysia under the agreement and obtain preferential treatment in respect of the goods in Malaysia.

The complementary Customs Tariff Amendment (Malaysia-Australia Free Trade Agreement Implementation) Bill 2012 will amend the Customs Tariff Act 1995 to set
out Australia's tariff commitments under the agreement.

This government has a strong history of supporting free trade. Free trade is good for our economy, good for manufacturers, good for importers and exporters and good for our region.

These amendments come to the parliament at an opportune time with the government's recent release of the Asian century white paper.

The white paper is ambitious—it makes clear the importance of building our ties with Asia.

Implementation of the Malaysia Australia Free Trade Agreement (MAFTA) is an important step in this regard.

Malaysia is an important market for Australia. At present Malaysia is Australia's 10th largest trading partner, with two-way trade worth $16 billion in 2011.

This agreement will guarantee tariff-free entry for 97.6 per cent of recent goods exports from Australia once it enters into force, which will rise to 99 per cent by 2017.

Malaysian exporters will enjoy duty-free entry to the Australian market.

The agreement will also help diversify the trading relationship by opening Malaysia's services sector to Australian companies.

Malaysia has committed to allowing majority Australian ownership of service providers in a range of industries, including for specified services in the telecommunications, insurance, education, tourism, research and development, accountancy and mining related sectors.

Australia will also provide a three-year package of up to 21 short- and long-term scholarships, fellowships, awards and exchanges to support Malaysia's economic reform efforts.

I commend the bill to the House.

Debate adjourned.

Customs Tariff Amendment (Malaysia-Australia Free Trade Agreement Implementation) Bill 2012

First Reading

Bill and explanatory memorandum presented by Mr Clare.

Bill read a first time.

Second Reading

Mr CLARE (Blaxland—Minister for Home Affairs, Minister for Justice and Minister for Defence Materiel) (09:27): I move:

That this bill be now read a second time.

The Customs Tariff Amendment (Malaysia-Australia Free Trade Agreement Implementation) Bill 2012 is the second bill relating to the implementation of the Malaysia-Australia Free Trade Agreement.

It complements the amendments contained in the Customs Amendment (Malaysia-Australia Free Trade Agreement Implementation and Other Measures) Bill 2012.

This bill contains amendments to the Customs Tariff Act 1995 to implement part of the agreement by: providing duty-free access for goods that are Malaysian originating goods; amending schedule 4 to the Customs Tariff Act to maintain customs duty rates for certain Malaysian originating goods in accordance with the applicable concessional item; and creating a new schedule 9 to the Customs Tariff Act to specify excise equivalent duties on certain alcohol, tobacco, and petroleum products.

I commend this bill to the House.

Debate adjourned.
COMMITTEES
Economics Committee
Report


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

Ms OWENS: by leave—Australia's national economy continues to achieve sustainable growth with low inflation and low unemployment. This is despite global economic uncertainty, particularly in the eurozone. The RBA noted that the economic and financial problems in the euro area remain the most significant downside risk to the forecasts for global economic growth.

The fundamentals of the Australian economy remain strong. Public debt is low and underlying inflation is at the midpoint of the inflation target range. While resource investment is expected to decline gradually, the RBA noted that the effect of this on GDP growth is expected to be roughly offset by faster growth in resource exports and, in time, a gradual recovery in non-resource investment.

The outlook for Australia remains substantially the same as it has throughout the current calendar year. Real GDP growth is expected to slow over the second half of 2012, as growth in domestic demand in the first half of the year moderates. A surge in growth in the first half of 2012 has lifted the forecasted GDP growth over 2012 to 3½ per cent. This is expected to moderate a little in 2013, and the economy is expected to grow at around three per cent over 2013 and 2014. Since the committee's previous public hearing in February 2012, global conditions have varied, with a general tendency towards weaker growth. The problems of the European economy remain unresolved, so growth throughout the eurozone has been constrained, while the economy of the United States has grown at a modest pace. Growth in China also eased to a more sustainable rate.

In relation to Note Printing Australia and Securency International the committee has at six consecutive public hearings examined the RBA about the bank's knowledge of and response to allegations of corrupt activity. On 8 October 2012 the committee's examination of these matters continued for almost seven hours. It is expected that once the criminal proceedings are finalised the RBA will be able to release relevant documents which are currently subject to court orders. This will then provide further opportunity for scrutiny by this committee.

Finally, on behalf of the committee I would like to thank the Governor of the Reserve Bank, Mr Glenn Stevens, and other representatives of the RBA for appearing at the hearings on 24 August 2012 and 8 October 2012.

Mr CIOBO (Moncrieff) (09:31): by leave—I am pleased to rise to associate myself with the remarks made by the Chair of the Standing Committee on Economics with respect to the most recent inquiry that the committee undertook, on monetary policy settings, with the Governor of the Reserve Bank and others. Can I say at the outset how much committee members appreciate the support of the secretariat of the Economics Committee. They have, on numerous instances now, proven to be of great value and assistance to the committee and I am very grateful to them for that.
Specifically with regard to monetary policy settings, it is clear to coalition members of the committee that we continue to be well served by the Reserve Bank, although the same cannot be said with respect to the fiscal policy settings of the current government. That notwithstanding, it does provide an important opportunity for coalition members to investigate and scrutinise decisions taken when it comes to monetary policy settings. Certainly, the level of angst in the community over monetary policy settings and, in particular, the desire for there to be a decrease or a loosening of monetary policy are ever pervasive, especially in light of the fact that Australia seems to be, in terms of economic growth, trending downward at a time when many Australians are feeling sharply increasing cost-of-living pressures.

Of course, one of the major areas of focus that is also touched upon in this report had to do with the Reserve Bank subsidiaries Note Printing Australia and Securency. I am very mindful that my good friend the member for Casey has made supplementary comments to the report of the committee, and those supplementary comments outline in great detail the chronology with respect to both events that took place within Securency and with Note Printing Australia, especially in regard to the use of agents, and decisions that were taken by RBA management—and, in particular, former deputy governor Mr Ric Battellino—with respect to Securency and Note Printing Australia.

The committee report as a whole reflects the views of coalition members. As I said, there are supplementary comments which I would like to acknowledge as well.

Ms OWENS (Parramatta) (09:34): I move:

That the House take note of the report.

The DEPUTY SPEAKER (Mr S Georganas): In accordance with standing order 39, the debate is adjourned, and the resumption of the debate made an order of the day for the next sitting.

Report and Reference to Federation Chamber

Ms OWENS (Parramatta) (09:34): I move:

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

Question agreed to.

Public Works Committee

Approval of Work

Mr GRAY (Brand—Special Minister of State and Minister for the Public Service and Integrity) (09:34): I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, and by reason of the urgent nature of the works, it is expedient that the following work be carried out without having been referred to the Parliamentary Standing Committee on Public Works:

Preliminary works to establish a Regional Processing Centre on Nauru.

In line with the findings and recommendations of the Expert Panel on Asylum Seekers, the government has been addressing the need to undertake urgent infrastructure and upgrade works on Nauru and Manus Island to support the processing of irregular maritime arrivals. There is now an urgent and immediate need to improve the amenity of facilities in Nauru and provide a basis for transition to a more established and permanent facility. At present, there are risks to the health, welfare and behaviour of the irregular maritime arrivals, and there is a need to enhance the amenity and facilities supporting the staff and service providers. The government will provide for preliminary capital works related to a 900-bed facility and staff accommodation, and the purchase of long lead items at Nauru. These works
include basic site preparation, waste water treatment plants, septic systems, power generators and a project administrator.

The Nauru government has clear expectations that permanent facilities will be put into place for transferees and staff. This is also consistent with the government's international obligations for the treatment of irregular maritime arrivals. I am mindful that projects of this magnitude should be put forward for a full referral. The government very much supports the work of the Public Works Committee and has not taken this decision lightly. Therefore, as soon as possible, the Department of Immigration and Citizenship will arrange for the remainder of the infrastructure and upgrade works for the regional processing centre on Nauru to be referred to the Public Works Committee for scrutiny. I commend the motion to the House.

Question agreed to.

Publications Committee

Mr HAYES (Fowler) (09:36): I present the report from the Publications Committee sitting in conference with the Publications Committee of the Senate. Copies of the report have been placed on the table.

Report—by leave—agreed to.

BILLS

Australian Charities and Not-for-profits Commission Bill 2012

Consideration of Senate Message

Bill returned from the Senate with amendments.

Senate's amendments—

(1) Clause 40 10, page 21 (after line 4), after paragraph (2)(d), insert:

  (da) all of the following subparagraphs apply:

  (i) the information is the details of a warning issued to a registered entity by the Commissioner under Division 80, as mentioned in paragraph 40 5(1)(f);
  (ii) the information has the potential to cause detriment to the entity, or to an individual;
  (iii) the contravention, likely contravention, non compliance or likely non compliance mentioned in subsection 80 5(1) was not, or would not be, in bad faith;
  (iv) the contravention, likely contravention, non compliance or likely non compliance has been dealt with, or prevented, such that declining to include the information, or removing the information, would not conflict with the objects of this Act;

(2) Clause 45 5, page 23 (line 8), omit "a registered entity", substitute "an entity".

(3) Clause 45 5, page 23 (line 12), omit "registered entity's", substitute "entity's".

(4) Clause 45 10, page 23 (lines 20 to 27), omit subclauses (1) and (2), substitute:

  (1) The regulations may specify standards (the governance standards) with which an entity must comply in order to become registered under this Act, and to remain entitled to be registered under this Act.

  (2) Without limiting the scope of subsection (1), those standards may:

    (a) require the entity to ensure that its governing rules provide for a specified matter; or
    (b) require the entity to achieve specified outcomes and:

      (i) not specify how the entity is to achieve those outcomes; or
      (ii) specify principles as to how the entity is to achieve those outcomes; or

    (c) require the entity to establish and maintain processes for the purpose of ensuring specified matters.

  (2A) Without limiting subparagraph (2)(b)(ii), the principles mentioned in that subparagraph may reflect the size of the entity, the amount and nature of contributions to the entity and the nature of the activities undertaken by the entity in pursuit of its purposes.

(5) Clause 45 10, page 23 (line 30), omit "registered entity", substitute "entity".
(6) Clause 45.10, page 23 (line 33), omit "registered entity", substitute "entity".
(7) Clause 45.10, page 24 (line 6), omit "a registered entity", substitute "an entity".
(8) Clause 45.10, page 24 (line 11), omit "registered entity", substitute "entity".
(9) Clause 45.15, page 24 (after line 22), at the end of paragraph (1)(a), add:
   (iv) the Commissioner; and
(10) Clause 45.15, page 24 (lines 25 to 31), omit subclause (2), substitute:
   (2) Without limiting, by implication, the form that consultation mentioned in paragraph (1)(a)
   might take, consultation to which all of the following paragraphs apply is appropriate consultation:
   (a) the consultation involves consultation with the public;
   (b) the consultation involves:
      (i) notifying, directly and by advertisement, the entities mentioned in paragraph (1)(a) of the consultation; and
      (ii) inviting them to make submissions by a specified date and, where necessary, to participate in public hearings to be held concerning the proposed regulation;
   (c) the consultation is facilitated by the Commissioner.
(11) Page 25 (after line 6), at the end of Division 45, add:

45.20 Parliamentary scrutiny of standards

Despite subsection 12(1) of the Legislative Instruments Act 2003, a provision of a regulation made for the purposes of subsection 45.10(1) of this Act does not commence until the day after the earlier of:
(a) if both Houses of the Parliament pass a resolution approving the provision—the day the resolution is passed by the second House to do so; and
(b) the last day on which the regulation could be disallowed in either House, unless:
   (i) the regulation is disallowed; or
   (ii) either House passes a resolution disapproving the provision;
    on or before that day.
(12) Clause 50.5, page 27 (line 1), omit "a registered entity", substitute "an entity".
(13) Clause 50.5, page 27 (line 8), omit "registered entity's", substitute "entity's".
(14) Clause 50.10, page 27 (lines 15 to 22), omit subclauses (1) and (2), substitute:
(1) The regulations may specify standards (the external conduct standards) with which an entity must comply in order to become registered under this Act, and to remain entitled to be registered under this Act.
(2) Without limiting the scope of subsection (1), those standards may:
   (a) require the entity to ensure that its governing rules provide for a specified matter; or
   (b) require the entity to achieve specified outcomes and:
      (i) not specify how the entity is to achieve those outcomes; or
      (ii) specify principles as to how the entity is to achieve those outcomes; or
   (c) require the entity to establish and maintain processes for the purpose of ensuring specified matters.
(2A) Without limiting subparagraph (2)(b)(ii), the principles mentioned in that subparagraph may reflect the size of the entity, the amount and nature of contributions to the entity and the nature of the activities undertaken by the entity in pursuit of its purposes.
(15) Clause 50.15, page 28 (after line 4), at the end of paragraph (1)(a), add:
   (iv) the Commissioner; and
(16) Clause 50.15, page 28 (lines 7 to 13), omit subclause (2), substitute:
   (2) Without limiting, by implication, the form that consultation mentioned in paragraph (1)(a) might take, consultation to which all of the following paragraphs apply is appropriate consultation:
   (a) the consultation involves consultation with the public;
   (b) the consultation involves:
(i) notifying, directly and by advertisement, the entities mentioned in paragraph (1)(a) of the consultation; and

(ii) inviting them to make submissions by a specified date and, where necessary, to participate in public hearings to be held concerning the proposed regulation;

(c) the consultation is facilitated by the Commissioner.

(17) Page 28 (after line 19), at the end of Division 50, add:

50 20 Parliamentary scrutiny of standards

Despite subsection 12(1) of the Legislative Instruments Act 2003, a provision of a regulation made for the purposes of subsection 50 10(1) of this Act does not commence until the day after the earlier of:

(a) if both Houses of the Parliament pass a resolution approving the provision—the day the resolution is passed by the second House to do so; and

(b) the last day on which the regulation could be disallowed in either House, unless:

(i) the regulation is disallowed; or

(ii) either House passes a resolution disapproving the provision;

on or before that day.

(18) Page 31 (after line 16), after Subdivision 60 A, insert:

Subdivision 60 AA—Object of this Division

60 3 Object of this Division

(1) The object of this Division is to promote:

(a) the transparency and accountability of registered entities; and

(b) the reduction of reporting obligations of registered entities under other Australian laws.

(2) The Division does this by requiring registered entities to provide information to the Commissioner that:

(a) relates to this Act or the taxation law; and

(b) the Commissioner:

(i) will use for the purposes of this Act; or

(ii) may pass on to other Australian government agencies, removing the need for those agencies to require the information from the registered entities; or

(iii) will make publicly available by publishing it on the Register.

Note 1: Other Australian laws provide that giving information to the Commissioner in accordance with this Act satisfies the reporting requirements of those laws.

Note 2: Division 40 limits the information the Commissioner may publish on the Register.

(3) The requirements this Division places on a registered entity are proportional to the size of the registered entity.

(19) Clause 100 10, page 85 (line 26), at the end of subclause (3), add:

; and (d) setting out the effect of section 100 25 (prohibition on suspended responsible entity managing the registered entity); and

(e) if the registered entity is a trust—setting out the effects of subsections 100 70(1) and (5) (former trustees' obligations relating to books, identification of property and transfer of property).

(20) Clause 100 15, page 87 (line 12), at the end of subclause (2), add:

; and (c) setting out the effect of section 100 25 (prohibition on removed responsible entity managing the registered entity); and

(d) if the registered entity is a trust—setting out the effects of subsections 100 70(1) and (5) (former trustees' obligations relating to books, identification of property and transfer of property).

(21) Clause 130 5, page 104 (line 12), at the end of subclause (2), add ", including how the ACNC has promoted the objects of this Act".

(22) Clause 130 5, page 104 (after line 12), at the end of subclause (2), add:

Note: The objects of this Act include promoting the reduction of unnecessary regulatory obligations on the Australian not for profit sector (see subsection 15 5(1)).

(23) Clause 205 35, page 152 (line 29), at the end of paragraph (3A)(c), add "or any greater amount prescribed by the regulations for the purposes of subsection 205 25(1)".
Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (09:37): I move:

That the amendments be agreed to.

The parliamentary amendments address additional issues that were raised by the Senate Community Affairs Committee in relation to its inquiries into the ACNC bills. These parliamentary amendments to the ACNC Bill will allow the ACNC Commissioner to decline to include or remove the details of warnings from the register, where the release of the information may cause detriment, where the entity has acted in good faith and where the matter has been resolved. The amendments also add clarification that the governance standards will be focused on outcomes and will specify principles as to how the registered entity must achieve those outcomes, including proportional standards that recognise the size and nature of the registered entity.

The amendments also provide clarification that consultation on the governance and external conduct standards should involve public consultation and emphasise the role of the ACNC Commissioner in facilitating such consultation. The amendments also provide mechanisms for additional parliamentary scrutiny in relation to the development of the governance and external conduct standards.

The amendments also add an objects clause to the reporting framework which sets out the intent and the purpose of the reporting framework—namely, to introduce a proportional framework that reduces unnecessary regulatory obligations, alleviates the need for information to be provided to multiple government agencies, and promotes transparency and accountability of registered entities.

The amendments also add a requirement that the commissioner include in the written notification to suspended or removed responsible entities an explanation of the strict liability offences which apply to entities that breach the prohibition on managing registered entities and the obligations in relation to providing books and property to new responsible entities. The amendments also provide for the maximum annual revenue for a deductible gift recipient fund, or DGR fund, operated by a basic religious charity to be increased from $250,000 in line with changes to the thresholds for small registered entities.

A number of additions have also been made to the explanatory memorandum to the ACNC bill to provide additional clarity to some of the terms used in the bill and expand on some other relevant matters, including clarification that the annual report of the ACNC Commissioner will include an assessment of how the commissioner has promoted the objects of the act, including the reduction of unnecessary regulatory obligations.

These amendments, we believe, add to the integrity of the framework that we are establishing for the new Australian Charities and Not-for-profits Commission. This is a significant reform. This will introduce for the first time in our history a single national regulator that will oversee the charitable sector.

This is something that has been called for by so many in the charitable sector for so long. It has been through considerable scrutiny. There was an exposure draft and a subsequent exposure draft which had been considered by the House Economics Committee. A bill was introduced and was then considered by the Joint Committee on Corporations and Financial Services. It was then considered by the Senate Community Affairs Legislation Committee. Each stage of the consultative process has produced constructive suggestions as to how the
framework could be improved. We have embraced those suggestions along the way and we are very pleased now to recommend that these further amendments be passed to bring this new regime into effect.

Mr ANDREWS (Menzies) (09:41): This bill and the amendments that the minister has just spoken about are the latest examples of the Labor government introducing grandiose schemes sounding fine with great rhetoric but in fact delivering a worse outcome than what was in place before. The minister said in his remarks that this will introduce a single national regulator. The only people who believe that are in fantasy land, because this is not going to replace other regulators. It is not even going to replace the duplication which occurs at the Commonwealth level, where various departments and authorities regulate various aspects of the not-for-profit sector. It will not do that at the Commonwealth level and it will not do it in terms of replacing the regulatory structures at agencies that exist at the state and territory level.

No state or territory has signed up to this proposal. So what started as a fine-sounding objective—to have a national regulator—ends with a completely new layer of regulatory burden and red tape placed upon the charities in Australia. Having spent a good 18 months or two years talking to people in the charitable sector right across Australia has reinforced the coalition's view that this is another unnecessary piece of regulation, bureaucracy and red tape from the Labor Party. To repeat the promise that we have made: when elected to government we will repeal this.

We have a situation here where the government is not even waiting for these bills to pass the parliament before establishing the commission. There are reports that this commission has already employed over 90 people—and this is meant to be reducing red tape and regulation. There is a whole new building in Melbourne, I believe, and people employed running around the country. Does anybody think for a moment that this is going to lead to a reduction in red tape and bureaucracy? Of course it will not. And gradually the charitable and not-for-profit sectors in Australia are coming to the realisation that what had been promised to them in terms of a reduction in their regulatory requirements is actually ending up being an increase in their burden of regulatory requirements.

We are not going to oppose these amendments because they are things which are sensible. They make a bad piece of legislation less bad than it is at the present time. But the fact that the government has to have in these amendments a provision that says that it should consult about the establishment of external conduct standards is an indication of just how ridiculous the first proposition was that came from the government. Surely a government which is concerned about the charitable sector in Australia would be consulting with that sector in the way in which it establishes standards. Why is it that we need an amendment here amongst these amendments to actually spell out that we need to have consultation with the charitable sector? That in itself gives lie to the proposition from the minister and from the government that this is establishing a single national regulator and the sun is going to shine forever upon the charitable sector in Australia. People in the charitable sector do not believe that. They come to me every day asking: what have we got? How come something that started out two or three ministers ago as a great idea to reduce red tape and regulation now ends up with another burden for them?

We will not oppose these amendments because at least they make the situation a
little more bearable for the charities in Australia. But I repeat: we do not need this system. If the object is to deal with some particular problems, the government ought to be dealing with those problems. But the instinctive reaction from Labor is to create a new bureaucracy, to go to new legislation to create a whole new layer of bureaucrats to regulate this sector rather than actually deal with the issues that arise. These amendments will go through. They will improve what is a bad piece of legislation but, at the appropriate time, this legislation will be scaled back to what it should be and that is not a regulatory body; it is one that should assist the sector.

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (09:46): Talk about demonstrations of hubris—people coming into this place talking about what they are going to do when they get into government. For the sake and interests of those hardworking people in the charitable sector, I hope the hubris that underlines that assertion never becomes a reality.

I find the member for Menzies, by and large, to be an honourable person but in this particular debate he has been misleading people at every opportunity. He has come into this place on repeated occasions and quoted from submissions that were made by stakeholders at earlier stages of the process. Some of the submissions he quoted from were submissions made to the very first exposure draft. There has been a subsequent exposure draft and then, in addition to that, the bill was the subject of consideration by three parliamentary committees. We have responded to the issues that were raised in many of the submissions he quotes from.

The member for Menzies comes into this place and says there is a queue of people in the charitable sector lining up to come and see him about these matters. I can only ask the question: why are they not also queuing up to come and see me? My door is open. To demonstrate that we have been listening, we responded at every step of the process to accommodate further amendments. This would have to be one of the most scrutinised bills in the history of this place and we have brought forward additional amendments to attend to those concerns.

The member for Menzies might want to reflect upon the complete lack of attention that the charity sector received during the time that he was a part of government. In fact, it is wrong to suggest that there was a lack of attention because it did come in for some attention, some rough treatment. There were gag clauses. The coalition government threatened the sector that they would withdraw funding if people did not play ball. This is the sort of regime you get when you get a coalition government. Instead of going down that path, we are effectively prohibiting gag clauses from being in place. In addition to that, we are working to alleviate many of the regulatory burdens the sector faces.

The member for Menzies said that none of the states are going to get on board. He should subscribe to my press releases. It is easy to do. You go into the Treasury Ministers portal, type in your email address—if he has got one; if he is up to speed with these matters—and every time I put out a press release it will be delivered to your inbox. If he had done that he would have realised that I put out a joint press release with the Deputy Premier of South Australia, Mr Rau, and also Minister Butler to indicate that South Australia has already come on board and will make amendments to its incorporated associations and charitable collections legislation to harmonise reporting requirements. South Australia will authorise charities to collect charitable donations in
South Australia once the organisation has formally registered with the new national regulator, the ACNC.

Once more there has been misleading commentary in these debates from the member for Menzies. South Australia are leading the way. They are sending a very strong signal to the other states that the piecemeal, ad hoc regulation that has governed this sector in the past will be a thing of the past but it does require some leadership not just from the Commonwealth but from the states. I know many people in the sector will be knocking on the doors of state premiers, treasurers and other ministers to try and ensure that we are able to get some genuine regulatory reform at the state level. When that occurs, that will be a positive thing for the sector. Frankly, there are not many people out there in the sector suggesting that this regime should be repealed if it goes through. The member for Menzies, unfortunately, seems to be of the mistaken belief that this would be a proposition that some support.

Mr ANDREWS (Menzies) (09:51): I say to the gentleman at the dispatch box that condescension is not becoming of a minister of the crown. If you have an argument, make it. These sorts of petty remarks that you have just put forward are beneath a minister of the crown. The member for Lindsay made some remarks about the previous government not having done anything for the charitable sector. I remind him that the establishment under the chairmanship of the previous Prime Minister of the charitable Community Business Partnership actually led to a huge increase in the philanthropic activities of charities and businesses in Australia.

That has led to lasting results which are still benefiting many charities in Australia through the increased philanthropic activity of many individuals and businesses. The reality is that, so far as the government is concerned, it is embarked on a path in relation to this legislation which, over time, it has found that the sector has increasingly objected to. Nonetheless, it continues to blunder along this path as it does in so many other areas.

Question agreed to.

Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be considered immediately.

Senate’s amendments—

(1) Schedule 1, Part 2, page 6 (before line 2), before item 2, insert:

Division 1—Endorsed entities

(2) Schedule 1, item 2, page 6 (line 9), after "item 3 or 4", insert "or paragraph 4D(4)(b), (5)(b) or (6)(b)".

(3) Schedule 1, items 3 and 4, page 6 (line 28) to page 8 (line 2), omit the items, substitute:

3 Health promotion charities

(1) This item applies to an entity that, on the day before the commencement day, is:

(a) endorsed under section 123D of the Fringe Benefits Tax Assessment Act 1986 as a health promotion charity; or

(b) endorsed under Subdivision 30 BA of the Income Tax Assessment Act 1997 as a deductible gift recipient because the entity is a fund, authority or institution covered by item 1.1.6 of the table in subsection 30 20(1) of that Act (charitable institution whose principal activity is to promote the prevention or the control of diseases in human beings).

(2) The Commissioner is treated as having registered the entity on the commencement day under Division 30 of the ACNC Act as:
(a) the type of entity mentioned in column 1 of item 1 of the table in subsection 25.5(5) of that Act (charity); and

(b) the subtype of entity mentioned in column 2 of item 5 of that table (institution whose principal activity is to promote the prevention or the control of diseases in human beings).

4 Public benevolent institutions

(1) This item applies to an entity that, on the day before the commencement day, is:

(a) endorsed under subsection 123C(1) of the Fringe Benefits Tax Assessment Act 1986 as a public benevolent institution; or

(b) endorsed under Subdivision 30 BA of the Income Tax Assessment Act 1997 as a deductible gift recipient because the entity is a fund, authority or institution covered by item 4.1.1 of the table in subsection 30.45(1) of that Act (public benevolent institution).

(2) The Commissioner is treated as having registered the entity on the commencement day under Division 30 of the ACNC Act as:

(a) the type of entity mentioned in column 1 of item 1 of the table in subsection 25.5(5) of that Act (charity); and

(b) the subtype of entity mentioned in column 2 of item 6 of that table (public benevolent institution).

(4) Schedule 1, Part 2, page 8 (after line 2), after item 4, insert:

Division 2—Entities endorsed for the operation of institutions

4A Scope of Division

(1) This Division applies if, on the day before the commencement day, an entity (the operator) is:

(a) endorsed under Subdivision 30 BA of the Income Tax Assessment Act 1997 as a deductible gift recipient for the operation of one or more institutions covered by item 1.1.6 of the table in subsection 30.20(1) of that Act (charitable institution whose principal activity is to promote the prevention or the control of diseases in human beings); or

(b) endorsed under that Subdivision as a deductible gift recipient for the operation of one or more institutions covered by item 4.1.1 of that table (public benevolent institution); or

(c) endorsed under subsection 123C(3) of the Fringe Benefits Tax Assessment Act 1986 for the operation of one or more public benevolent institutions.

(2) This Division applies:

(a) for the purposes of this Act (other than item 5 of this Schedule) from the day before the commencement day; and

(b) for the purposes of the ACNC Act and the taxation law from the commencement day.

4B Institutions treated as separate entity

(1) The operator is treated as if it were 2 or 3 entities:

(a) the entity (the non institution sub entity) the operator would be if it did not include the institutions; and

(b) the entity (an institution sub entity) the operator would be if the operator included only the institutions (if any) mentioned in paragraph 4A(1)(a); and

(c) the entity (an institution sub entity) the operator would be if the operator included only the institutions (if any) mentioned in paragraph 4A(1)(b) or (c).

Effect of revocation of registration of institution sub entity

(2) From the time (if any) the Commissioner of the ACNC revokes under the ACNC Act the registration of an institution sub entity:

(a) paragraph (1)(a) has effect as if the reference in that paragraph to the institutions did not include a reference to the institutions included in the institution sub entity; and

(b) paragraph (1)(b) or (c) (whichever applies to the institution sub entity) has no effect.

4C Non institution sub entity

(1) The ABN of the operator is treated as being the ABN of the non institution sub entity.

(2) If the operator was, apart from this Division, endorsed on the day before the commencement day as mentioned in paragraph 2(1)(a):
(a) the non institution sub entity is treated, on that day, as being endorsed in that way; and
(b) to avoid doubt, each institution sub entity is treated, on that day, as not being endorsed in that way.

Note: Item 2 applies to that non institution sub entity.

**4D Institution sub entities**

**ABN**

(1) The A New Tax System (Australian Business Number) Act 1999 applies to an institution sub entity as if the institution sub entity were carrying on an enterprise in Australia.

(2) During the period:
(a) starting on the commencement day; and
(b) ending on the earlier of:
(i) the day the Registrar of the Australian Business Register registers an institution sub entity in the Australian Business Register; and
(ii) 12 months after the commencement day;

paragraph 10(1)(a) of the A New Tax System (Australian Business Number) Act 1999 (entity must have applied for registration) does not apply to the institution sub entity.

Note: Subitem (2) has the effect that the Registrar of the Australian Business Register must register the institution sub entity in the Australian Business Register (including allocating the institution sub entity an ABN).

(3) During that period (and without limiting item 4C), the institution sub entity may treat the ABN of the non institution sub entity as being the ABN of the institution sub entity.

**Endorsements**

(4) In a case to which paragraph 4A(1)(a) applies:
(a) the endorsement mentioned in that paragraph is treated as being an endorsement of the institution sub entity mentioned in paragraph 4B(1)(b); and
(b) the Commissioner of the ACNC is treated as having registered the institution sub entity on the commencement day under Division 30 of the ACNC Act as:

(i) the type of entity mentioned in column 1 of item 1 of the table in subsection 25 5(5) of that Act (charity); and
(ii) the subtype of entity mentioned in column 2 of item 5 of that table (institution whose principal activity is to promote the prevention or the control of diseases in human beings).

(5) In a case to which paragraph 4A(1)(b) applies:
(a) the endorsement mentioned in that paragraph is treated as being an endorsement of the institution sub entity mentioned in paragraph 4B(1)(c); and
(b) the Commissioner of the ACNC is treated as having registered the institution sub entity on the commencement day under Division 30 of the ACNC Act as:

(i) the type of entity mentioned in column 1 of item 1 of the table in subsection 25 5(5) of that Act (charity); and
(ii) the subtype of entity mentioned in column 2 of item 6 of that table (public benevolent institution).

(6) In a case to which paragraph 4A(1)(c) applies:
(a) the Commissioner of Taxation is treated as having endorsed the institution sub entity mentioned in paragraph 4B(1)(c) under subsection 123C(1) of the Fringe Benefits Tax Assessment Act 1986 as a public benevolent institution; and
(b) the Commissioner of the ACNC is treated as having registered the institution sub entity on the commencement day under Division 30 of the ACNC Act as:

(i) the type of entity mentioned in column 1 of item 1 of the table in subsection 25 5(5) of that Act (charity); and
(ii) the subtype of entity mentioned in column 2 of item 6 of that table (public benevolent institution).

**ACNC Act**

(7) For the purposes of the ACNC Act:
(a) the institution sub entity mentioned in paragraph 4B(1)(b) of this Schedule is treated as being the subtype of entity mentioned in column
2 of item 5 of the table in subsection 25 5(5) of that Act for as long as each of the institutions included in the institution sub entity is an institution whose principal activity is to promote the prevention or the control of diseases in human beings; and

(b) the institution sub entity mentioned in paragraph 4D(1)(c) of this Schedule is treated as being the subtype of entity mentioned in column 2 of item 6 of that table as long as each of the institutions included in the institution sub entity is a public benevolent institution.

4E Regulations

The regulations may, for the purpose of giving effect to this Division, provide for how this Schedule, the ACNC Act or the taxation law applies in relation to the non institution sub entity or an institution sub entity.

Division 3—Opt out

(5) Schedule 1, item 5, page 8 (line 8), omit "Items 2, 3, 4 and 6", substitute "Divisions 1, 2 and 4".

(6) Schedule 1, Part 2, page 8 (before line 14), before item 6, insert:

Division 4—Religious institutions

(7) Schedule 1, item 6, page 8 (line 21), after "item 2, 3 or 4", insert "or paragraph 4D(4)(b), (5)(b) or (6)(b)".

(8) Schedule 2, page 46 (after line 9), after item 44, insert:

44A Subsection 57A(1)

Omit "subsection 123C(1) or (5)", substitute "section 123C".

(9) Schedule 2, page 47 (after line 16), after item 56, insert:

56A Subsection 123C(1) (heading)

Repeal the heading.

(10) Schedule 2, items 58 and 59, page 47 (lines 20 to 25), omit the items, substitute:

58 Subsections 123C(3) to (5)

Repeal the subsections.

(11) Schedule 2, item 68, page 49 (lines 10 to 12), omit the item, substitute:

68 Paragraph 426 5(d) in Schedule 1

Repeal the paragraph.

68A Subsection 426 40(1) in Schedule 1 (paragraph (b) of note 1)

Omit "and (4)"

68B Subsection 426 55(1) in Schedule 1 (paragraph (b) of the note)

Omit "and (4)"

68C Paragraph 426 65(1)(d) in Schedule 1

Repeal the paragraph.

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (09:53): I move:

That the amendments be agreed to.

These amendments will further simplify the transition of entities to the new framework where entities are operating a public benevolent institution or a health promotion charity and the whole of the entity is not such an institution. The amendments will ensure that these entities transition appropriately to the ACNC and both the operated institution of the entity and the remainder of the entity keep the existing concessions that they currently have access to. The amendments provide mechanisms for additional parliamentary scrutiny in relation to the development of governance and external standards and various other measures. Taken together, these amendments will ensure that the framework that we have brought forward will be strengthened and will complement the other measures that will bring into being our new national regulator, the Australian Charities and Not-for-Profits Commission.

Question agreed to.

BUSINESS

Days and Hours of Meeting

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (09:54): I present a chart showing the program of sittings for 2013. Copies of the program have been placed on
the table. I ask leave of the House to move that the program be agreed to.

Leave granted.

Mr ALBANESE: I move:

That the program of sittings for 2013 be agreed to.

The 2013 sitting pattern reflects a similar sitting pattern to this year—17 weeks. We are ensuring also that, in the first session, the Senate sits an extra week. I think something we can all agree on as House of Representatives members is that we want to ensure that the other place works as efficiently as this place does. So far in this parliament we have passed 436 pieces of legislation, including 182 this year. We have sat for just over 800 hours in 2012. On average, under Labor we have sat for 1,005 hours compared with an average of 771 hours under the coalition. This will enable members to plan appropriately. In the past, sitting timetables were often put on the table in mid-December. Under this government, that is not the case. I commend the sitting pattern to the House.

Mr PYNE (Sturt—Manager of Opposition Business) (09:56): I commend the Leader of the House on one of his better speeches! I do not wish to delay the House at great length on the matter of the sitting schedule for 2013, particularly since most members of the House realise they will not be coming back to this place at all next year. So, rather than giving a very long speech on a schedule that is unlikely to ever sit or meet, I will simply note again that there are 17 sitting weeks. When I came into the parliament two decades ago there were more like 20 sitting weeks a year. Unfortunately, the government does not want the parliament to sit. When the parliament sits it is held to account, particularly in question time, and the government does not like being held to account in question time.

I note that the Senate will sit for seven weeks in the first half of the year. While the Leader of the House has said that we have added one sitting week for the Senate, which we know they will use very wisely, I still feel that seven sitting weeks in the first half of the year is not exactly knocking themselves out. I would have thought the government would have the Senate sit a great deal more so that we can get through the business of the government.

I would also make the point that it has become very commonplace for the Leader of the House to require that legislation be introduced into the parliament and then debated and passed the next day. In the last few weeks this has been very common, with things like the implementation of the report of the expert panel on asylum seekers; the unclaimed money and other measures bill, which is being debated today, the fair work amendment; the social community services pay equity special account bill, which was about pay increases for community sector workers; and of course the revoking of the supertrawler licences. Some of these bills we have supported and some of them we have opposed, but the point is that we have not had the correct treatment that an opposition should. The convention has always been that the bill should be introduced and then debated the following sitting week, not the next day. Only in the rarest circumstances is the parliament required to have a bill introduced and then debated the next day.

Mr Tony Smith: What about the new paradigm?

Mr PYNE: And then there is the new paradigm, as my colleague indicates, which suggested that this would be a parliament where there was more respect for the opposition and the crossbench from a government without majority, without legitimacy. Unfortunately, because of the
short number of sitting weeks, the 17 sitting weeks that the Leader of the House has committed us to again next year, I assume that the government will continue to try and push legislation through that is rushed. We saw it with the carbon tax legislation. All of it had to be put back into the parliament. Many, many amendments had to be moved and dealt with because of the massive number of mistakes the government made because of its general incompetence.

So I make the point that the parliament is not sitting enough next year. The public expect us to sit a lot more than 17 weeks. We did not sit enough this year because of the short time frames for the government's agenda. Therefore they have broken the conventions of the past, where we have proper notice given to us for examining and deliberating on legislation and amendments to legislation, and for that reason the parliament's work has not been nearly as good in the last two years of this parliament as it was in previous parliaments. But, as I have said, we will probably never sit next year because the government will call an election over the summer break and try to capitalise on the summer break. If they call an election tomorrow—

Mr Albanese interjecting—

Mr PYNE: The Leader of the House has said they are going to call an election tomorrow! I had better get my corflutes out. I have my A-frames ready.

Mr Turnbull: So have I.

Mr PYNE: I do love an election, as does the member for Wentworth. So, if the government wants to have an election, we will have one. We would love to have one.

Mr Turnbull interjecting—

Mr PYNE: As the member for Wentworth says, he often campaigns with me in his electorate because of the capacity we have to win votes for the member for Wentworth. I have increased his margin dramatically over the years. With that, we do of course support the sitting schedule as presented.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (10:00): In conclusion, can I say to the member for Sturt that was not one of his better speeches. The fact is that this sitting pattern is appropriate. Once again it has unanimous support of this House. The member for Wentworth is very excited to get the sitting pattern this early. He will remember the dark days of the Howard era—or the dark years, as they are known—when we often got the schedule in mid-December. That is when we got the schedule.

The fact is that under this parliament 436 pieces of legislation have been carried. This is a parliament that at the same time has had a record number of debates on private members’ business, including votes at regular intervals. Indeed, 16 items were dealt with during the last parliament. We have also operated efficiently in most cases with the Main Committee, which we have renamed the Federation Chamber. The Federation Chamber is not sitting today, apart from some minor business, because those opposite will not put any legislation into the Federation Chamber, therefore meaning that perhaps we might have to stay back later, after five o'clock this evening.

Last night we had to negate the adjournment in order to conclude debate. Once again we had an unnecessary division that denied the member for Wentworth the chance to make what I am sure would have been a much-anticipated contribution to the adjournment debate. When contributions are made in a constructive way, this parliament can function all the better.
The fact is that we have introduced a number of reforms, including to question time, as the Manager of Opposition Business raised. The Manager of Opposition Business suggests that they want to have question time to hold the government to account. Maybe today the test for them is whether we will actually have question time or yet another waste of time through a failed suspension of standing orders, which has now occurred on more than 70 separate occasions in the 43rd Parliament. It has occurred under this parliament more times than under the entire period of the Howard government, because the opposition do not have a plan for the future. They just have a strategy of wrecking the parliament day in and day out, which is why we see their negativity not just in policy terms but in the way that they conduct themselves in the operation of the chamber.

The fact is that the Manager of Opposition Business also gave it up when he said we will not be coming back next year because there will be an election. They have since 2010 had this fantasy that the government would somehow fall over. Each and every day that is what they have hoped for. The problem with that is they have therefore not had a plan for anything other than the next day. They have not done the hard work that you need to do in opposition to present alternative policies to the Australian people. That is why this week we have seen three question times and not a single question about the Asian century white paper, a major discussion paper on the future of our nation and the opportunities from the growth in our region. There have been no questions from the opposition about that and no questions from the opposition about Gonski. The minister for education is in the chamber here and the shadow minister does not ask any questions about education. The shadow minister for infrastructure and transport. I am not sure that he is, because I never get a question from the Leader of the National Party, who happens to allegedly be my shadow minister, on the issues of nation building, infrastructure or transport policy.

I commend the sitting pattern to the House. I note that one of the reforms we have introduced because of the changes to question time with shorter questions and answers is the digital clocks. Perhaps we could have a digital indicator up in the chamber as well that could tick over every time a piece of legislation is carried. If there were a digital indicator up there it would show the government on 436, the opposition on zip, zero. Over the entire period of this government they have failed and last night they could not even keep their own people on the same side of the chamber on the wheat deregulation bill. They were characterised by their level of negativity. They said, 'We support deregulation, but we support it in a couple of years time, not now,' and they voted against legislation that is actually their policy.

It is no wonder Tony Crook sat on this side of the House and no wonder that there were two Liberal members from Western Australia who voted, in accordance with Liberal Party policy in Western Australia, to not support the opposition's negativity on that issue.

Just maybe today in question time—a challenge to the opposition—see if you can ask some questions about policy, just for one single day, and you might go out of this place over the next few weeks with a little bit, just a smidgen, of credibility.

Question agreed to.

PERSONAL EXPLANATIONS

Mr MORRISON (Cook) (10:07): Mr Deputy Speaker, I wish to make a personal explanation.
The DEPUTY SPEAKER (Mr S Georganas): Does the honourable member claim to have been misrepresented?

Mr MORRISON: Yes.

The DEPUTY SPEAKER: Please proceed.

Mr MORRISON: Last night Mr Graham Richardson made accusations that I had misrepresented the coalition's policy on the annual refugee and humanitarian intake in our interview the previous week. This is completely false and betrays a lack of understanding of the events and the issues that were the subject of our interview and this debate.

The coalition has not made any response to the Houston panel recommendations regarding the proposal to increase the refugee and humanitarian intake to 20,000 people per year, which was the subject of the question he raised in the interview of the previous week. This statement I made to Mr Richardson regarding the coalition's policy on the refugee and humanitarian intake was totally accurate, as the coalition has made no statement regarding the recommendation of the Houston panel on lifting the permanent intake. The coalition offer to increase the intake, referred to by Mr Richardson, was made in June 2012, before the Houston panel had even been established, and was a one-off offer to the Labor Party, the Greens and the Independents in order to break the legislative deadlock on the floor of the parliament at that time. This offer was rejected by Labor, the Greens and the Independents, and the—

Mr Garrett: Mr Deputy Speaker, on a point of order: I think that by way of making a personal explanation the member has had ample opportunity to correct the record.

The DEPUTY SPEAKER: I thank the member for Cook.

Mr MORRISON: If I can finish, Mr Deputy Speaker: as the minister—

The DEPUTY SPEAKER: The member for Cook will resume his seat and has made his point.

Mr Morrison interjecting—
The DEPUTY SPEAKER: The member will resume his seat. He has made his point about where he was misrepresented.

BILLs
Fair Work Amendment (Transfer of Business) Bill 2012
Second Reading
Debate resumed on the motion: That this bill be now read a second time.
Ms LEY (Farrer) (10:10): I am pleased today to speak on the Fair Work Amendment (Transfer of Business) Bill 2012. I will just capture the outline of the bill to begin with. This bill will amend the Fair Work Act 2009 to protect employee entitlements in circumstances where there is a transfer of business from an old state employer to a national system employer. The bill will, as far as possible, reflect the existing transfer-of-business provisions in part 2-8 of the Fair Work Act. In general, part 2-8 provides that, where there is a transfer of business, an enterprise agreement, a workplace determination or a named employer award that covered employees of an old employer continues to cover these employees if they commence employment with a new employer within three months of their employment terminating with the old employer. This bill will ensure that, where there is a transfer of business, an enterprise agreement, a workplace determination or a named employer award that covered employees of an old employer continues to cover these employees if they commence employment with a new employer within three months of their employment terminating with the old employer. This bill will ensure that, where there is a transfer of business from an old employer to a national system employer, transferring employees will retain the benefit of existing terms and conditions of employment in state awards and agreements as well as their accrued entitlements.

We saw the minister bring a Fair Work Amendment Bill into the House yesterday. I talked then about 53 recommendations. The minister picked up about 17 of the easy, around-the-edges ones. There was actually one about the transfer-of-business provisions. That recommendation pointed to the difficulty that existing businesses have with the transfer-of-business provisions in the Fair Work Act and the lingering inequity of those provisions. This measure today further builds on what is clearly, from the government's point of view, a political wedge.

The Minister for Employment and Workplace Relations flew to Queensland to try and interrupt the important job that Campbell Newman has to get the state finances back in the black to announce that the transfer-of-business provisions would now extend to Queensland state government employees. It is clearly just a political trick, because, if you think about the effect of this legislation should it pass this House and the other place—and I foreshadow that we will be opposing it—it is actually not going to hurt the Queensland economy; it is going to hurt the workforce. It is going to hurt the worker who, in seeking to become the workforce of a contracted-out employer and move from employment with the state government, now has to have all of the terms and conditions of that state government employment transferred with them to their new contractor. If you were that new contractor, would you, in today's environment, want to take on the Queensland government's terms and conditions? Those terms and conditions are extremely generous, and that is part of the reason why the Queensland government has to address a looming state debt of more than $85 billion.

The irony of this is that the new Premier of Queensland, Campbell Newman, is fixing up the years of financial mismanagement of the Labor government in Queensland and has no choice but to have this number of public sector redundancies—most of them, by the way, voluntary. It is not an easy situation for those who are affected, and I am not pretending that it is, but it is not something that the government does just because it can;
it is something that the government does because it has to.

Again, this minister misses the point because in the transition or the potential transition of the employee this leaves that employee completely out in the cold. Premier Newman was elected by an absolutely overwhelming majority of the people of Queensland because they knew he was the person to take the tough decisions to deal with the massive deficit left by years of Labor economic mismanagement—and that includes previous Labor Party policies.

There are further issues which I need to point out in connection with the proposed transfer-of-business provisions in the Fair Work Act. I mentioned yesterday that the minister brought an amendment bill to the table but ignored the important recommendations made by his supposedly independent panel. They were not independent in our view but the minister was mugged by reality because they were still forced to come up with some clear inconsistencies and some absolutely incontrovertible evidence that the Fair Work Act is not working the way it should. I want to pick up on the issues that exist now with the transfer-of-business provisions which will highlight why it is even more ridiculous for the minister to bring in the extensions to the Queensland public servants which he is attempting to do in this bill.

In the submission to the Fair Work Act review by the Australian Industry Group—a group which the government takes seriously and appoints to various advisory panels and reference groups, and recognises is the voice of industry—the AiG say that the transfer-of-business laws in the Fair Work Act:

... have reinstated the concepts which caused so many difficulties for industry in the late 1990s, prior to a number of High Court and Full Federal Court decisions—and lists a number of those decisions. The submission continues:

As currently enacted, the transfer of business laws are operating against the interests of both employers and employees. The laws result in a lose-lose-lose scenario where operations are outsourced. Client companies lose because they need to make employees redundant when outsourcing occurs. Companies who take on outsourced work lose because they cannot access the valuable skills possessed by their clients’ employees. Employees lose because their jobs disappear along with their continuity of service for long service leave and other entitlements.

In outsourcing arrangements, the transfer of skilled employees who have knowledge of client systems and infrastructure is often strongly supported by both clients and service providers to facilitate a successful delivery of the outsourced services. Indeed many companies have built their businesses on the engagement of their clients’ employees. However, the transfer of business laws now provide a major deterrent to the employment by the service provider of any of the client’s employees.

Consider the case of a software consultancy firm providing outsourced IT services to a Government, a mining company, an airline and a steel manufacturing company, amongst other clients. The software company no doubt has very different employment conditions to those which apply to these four client companies. Most software companies employ staff on common law contracts, in contrast with other industries where enterprise agreements are common. The transfer of business laws expose companies involved in outsourcing to transferable instruments becoming binding upon their operations for both transferring employees and non-transferring employees.

This applies not just to outsourcing but to insourcing. AiG continue:

Accordingly, the laws ensure that companies will make every effort to avoid employing any employees of their clients.

This further underlines that this is a measure which does not look after the employee, the worker or the workforce. I would say in so
many of the businesses we have dealings with that the business is the workforce; it is the employee who has the relationship with the client. So when the client hears about a change of business ownership or structure, the first thing they often ask is, 'Will you still be involved with me as the client? Will I still be able to talk to you because you understand my circumstances?' What we have seen with the transfer-of-business provisions is the government, extremely heavy-handedly, absolutely working to stop that arrangement happening, working to make sure that in the case where the business transfers, the new employer does everything to push the existing employee away. There is absolutely no excuse for that to be the result of this.

So those are the existing transfer-of-business provisions. Had the government had a real problem with them as they apply to Queensland state sector employees, they could have done all this before 2007. They did not tell the Australian people or the IR community, by the way, that they were reinstating old law in the transfer-of-business provisions. They did not talk about it leading up to the 2007 election. They then implemented the provisions in the Fair Work Act but they did not do anything about Queensland state employees because they stuck to the principle that, unless a jurisdiction has referred its rights in this regard, it is appropriate for that state jurisdiction to manage its state public service, and by extension its state administration, itself. There is no role for the Commonwealth in that but if they had had a problem, that is what they should have done.

In reviewing the Fair Work Act, the 'independent' panel recommended that something be done to distinguish voluntary from involuntary redundancies. The irony again of this legislation is that, if you choose to take a generous voluntary redundancy from your employer in the current Queensland situation—there are many voluntary redundancies and I do not decry the difficulties for people losing their jobs in complicated circumstances—these laws apply to you. You are then prevented for three months from moving to the workforce of the new employer—rather, you are not prevented but the employer has to pick up all the conditions you had as a state government employee. In moving to a new world, that is simply going to be impossible for most employers.

So the Fair Work Act review picked up on this huge discrepancy, which is, if you are taking a voluntary redundancy, why should this apply to you?

Anyway, the minister ran a million miles from this recommendation and many of the other important ones we talked about yesterday. Just consider the situation that Premier Newman has to face. Yesterday, we saw a story that said that the individual in Queensland's top bureaucratic job in the final months of the Bligh government pocketed more than a million dollars in less than a year—getting a total remuneration package of $1 million between July 2011 and May 2012; earning $187,000 between 26 March and 30 June. I am not suggesting that this individual would be in trouble in terms of finding another job, because they probably have plenty of savings. But I am pointing this out as the sort of profligacy that Premier Newman now has to address. Premier Bligh was throwing money around in the Public Service like you would not believe. And Premier Newman has no choice but to try and address this. This minister, by the way, is standing in the way.

Let us look at some of the third-party comment following the release of this. I just want to quote from a couple of articles because I think they are worth noting.
Following the announcement, as I mentioned, the minister flew to Queensland for a no doubt dramatic doorstep and a Commonwealth rescue package. It is, of course, all meaningless because, if you are affected by this as an employer, you are not going to employ the people involved, and the Queensland government is actually not penalised by it at all. They would just shrug their shoulders and go, ‘Ho hum.’ Well, you are making it difficult for the people of Queensland, but it is your choice, Minister, and maybe you should think about that.

I will quote from an article by Sophie Morris and Mark Ludlow from the *Australian Financial Review*:

The move is part of a political strategy by the federal government to stoke voter backlash against big job cuts by the Coalition governments of Campbell Newman in Queensland and Barry O’Farrell in NSW, which are cutting spending because of weaker tax revenue.

… … …

The Queensland LNP government said last week it would shift about $500 million worth of government contracts and services from the public to the private sector as part of its attempts to return the budget to surplus in 2013-14.

… … …

It would force private companies taking on retrenched hospital cleaners, canteen operators and other staff in the same role to match their public sector conditions—that is what this legislation would do—hindering state governments’ ability to reduce the cost of such services.

… … …

A person fired from their job after it was outsourced would receive the same payout as a government employee.

The federal coalition, obviously, have our own views on this.

Just think about the next step in the process. If an employee was picked up by the new, outsourced employer, and something happens to that employer—because, let us face it, under this government the small business environment is very uncertain—and then, a few months later, the employer loses that employee or has to let them go, there is the long arm of the law coming down to get that employer, saying to them, ‘When you do let them go, you actually have to pay out the conditions that they would have had, had they remained as a state public sector employee.’ No business is going to take that risk:

It’s unrealistic for any government to expect a private sector employer to continue the often highly restrictive and inflexible workplace arrangements that have been negotiated under state government enterprise bargaining agreements when they take over state government contracts or services.

That is a quote from the NSW Business Chamber chief executive, Stephen Cartwright.

I have not mentioned New South Wales, although the legislation actually does apply to New South Wales, but the minister, or his office or his department, did not really do their homework, because New South Wales Treasurer Mike Baird said that the minister’s comments demonstrated an extraordinary level of ignorance towards the New South Wales public sector. Why? Because New South Wales already makes appropriate provision for employee rights in transfer-of-business situations. They are probably not as ridiculous as these ones—

Mr Garrett interjecting—

Ms LEY: But it is a fact, Minister at the table, that the New South Wales government has made those provisions for employee rights in transfer-of-business situations. So they have, sensibly, looked after the transferring employees—but not in a way that disadvantages them to the extent that will happen under this minister’s bill.
In my quoting of third parties that I think have something to say on this, I would like to quote Gary Johns, who was, I believe, an assistant minister for industrial relations in the Keating government, and he says:

It's as if Shorten wants to pretend that Australia is emerging from a war and that protection of privileged union-controlled public-sector employment is the way to prosperity.

... ... ...

The minister's claim:

... to "respect the rights of state and territory governments to conduct their own administrations" is patently insincere. His intention is to foil the need to properly administer their workforce to the satisfaction of taxpayers.

And Mr Johns goes on to say:

Employer evidence suggests the changes to the former transmission provisions make it less, not more, likely that a purchaser would keep existing employees. This is because the changes make it difficult for a purchaser to restructure the business, including altering inefficient work practices.

These complexities reflect in Queensland—and obviously, from the action that has had to be taken there, in New South Wales—a public sector workforce that is crying out for restructuring. Whenever you see a gap between the same task performed by the Public Service compared to the private service, and you see the additional cost loaded onto the Public Service, alarm bells should ring, because that is not going to lead to efficient operation, either of the sector that we might be talking about or of the state economy as a whole.

I will reflect on just one example from my own electorate of Farrer. I do not really want to mention water in the context of this bill—there is a lot of discussion about water in the House at the moment—but the water bailiffs that are employed by private irrigation companies do pretty much the same job as the water bailiffs employed by the New South Wales government. I am going back to before the current Premier, because I know that moves have been made to address these issues, but if I go back, say, three years, the differential in pay was moving rapidly past almost 20 per cent, and that was not because the private sector was screwing down the wages of its employees; it is because that is what the market could bear. If you create this artificial market in the Public Service, because there is always going to be a public sector salary, then obviously you are going to have claims and work conditions that move that particular job and task and its efficient functioning absolutely out of reach in terms of any financial sense.

So this bill is pretty nonsensical. It is an attempt by the minister to look as if he is acting against the Campbell Newman government. That is not going to work. It does not make sense in a public policy sense. Everyone in this place should care about our workforce and about individual workers who are in the difficult situation of losing their jobs. We would never dismiss the difficulties that employees face. But what we would like to see is governments that make it easier for those employees to pick up another job and make it easier for employees to keep the job they have with a new employer. Give those employees the right—to say, 'I might stay in my same occupation. My terms and conditions might be different, because the previous terms and conditions were unsustainable. But it is my choice.' This takes away employee and worker choice.

I will now sum up some key facts left out by the minister. Queensland and New South Wales public sector employees are not covered by the Fair Work Act because successive state Labor governments decided not to refer their powers to the Commonwealth. How about respecting that decision? Labor's transfer-of-business regime leaves workers and employers worse off,
something that has been admitted to and addressed in Labor's own Fair Work Act review. Another fact is that Labor's own modelling projects 4,200 full-time jobs to be shed from the federal Public Service, with further modelling showing federal Labor will cut more than 12,000 employees by the end of 2014-15. So it is okay if the federal government cuts its Public Service but not if a Liberal National Party state government does it? Similarly, in Tasmania the Greens-ALP alliance is shedding jobs—big time, when you consider the size of the Tasmanian economy. We know that that is because of their grave mismanagement of their economy.

So, if you listened to the minister on this subject, you would think that only the coalition cuts jobs in the public sector. I think the minister needs to remove those rose-coloured glasses and get up to speed with what his counterparts in the Labor states—when they were Labor states—were up to, even in the state of Tasmania.

Up close, this legislation is alarming. All employees, should they meet the criteria, will be eligible to transfer their existing terms and conditions of employment regardless of whether or not the redundancies were voluntary and regardless of the generosity of the package. Furthermore, the government has confirmed that the transfer of business from a state government to a private sector employer, for the purposes of this act, is for changes from a whole-of-government perspective, not at an individual departmental level, making it, if possible, even more far reaching.

Let us say that, for example, a state education department decide to outsource some of their duties. They make a number of staff redundant. However, if any of these people were to work for the new contractor for this service, under this legislation the contractor would be required to meet all existing employment entitlements. In essence, this is the government imposing their own employment framework onto the private sector, taking away the private sector's ability to choose what terms and conditions of employment they offer their own employees—and, obviously, all within the confines of the Fair Work system and under current modern awards.

This is a push from a government that completely misunderstands the landscape. I am thinking of examples where contracted-out jobs might apply. What if a state government does valuable counselling work in a public service context? And I know many do, such as my own state government in New South Wales. The logical group to take on that work probably is the charities sector. We know that the charities sector does a great deal with very little. But I do not know that the charities sector could take on the wages, terms and conditions of public sector employees. The fact that the non-profit sector has other things they can offer an employee—such as fringe benefits tax exemptions that flow on to salary sacrifice opportunities, because of their charitable status—just does not count. It does not get offset anywhere. So again you might find that, in the move from state government to private provider, the employee is not that much worse off because they end up with a set of terms that are different but are still not that bad. This is all ignored in this legislation. It simply says that for the three-month period after the employee leaves the government job the new employer has to pick up the whole world of state government employee conditions. That is just not going to happen.

I said that the coalition will be opposing this bill. That will not come as any surprise. Such poor legislation really should be rejected by everybody in this place. We look
forward to something more sensible coming through from the government when, in the other place, it has an opportunity to reconsider its own legislation.

The Australian economy is now a lifetime and light-years away from the protectionist era that this minister wishes to hark back to. Campbell Newman has real work to do on the Queensland public sector, whose performance, when compared with the private sector, lags by up to 30 per cent, with the workforce being bound more by tradition than productivity. Campbell Newman has real work to do, and the minister in this place is standing in his way.

Mr BANDT (Melbourne) (10:35): The Greens will be supporting this bill because it provides some small measure of welcome relief to a public that is doing it tough in Queensland. But it will not be enough for them. It is not a rescue package and it comes on top of the federal government's own slashing of public sector jobs through efficiency dividends and other cuts to programs that have been made that will amount to somewhere in the order of 12,000 public sector jobs being lost.

The bill will bring the protections available to some outsourced or privatised workers in Queensland up to the level in the Fair Work Act that has been enjoyed in other states for some time—in Victoria, for example, which has been on the national system for some time. That is appropriate to bring it in line with that standard.

But what is emerging is that the Fair Work Act leaves state public sector workers with significantly less protection than their federal counterparts, and there is much more that the federal government could be doing. This will go some small way but, given the other things the federal government could be doing for Queensland public sector workers and has not yet examined, it does leave the question of whether this is more of a political matter than a matter of substantive protection being offered to those workers.

One thing that has not had anywhere near enough attention is the legislation that has been passed through the Queensland parliament which has effectively rewritten agreements struck between employees and employers. The Public Service and Other Legislation Amendment Bill 2012 passed through the parliament excised certain provisions that exist in agreements that had already been struck and said they were of no effect. Any provisions that related to employment security, to contracting out or to organisational change were suddenly rendered null and void. Then, of course, the state government embarked on its significant program of cuts.

Can you imagine the outcry if this parliament said, of certain commercial contracts that had been reached, that three or four sets of terms and conditions that that were part of the bargain struck between the two sides—and that usually involves compromise—were going to be taken out? Imagine if all of a sudden it was going to go back in and undo that bargain and take out three or four key things, and these would be the very things that give employees and their representatives the right to have a say in whether or not they are going to lose their jobs and to have a say in whether or not jobs are going to be contracted out. If that happened, you would hear screams from the opposition that it contravened basic principles of fairness, that it was potentially unconstitutional and that it was taking away terms and conditions without adequate compensation.

Instead, in Queensland we have a situation in which it is okay in the industrial sphere, after parties have struck an agreement, for a government to come in and rewrite it and
take away certain provisions. That, I would suggest, raises real questions about whether or not the protections relating to termination change and redundancy—which are enshrined in international conventions that Australia has signed up to and that in the past this parliament has used as a constitutional basis for passing legislation to protect people's rights at work—are available to those workers in Queensland. If that is the case, why are we not seeing here in this bill measures to restore to those Queensland public sector workers the termination change and redundancy provisions that they rightly had beforehand and that, in my view, the federal government would have the power to legislate under the Constitution? If we were serious about protecting Queensland public sector workers, that—as a minimum—should be explored.

That is one area in which we are finding that the Fair Work Act is failing state public sector workers. In my state of Victoria we have been living, over the last couple of years, through some very bitter disputes involving some of the workers who provide the greatest levels of care and support to people in our community. Take nurses, for example. We have seen the nurses involved in a long and bitter industrial dispute with the state government. Why did it go on for so long? One of the things learnt from cabinet documents that were leaked and found their way to being reported in the newspapers was that, because they were bargaining in the federal system, the state government as their employer knew that if it came to arbitration federally there were certain things—namely, nurse-patient ratios—that they would not be able to have arbitrated in the federal sphere. Nurse-patient ratios go not only to fundamental questions of the workload of nurses but also very fundamentally to the standard of care provided to patients in Victorian hospitals.

But the government did not want to give them that. The government knew that, if it held out long enough and could find its way into Fair Work Australia, then Fair Work Australia, when it arbitrated, would not give the nurses a binding settlement with respect to their claim about nurse-patient ratios. It is not just that they might not get what they are asking for; it is that it would be known that they would get nothing. So what did the government do? We know from the leaked documents that the government strung out the dispute with the aim of trying to get the nurses to take industrial action so that the federal government could then step in and say, 'The industrial action needs to stop and we need to get to arbitration by Fair Work Australia.' In essence, they were engineering a route to Fair Work Australia by trying to provoke the nurses into taking industrial action when all the nurses were after were basic standards for nurse-patient ratios that would have benefited both them and the community.

In that context, the Fair Work Act failed the nurses, because it offered no resolution to that impasse and it allowed the state government to continue to try to provoke them. Ultimately, the matter was settled—but not because of any assistance provided by the Fair Work Act. We see similar problems playing out with teachers, who obviously want their disputes around class sizes and workloads to be the subject of a binding resolution. Yet they know that that will not be the subject of arbitration by Fair Work Australia. So they find themselves at that impasse whereby, under the Fair Work Act, state government employers have the whip hand when it comes to negotiation around these very important issues. We need to fix that in the Fair Work Act as well if we are serious about addressing the difficulties that public sector workers face. That is another area in which it is becoming apparent that state public sector workers do
not get the same level of protection under the Fair Work Act as their federal counterparts or as their private sector counterparts.

There is an urgent need, before the situation get much worse in these state public sectors, to inquire into what other steps the government can take as far as industrial relations conditions go to lift state public sector workers up so that they have a gold standard of protection. Nothing in this bill—or even in what I am advocating—is going to put state public sector workers ahead of their private sector counterparts, as the previous speaker suggested. It just puts them at the same level.

We know they are falling behind—we see it every day in Queensland; we see it in Victoria.

So we will be supporting this bill because it is some small measure towards addressing this. But it is time now to do something more than just grab the headlines. It is time to take a serious look at whether the shift that was made when we moved away from the dispute settlement, conciliation and arbitration head of power under section 51(xxxv) of the Constitution to the corporations power to underpin industrial relations legislation is failing public sector workers; to look at whether the referrals of power that have been made are failing public sector workers; and to explore whether the international conventions that we signed up to to provide minimum standards, especially for those public sector workers who find themselves in essential services, provide an opportunity—as I think they do—for the government to step in and lift public sector workers up in the states to the same standards of Commonwealth public sector workers and their private sector counterparts.

Mr FLETCHER (Bradfield) (10:45): I am very pleased to rise to speak on the Fair Work Amendment (Transfer of Business) Bill 2012. As the House would be aware, this forms part of a flurry of legislation introduced by the Minister for Employment and Workplace Relations. A similarly titled bill, the Fair Work Amendment Bill 2012, was debated and indeed passed by this House yesterday—not before the member for Throsby got sufficiently confused as to spend all of his time speaking about the measures contained in the bill that is before the House today. I think that is a powerful indicator of the chaotic process of administration of this House that we are seeing from the present government.

The bill we have before us today certainly meets the standard of being chaotic. This is a piece of legislation that that coalition will not be supporting, and, in the time available to me, I want to make three points about the bill before the House this morning. Firstly, it is a pure piece of politics from a minister with a rich history of such stunts. Secondly, its substantive effect will be to make workers worse off. That is to say, this bill, brought before the House by the party which supposedly is the champion of workers rights, the party that purportedly stands for the worker—notwithstanding the fact that very few Labor members of parliament have ever been on the shop floor and that their association with working people is purely theoretical in the career trajectories of most—if passed into law, will make workers worse off.

The third point I wanted to make is that this is a terrible piece of policy if it is our objective, as it ought to be, to maximise employment, and if it is our objective, as it ought to be, to facilitate sound public administration by state governments in the areas for which they have responsibility.

I turn, firstly, to the proposition that this is a pure piece of politics from the minister. The minister jumped on a plane to
Queensland to announce that he was going to boldly intervene to protect state public servants in Queensland and other places. He issued a press release which was redolent with soaring rhetoric:

The Gillard Government will not stand idly by and let the Liberal State Governments cut wages and conditions by stealth.

And you could see the glint in his eye as he sought out the television cameras and waved them in his direction so he could make this bold and sweeping commitment. When you analyse this statement, it is rather odd that he is accusing a Liberal state government of acting by stealth. The process of achieving reductions in the public sector in Queensland has clearly been a highly public and transparent one. Nobody says it is a pleasant process, nobody says it is an enjoyable process and nobody says it is an easy process for the many people who are affected and are being made redundant. Governments are called upon to make difficult but necessary decisions, and that is what the Queensland Newman government is doing as it seeks to deal with the inheritance of many years of poor public administration in that state.

As has been pointed out to the House, there does appear to be something of a contradiction between the bold actions of the minister in this case and the minister's shrieks of silence when, in its 2011-12 budget, the previous Queensland Labor government introduced redundancies to reduce staffing by 3,500 positions over 2011 to 2013. There were similar shrieks of silence from the minister, this apparent bold defender of state public servants, when the South Australian Labor government announced it was reducing the Public Service by 1,400 positions. And in Tasmania there will shortly be 2,300 Public Service workers made redundant due to actions taken by that state Labor government.

Again I emphasise: I do not criticise those state governments for taking those decisions. I do not engage in the infantile point-scoring that has characterised the minister's approach to this issue. I make the point that these are difficult questions of public administration, but these are issues that state governments are charged with managing. They receive a finite amount of money, some of it from state taxes and charges, with the vast majority of it being payments transferred to them from the Commonwealth, and they have large and growing public expenditure commitments in areas like health, education, police and so many other important areas. It is those governments that are charged with making difficult choices to optimise the resources they have available to them. We have the extraordinary scenario now of a Commonwealth minister engaging in short-term petty politics and making it considerably more difficult for state governments to get on with discharging the responsibilities which, under our Constitution, are squarely their responsibilities.

As I have pointed out, and as other coalition speakers have pointed out, there is a yawning contradiction between the minister's so-called bold actions here and his failure to take action in other situations.

That is a powerful piece of evidence that what the minister is engaging in is a pure piece of politics. His actions are redolent with contradiction, but perhaps that is not surprising for a former national secretary of the Australian Workers Union who is also an old boy of Xavier College and also a former son-in-law of a Liberal member of parliament.

The next proposition that I want to put to the House this morning is that the actions that the minister has taken through the legislation that he is introducing are in
substance going to make workers worse off. Let us analyse the effect of these provisions. When a worker is made redundant from a state government department, that worker will in quite a wide range of circumstances find himself or herself in the position such that, when they seek employment with a private sector employer, the previous terms of conditions will attach to them and it will not be open to a private sector employer to employ that worker unless those terms and conditions apply. That is so regardless of whether the redundancy was voluntary or not and regardless of the terms and generosity of the redundancy package.

What is more, it is clear—and the government has confirmed this—that the transfer-of-business provisions will apply at a whole-of-government level and not just at an individual departmental level. Let me explain what that means. If it is the case that the department of education has engaged in an outsourcing process but an employee from the department of health is made redundant and seeks employment at the organisation to which the department of education has outsourced certain activities, then that employee will also be subject to these transfer-of-business provisions. The effect will be that redundant public servants seeking employment with private providers will potentially be disadvantaged.

What is more, as the government also has confirmed, if a private employer refuses to employ a redundant public servant because of the transfer-of-business provisions, then that person is not in a position to do anything about that. As a consequence, this nakedly political stunt is actually likely to make workers worse off. It will be harder for them to get a new job because in effect the Gillard government will have tied an albatross around their neck by imposing on them certain minimum terms and conditions.

Proposed section 768AK of this bill describes something called a copied state employment agreement. That copied state employment agreement will apply by operation of the law to the employee as that employee goes to work for the new employer. The practical consequence of that will be that private sector employers considering employing somebody who has this particular albatross around their neck are likely to conclude that the potential employee is not somebody they wish to take on. Instead, they will choose to take on somebody who is not subject to those particular terms and conditions. In other words, we have a bill before the House that is going to impose upon a certain class of people who have been made redundant by a state public service a set of terms and conditions that will bind a certain class of employers who might be considering taking them on. The effect in substance will be to make those individuals less attractive to future potential employers. A recent survey of human resources managers conducted by the Australian Human Resources Institute indicated that 37 per cent of respondents agreed that the transfer-of-business provisions had a negative or very negative impact on business.

The third proposition that I would like to put to the House today is that this is a poor piece of policy. In arguing that point I would like to quote from an article written recently by former Keating government minister Gary Johns. He wrote:

Bill Shorten not only delivered the Ben Chifley oration on the weekend, he wants to bring back Chifley-like policy. How else to explain his extraordinary intervention to save state public servants' entitlements if, and when, their jobs are outsourced by the Queensland government?

Chifley, for example, started the Commonwealth Employment Service in 1946 to
provide for 'the re-establishment in civil life of members of the forces'.

It's as if Shorten wants to pretend that Australia is emerging from a war and that protection of privileged union-controlled public-sector employment is the way to prosperity.

Shorten wants to protect state public service entitlements where a state government outsources work or sells assets to private-sector employers by introducing an amendment to the Fair Work Act.

That is a good analysis of the impact of this bill.

When you analyse the relevant provisions of this bill, including proposed section 768AD, the test as to whether there is in fact a connection between the old state employer and the potential new employer is extremely broad, and there are certainly likely to be a wide range of unintended consequences. You are likely to find a significant number of potential private sector employers conclude that employees who have been made redundant by a state government are unattractive as potential employees because—through no fault of their own but as a consequence of the operations of this bill—those employees will have certain terms and conditions attached to them and the new employer and the potential new employee have no choice as to whether those conditions continue to apply. As a consequence, employers are likely to say that it makes more sense for them to seek out somebody else to work for them rather than a person who comes, through the operation of this act, with certain terms and conditions attached to them.

I might also add that, as a matter of public policy, to see a Commonwealth minister engaging in gratuitous interference in the capacity of state governments to deal with matters which are properly their responsibility—the allocation of resources, including human resources—is deeply regrettable and makes it harder than it needs to be for state governments to discharge the responsibilities that under our Constitution are allocated to them.

For a host of reasons this is a very bad piece of legislation. It is motivated by a political stunt of the minister, a former union secretary, wanting to appear a hero. On analysis, the impact of these provisions will be that workers will be worse off. The coalition does not support this legislation.

Mr PERRETT (Moreton) (11:00): I rise to speak on the Fair Work Amendment (Transfer of Business) Bill 2012. It is hard for me to find my feet. You could have knocked me over with a feather when I found out that the member for Bradfield does not support this legislation. I thought it was a dead certainty that the opposition would be supporting this, especially when saw a couple of Queensland MPs in the chamber who have had to deal with the fact that, since the LNP government came to power in Queensland, 26,000 people have lost their jobs—14,000 of them public servants. I think the member for Herbert just left. His constituents include some of the 40 nurses sacked from the Townsville Hospital by the LNP government. The suggestion was that somehow nurses are not frontline workers—unbelievable. I am pleased to be speaking on a bill that will protect the entitlements of state public servants threatened by job cuts announced by state Liberal and National governments.

I will provide a little bit of history for those opposite on industrial relations in Australia. We do things a little bit differently from the rest of the world. Since we became a Commonwealth, Australia has always had an approach that we should look after workers. It is not a case of 'let the market rip'—and, almost on cue, the member for Mayo walks into the chamber. We have
never believed that we should just let the market rip and that there should be a straight relationship between employer and employee without any safety net or platform supporting workers rights. If we go back to the Harvester decision, we see that Australians have always recognised that.

Federal governments trying to interfere with the presumption that workers should be supported and that there is uneven bargaining power—that employers and employees do not have an equal contractual relationship—has only happened twice, and on each occasion the people have let the Commonwealth government know their disapproval at the next election. It happened back in the thirties. When Stanley Bruce brought in retrograde, progressive legislation—bang!—he lost his seat. The next time, when someone may have got some bad advice from their advisers about bringing in Work Choices, which does happen, and I note the member for Mayo is in the chamber, Mr Howard, the member for Bennelong—bang!—lost his seat. The Australian people recognise that there should be fairness in the workplace and support for workers. That is the reality.

We are not like the US where there are people with half a job. We have always believed that if people are working they should be able to have enough food, to put a roof over their head and to even have a bit of a weekend—or, if they have to work on the weekend, to receive extra remuneration for that. Those are the basic, fundamental tenets of workplace law in Australia.

It has changed over the years, and I commend the Hawke and Keating governments, who made incredible changes. When I was growing up there was central wage fixing—men in suits basically determining what was going to happen across a set of awards. Hawke and Keating, knowing that we had to modernise the Australian economy, took incredible steps. The accord was one of the great moments in Australian history, when business, unions and government came together and worked out how we should do these things. I remember those times. I remember that move from central wage fixing and negotiations to enterprise bargaining. It was similar to what happened with superannuation, where workers were able to trade off and say, 'We will give up a wage increase and instead take it as superannuation,' along with some inducements in Medicare. That is a quick history of the Commonwealth government's approach to negotiations. I did not go into Work Choices but I will touch on that later.

My wife has been a public servant for 22 years. In that time, working in the same job in child protection, she has worked for many different premiers: National Party premiers, Labor Party premiers and now a National Party premier. In that time, she has always loyally served the people of Queensland—not the government but the people of Queensland. That is what a public servant does. Obviously, in that time she has never seen anything like the recent 14,000 job cuts that the Campbell Newman state government undertook—crazy times in Queensland.

Consequently, the Commonwealth government has had to step up. The amendments proposed in this bill will extend the transfer-of-business provisions in the Commonwealth Fair Work Act to circumstances where a state government outsources work or sells assets to a private sector or national workplace relations system employer. The provisions are based on the new employer, not the state government, to ensure that they are valid. The amendments follow recent announcements by Liberal and National state governments that they intend to cut tens of thousands of Public Service jobs—as I said, 14,000 Public Service jobs
have been cut in my home state of Queensland. And, as I said, that is in the context of nearly 13,000 other jobs that have been cut over the last six months in Queensland. In addition to these jobs cuts, the Newman government has also recently legislated—and this is unbelievable; I say that as someone who has worked in industrial law—to override employment security provisions and limitations on the use of contractors in state public sector agreements, paving the way for outsourcing of public sector jobs.

If we look at the history of enterprise bargaining, going back to 1992 or 1993, these were hard fought negotiations over the years and—bang!—they were gone. They were just signed away overnight. It was not an election promise or an election commitment but a sudden overnight change.

This bill provides the Commonwealth with the opportunity to do what it can to protect the terms and conditions of these workers. The Labor Party has a long and proud record of standing up for workers rights. I have always seen myself as part of the political arm of the union movement. That is the history of the Labor Party.

This side of the House came to government with a clear commitment to bringing fairness, balance, flexibility and simplicity to the Australian workplace relations system, and that is what happened when we were elected to government back in 2007. Prior to this—in the lead-up—we had outlined a clear plan to end Work Choices and move towards the fair work policy.

The government have delivered on our commitments regarding workplace relations. Over 16,000 enterprise agreements covering more than 2.2 million employees have been approved. Around seven million Australians are currently protected from unfair dismissal. We had heard that it was going to be the end of the world if that policy came in. Nevertheless, the Australian economy has grown. More than 800,000 jobs have been created since this government was elected on 24 November 2007. I particularly thank the small businesses who stepped up during the global financial crisis and retained employees at a time when they could have sacked them.

The historic equal remuneration decision for workers in the social and community services sector awarded wage increases of between 23 per cent and 45 per cent to SACS workers in recognition of the fact that their work had been traditionally undervalued due, you could argue, to the fact that it was predominantly a female workforce. That could not have occurred without Fair Work, and I particularly thank the ASU from Queensland, who did great work before this legislation was in place in terms of valuing the work of SACS workers in Queensland.

We now have consistent protections for textile, clothing and footwear workers across the national workplace relations system—some of the people who were most exploited under previous industrial regimes. We have implemented the Road Safety Remuneration System to make sure there are real protections for drivers across Australia who would otherwise face economic pressures to drive dangerously long hours that put all Australian road users at risk. I am sure the member for Wright will talk about the 'safe rates' legislation when he speaks. I know he has a long history with the driving industry.

What is the opposition's position on workplace relations policy? As we heard from the member for Bradfield, they oppose it. So far we have heard nothing other than union-bashing and meaningless banalities. But, if the Liberal and National state governments are any indication of what the Leader of the Opposition would do, Australia
would be in for more job cuts, reduced protections for workers, cuts to community organisations and cuts to family assistance payments. It will be the old opposition three-card trick. We saw it in Queensland. They would bring in an independent audit, by some bloke called Peter Costello—very independent!—and then sell and sack and slash. That is the approach that they have flagged.

Given our strong record on fair and balanced workers rights, we do not accept that employees should be worse off or that they should have their entitlements put at risk simply because their jobs are outsourced by a state government. That is why Minister Shorten has introduced this bill—to protect the conditions of former state public sector employees.

The bill he has introduced will achieve this by providing for the transfer of terms and conditions in state awards and state agreements when there is a transfer of business from a state public sector employer to a national system employer; by enabling Fair Work Australia to make orders on a transfer of business, consistent with the existing transfer-of-business rules of the Fair Work Act 2009; and by clarifying the interaction between the transfer of employees' terms and conditions of employment and entitlements in the national system, including the National Employment Standards and other necessary transitional and technical provisions.

The reforms in this bill mean that the Commonwealth will establish for the first time a nationally consistent set of transfer-of-business rules for public sector employees that will protect their entitlements when they transfer to a national system employer. The transfer-of-business rules in the Fair Work Act reflect the government's clear policy intention to protect employees' existing terms and conditions of employment where their employer has changed but their work stays exactly the same. If you look at the history in the UK and other places where there has been a lot of outsourcing you see a clear, common theme: basically, wages are cut, and health and safety are cut. The standard operating procedure for the outsourcing of any government entity is a cut in wages and then a cut in health and safety. The costs that flow from cutting health and safety are often sold back to the government.

This side of the House appreciates and respects all public servants. That is why this Friday, in response to the widespread Public Service sackings by Premier Newman, I will be attending one of the jobs and skills expos funded by the federal government. It will be a fair dinkum helping hand at a time when it is needed most in Queensland. This expo is one of the many that form part of our $850,000 funding commitment to further support those workers who have been sacked from the state Public Service. I am told by my staff that we have had to expand the room size of this expo, given the large number of people who are registered to attend on Friday.

This highlights the importance of what the Gillard Labor government is doing to assist workers who have lost their jobs in Queensland and throughout Australia and to assist those workers who are in the firing line of having their livelihoods outsourced. I will always stand up for the rights of Queensland public servants and I will never accept that they should receive lesser conditions than those in other jurisdictions. That is why I proudly commend this bill to the House.

Mr BRIGGS (Mayo) (11:13): I congratulate the member for Moreton, who managed to get at least most of the way through his speech. He only had 2½ minutes left of his speech to talk about workers
rights, which he believes in so strongly. The member for Blair yesterday could only get about six minutes into his speech. The member for Throsby just read the wrong speech on workers rights yesterday. I am not sure what the member for Throsby is going to do for today's speech, because the speech he read yesterday on yesterday's IR bill was on the bill before the House today. So it could be a little confusing when the member for Throsby comes into the House.

The Fair Work Amendment (Transfer of Business) Bill 2012 is a bill which very much reflects what the modern Labor Party is all about—stunts and trickery. We had an attempt at a history lesson from the member for Moreton, but what he failed to mention in the history lesson was the situations that the state Liberal governments have inherited in each of those states. He mentioned Peter Costello on the way through. Long should we remember Peter Costello in this place, because it was Peter Costello who delivered nine out of 11 budget surpluses when he was the Treasurer of our country and he put the Australian budget situation into a position where, when he left government in 2007, there was $20 million in the bank, unlike the $258 billion of debt which has been built up by this government since.

That is only a very small part of the debt story in Australia. The debt story in Australia is far greater and the state Labor governments are wholly and solely to blame. The Treasurer of Australia, while his record is appalling and he is a spending profligate, is not anywhere near as bad as some of the state Labor governments—although he is getting worse.

Campbell Newman, let's not forget, won the biggest majority in the country's history at an election 18 months ago because the Queensland people worked out that under successive Labor governments they had been led up the garden path. There was no money left. So Campbell Newman and Treasurer Nicholls have to fix this budget situation before getting into genuine crises of public finances up in Queensland. I come from South Australia and I can tell you we still have a state Labor government spending its way into a fiscal crisis.

In 1992 the South Australian debt position was $11.5 billion. That was after the State Bank of South Australia collapsed. It was a huge issue for the state of South Australia and, in fact, still reflects on the confidence of our state as we debate this bill today. It was an enormous dent in the state's economic future and has had an impact for some time. The Liberal government, elected as a part of the resulting crisis from that State Bank collapse, reduced the debt in South Australia to nearly zero. There were a couple of billion dollars of debt left when they lost government in 2002. Today the South Australian budget papers predict that the public sector debt in South Australia will reach $13 billion. That is after the state Liberal government at that time privatised electricity assets, improved the efficiency of the Public Service and made all of the reforms necessary to ensure that the debt was brought back under control.

Reintroduce a state Labor government and back comes the debt, back comes the size of government and back comes the profligacy we have seen throughout the country in New South Wales, in Queensland and in the federal government. When a Liberal government is elected in March 2014 in South Australia it will have to make very difficult decisions to ensure that the budget is brought back under control. The services necessary to the people of Queensland, to the people of New South Wales and, hopefully, to the people of South Australia can still be delivered because ultimately government is about ensuring that those base services that
are required to be delivered—what government is actually there for—can be delivered. Spending itself into a situation where it cannot afford to deliver the necessary services of health, education and child protection is a pretty dangerous situation for a state government to get itself into. That is exactly what the Anna Bligh government did in Queensland, it is exactly what the Peter Beattie government did in Queensland and it is exactly what Jay Weatherill is doing in South Australia.

Campbell Newman is making the right, tough decisions to ensure that Queensland public finances are put back in place. He is actually doing no more and no less than what the Treasurer in this place tells us he is doing, although we know it is not true. We know that the federal Treasurer continues to waste millions of dollars. We know that in the government's own budget papers they are cutting public servants. I predict we will not hear a word from the member for Blair about the federal government cutting public servants. We have not heard a word from the member from Moreton and I suspect we will not from the member for Blair on the South Australian government's budget papers, which say it is slashing 1,400 public servants this year. These are stunts and trickery.

The member for Blair, the great workers' representative, cannot get through a 15-minute speech defending the workers. It is all political puffery. Realistically what the government are doing is introducing a piece of legislation into this chamber which damages workers and their future. That is what this legislation actually does; it makes workers worse off. It provides no support. It provides political cover for a Labor Party that are desperately looking for a political narrative. That is all that this legislation is about. It is not about ensuring good governance in our country. It is not about ensuring that people can have more security at work, which is what they will try and have you believe.

Ultimately the nature of government does change. The nature of the services and what the community demands from time to time does change. Undoubtedly in the last 20 years there has been too much power given to the states. We regularly talk in this place about red tape. Red tape ultimately is regulated by bureaucrats. There is a need for government to deliver certain public services but, quite clearly, in the last 20 years it has been an over-reach. There will be need for efficiencies to be found as we can see from the Labor government at the federal level, which are outrageously slashing 4,200 public servants—to use their language. I hope they have a jobs expo in Canberra to help those public servants that they are slashing. Of course they will not because this is all about political trickery.

This bill is not about ensuring the public gets the services they need delivered to them that they want delivered to them and no more. This is about ensuring the government have a bill before the House so the member for Blair and the member for Moreton can get up and say 'Work Choices, Work Choices'. That is all we hear from those opposite. It is a mantra that has been drummed into them. They have been told by Bruce Hawker and by their national secretary: 'You just have to say it as much as you can.' It is a KPI every month. How many times can we say it? How many times can the member for Blair say it each month? Not enough yesterday. He had nine minutes left where he had all those opportunities to say the words 'Work Choices' but he just could not get them out. He could have sat there for nine minutes parroting it. He could not quite get there. At least he was better than the member for Throsby, though. At least he gave a speech on the bill. At least he grabbed the right talking points on the way through. It
was a bad day for the member for Throsby yesterday. It was one of those days he will not put in the memory bank as a good one.

This is a further bad bill from a bad minister who is interested in looking after vested interests, looking after his mates, looking after those in the superannuation industry he wants to support, looking after those union friends he wants to ensure have a future career in a government funded position and looking after the political prospects of the Labor Party, not of the general economy, not ensuring that state governments can put back on a strong footing state budgets that have been so decimated by such bad Labor governments over so long. This bill is a debate about the consequences of state Labor paying too much for too long. And guess what is happening at the federal level? Exactly the same thing. The Labor Party are ashamed of their state friends and they are trying to create a counter-debate here to take away attention. They are trying to make a debate about something else so that people do not focus on the fact that Labor's record in state government is shameful. It is exactly the same with the federal budget, where a debt of $258 billion has recently been announced. That is what this bill is all about.

Mr NEUMANN (Blair) (11:23): I see that the member for Mayo had about five minutes left. Perhaps he had no more anti-union, anti-worker tirades in his sloganeering and smearing of workers. I notice that he did not address the bill at all in relation to this. But that is not surprising because a couple of days ago he and his colleagues over there decided to vote against protecting workers entitlements in relation to the fair entitlements guarantee bill to make sure that Australian workers who were affected by liquidation and the bankruptcy of their employer have stronger protections in terms of their entitlements. Since I have been in this place I have never seen a piece of legislation that protected workers entitlements or advanced superannuation that those opposite would actually make a speech on and support. The member for Bradfield spoke in relation to job losses in Victoria, New South Wales and Queensland. He said that what we were doing was a gratuitous interference in the allocation of human resources. What sort of Orwellian comment is that, when people have lost their jobs?

This particular piece of legislation, the Fair Work Amendment (Transfer of Business) Bill 2012, is about protecting the entitlements of state public servants whose jobs have been not just threatened but destroyed and their lives and financial security absolutely badly damaged by LNP state governments in Queensland, New South Wales, Victoria and elsewhere. The member for Mayo is here. The illustrious leader of his party in South Australia, Isobel Redmond, in what had to be a brain-snap, actually said she was going to cut 25,000 public servants in South Australia. It is a miracle that she won the leadership ballot by one vote; I cannot believe that she actually did it. But the member for Mayo did not say a word about the 25,000 Public Service jobs that would be on the line under the Liberal leader in South Australia.

Let us look at the people who are going to be protected. Under this legislation, the transfer-of-business provisions protect workers whose jobs are effectively outsourced. The proposed amendments make sure that the transfer-of-business provisions in the Fair Work Act actually cover circumstances where a state government outsources work or sells assets to the private sector and a national workplace relations system employer. The provisions are based on the new employer, not the state government, to ensure that they are valid. Effectively, if your job is outsourced by a
state government to another employee doing the same sort of work, your entitlements are going to be protected.

For the benefit of those opposite—the member for Bradfield and the member for Mayo—I am going to list and talk about those human resources, those real people, those families and individuals who are actually going to lose their job. The Queensland Council of Unions estimates that 900 jobs have been lost in Ipswich in my electorate as a result of the Campbell Newman government sacking public servants and those whose community organisations were funded by departments such as the Department of Community Services in Queensland. The Campbell Newman government has effectively ripped $68 million out of Ipswich—and, according to the Queensland Times newspaper, the state member for Ipswich thinks six jobs have been lost! When we put on a jobs workshop in Ipswich, and there were about 70 people at that workshop, people were still coming in when I was talking. When I was talking about the fact that there were public servants who have lost their jobs in various departments—and I started listing the departments—people at that workshop were nodding their heads because they have lost their jobs. We are providing $850,000 to help those people and a workshop in Ipswich and a skills and jobs expo in Brisbane on 26 October and in Logan on 15 November. We are providing help to those people who have lost their jobs. Not a word, not a whisper, has been uttered by those opposite about the fact that we have put up $850,000 to support jobs in that area.

We also supported jobs in the community sector as well. There are 23 tenancy advocacy services around Queensland employing dozens and dozens of people and providing tenancy advice to 80,000 Queenslanders a year. Those jobs would have been lost. They are not the 14,000 full-time equivalent public servant jobs lost in Queensland that were declared by Campbell Newman; they are other people in the public sector who would have lost their jobs. But this federal Labor government stepped in and saved them. There were six jobs saved at IRASI in Ipswich, a service that supports 150 tenants in court and provides 600 phone calls and attendances a month. That would have been gone entirely if Campbell Newman had his way. We are making a provision to make sure that that tenancy advice continues and those jobs are saved by the intervention of the federal Labor government.

I am going to talk about the human resources that have been 'reallocated', according to the member for Bradfield. This comes directly from the budget papers in Queensland under the LNP state government. At the Department of Aboriginal and Torres Strait Islander and Multicultural Affairs there were 15 jobs lost. At Agriculture, Fisheries and Forestry there were 450 jobs lost. I have spoken to a person in that department who came to see me. She was not a full-time equivalent effectively. She was answering the phone on the front line. She saw me at a mobile office at Yamanto.

The Department of Communities, Child Safety and Disability Services is another. These are front-line services that help kids in distress, in need of protection from neglect, abuse and family violence, and 385 jobs will be lost. In the Department of Community Safety there will be 345 jobs lost. In the Department of Education, Training and Employment 450 people have lost their jobs. In the Department of Energy and Water Supply 135 jobs have been lost. In the Department of Environment and Heritage Protection 220 jobs have been lost. In the Department of Housing and Public Works
1,425 jobs have been lost. In the Department of Justice and Attorney-General 510 jobs have been lost; in the Department of Local Government, 15; in the Department of National Parks, Recreation, Sport and Racing, 130; in the Department of Natural Resources and Mines, 360; and, from the police, 215—so much for public safety.

In the Department of the Premier and Cabinet—you can build a Taj Mahal in the executive building in the middle of Brisbane—only 45 jobs will be lost. In the Department of Science, Information Technology, Innovation and the Arts 110 jobs will be lost. In the Department of State Development, Infrastructure and Planning there will be 145 jobs lost. In the Department of Tourism, Major Events, Small Business and the Commonwealth Games, 15 jobs will be lost. In the Department of Transport and Main Roads 1,450 jobs will be lost. In Treasury and Trade 85 jobs will be lost.

But the biggest job losses will be in health, with 4,140 jobs lost—doctors and nurses, front-line services in Queensland including, as the member for Moreton mentioned before, 45 nurses in Townsville. I wonder what the member for Herbert thinks about that. In my electorate in the Ipswich and West Moreton region, we have also seen front-line health services go. These are people who help in cases of domestic violence, who help on the front line when people have been sexually abused. That is what they do. Ask the Ipswich Women's Centre Against Domestic Violence what impact the job losses there have had on our community. In the Ipswich and West Moreton region $17 million is going to go from health. If they do not sack people, if they do not get rid of that $17 million this year, another $10 million is going to go. So much for Lawrence Springborg, the Minister for Health in Queensland. So much for Campbell Newman.

But what do those opposite say? This is what they say about those people, those 'human resources'. The Leader of the Opposition and the shadow Treasurer are incredibly supportive, of course. This is what the Leader of the Opposition says about the state governments in relation to the job losses, the service cuts and the funding cuts in Queensland, New South Wales and Victoria:

… I respect the job that they're doing, I work closely with them as far as I can, but they are dealing with their problems at the state level …

That is what the Leader of the Opposition thinks jobs are—they are problems. He continued:

… I will seek to deal with federal problems at our levels.

The coalition are on the public record as saying they are going to sack public servants here in Canberra. We know they have a $70 billion black hole in their budget. We are not making that statement up. The shadow Treasurer said it on public TV. He said it and he has repeated it—$70 billion. The age pension, Medicare, family tax benefit and disability assistance will be gone for years. That is worth $70 billion. It is not an academic figure. If they are going to cut those services, the public service in Canberra and the public service around the country, particularly in regional and rural Queensland, is going to be at risk. The transfer-of-business provisions here are so critical in protecting jobs. They are absolutely front line.

These cuts in New South Wales, we discovered overnight, were unnecessary because, miraculously, the water turned into wine, the Red Sea parted and the loaves and fishes took place. They found $1 billion in the New South Wales budget. We could not believe it. They found $1 billion. So what they did was they sacked people and they cut
$1.7 billion out of the New South Wales education budget, effectively gutting services in New South Wales. It is an incredible failure from the New South Wales colleagues of those opposite. They could not get the calculator out and work out how much money they had. It is simply bewildering.

Those opposite would do the same. I mentioned before the $70 billion black hole that they have, and that is what they are going to do. It is an absolutely extraordinary set of circumstances that those opposite refuse to comply with what they had said previously in terms of the costing of policies. Thank goodness the Independents insisted that there be proper accounting of their costings after the last election, when there was an $11 billion black hole. We know that they have a $70 billion black hole because it has been said before, not just by the shadow Treasurer. The shadow finance minister has made that crystal clear as well.

So at the next election the choice is going to be pretty clear: a choice between a Labor government that believes in fair work and those opposite, who believe in Work Choices. Those opposite never saw a bill that protected workers' rights that they did not want to vote against. We think we got the balance right, in the sensible centre, in the Fair Work legislation. The pendulum went way out to the right when Work Choices was introduced.

There is going to be a choice at the next election about a party on this side that wants to increase superannuation from nine to 12 per cent, that wants to step in and protect workers' jobs and that wants to make sure we have an industrial relations system in this country where workers and their employers sit down together, negotiate enterprise agreements and bargain collectively, where the unfair dismissal provisions continue to make sure that seven million Australians are protected by our legislation. That is unlike those opposite, who want to tear it up.

We want to make sure that there is enough money in people's pockets so that they themselves can invest in their education, their health and their financial security. We want to make sure that there is no slashing and burning when it comes to their pay packets and that they have jobs that can feed their families. The provisions here are critical. They are very, very critical to the future.

I think, when it comes to IR with those opposite, there is some sort of apostolic succession going on for preselection in the LNP. What happens is that they have to channel John Howard. When it comes to a preselection in the LNP, you have to be meaner and tougher and nastier with respect to workers' entitlements. Whoever is the toughest, whoever is the most right wing and extreme and the most anti-union, will get preselected. In my just over five years in this place, I have seen it with those opposite. Whenever a small 'l' liberal who might have some sort of social conscience leaves, they replace them with a hard right-winger.

When it comes to this sort of stuff, they should be on the public record supporting it, protecting jobs, protecting those people, and all those Queensland LNP members should be at the forefront, standing up for their constituencies and standing up to Campbell Newman. Stand up for jobs, stand up for services and stand up for those community organisations in your area that deliver those services to your constituents. Stand up for Queensland. Stand up to Campbell Newman. I commend the legislation to the House.

Mr KATTER (Kennedy) (11:38): The previous speaker on the Fair Work Amendment (Transfer of Business) Bill 2012 was talking about the Liberal Party, but you
do not want to throw stones if you are in a
glass house. His area is a railway area. I will
give you the figures on the railways in
Queensland. In 1979, there were 22,000
railwaymen employed in Queensland. When
the Bjelke-Petersen government fell, there
were 21,000 railwaymen employed in
Queensland. In other words, there had been
no diminution whatsoever, in spite of
computerisation being introduced in those 10
years, when really 3,000 or 4,000 jobs
became surplus to requirements. But still we
did not sack anyone or put anyone off.

I say to the previous speaker: you want to
be careful, because when we handed over
government there were 21,000 employees in
the railways; within seven years, under the
Labor government, there were 12,000
employees in the railways. Those men had
believed in the Labor Party and backed the
Labor Party all of their lives. My old state
electorate was very much a railway
electorate. Every single person in my last
state election that handed out how-to-
vote cards for them was a railwayman or
associated with the railways. I never held it
against them. They were traditional Labor
men. In fact, a lot of them I liked very much.
But, of course, now no railwaymen hand out
how-to-vote cards for the ALP.

In Queensland, on this issue, the Labor
leader of Queensland was asked to leave the
daish where she had pushed her way in. I
thought I might sneak in there too, but they
did not have me up there either. But they
were not going to state that the ALP were on
the side of the angels, because in Queensland
they most certainly were not.

Now, in this place, they are on the side of
the angels here. The minister is attempting to
do something to help out in what is a callous
and vicious situation in Queensland. The
previous speaker's remarks about the people
on my right are, unfortunately and sadly,
very true. There can be no other reason why
the Premier of Queensland would want to
sack those people. You can get rid of people
by a process of nonreplacement.

I had a department which was a First
Australian—Aboriginal, if you like to use
that word—department, and it was composed
entirely of whitefellas. All the people
employed were whitefellas, when their jobs
were supposed to be looking after
blackfellas. They called it the 'browning' of
the department when, over a period of about
3½ years—I think these statistics are pretty
right; you have to be careful when public
servants hand you statistics!—almost all of
that department became blackfella, not
whitefella. But we did not sack anyone.

It was a decision cold-bloodedly taken by
the cabinet. In the cabinet, Premier Bjelke-
Petersen said, 'Bob, how long will it take if
you go nonreplacement?' We had a big
turnover. I said, 'In 3½ years, Premier, just
about everyone should be replaced.' He said,
'How much extra will it cost?' I said, 'About
$7 million or $8 million a year, but I've got a
budget of about $240 million, so it's not
going to break the bank.' He said, 'Boys, we
don't sack.' There were a couple of girls at
the table, but he said, 'Boys, we don't sack.'
And everyone said, 'No, we don't sack.'

It was the toughest and most brutal
government. Everyone knows the history of
the stand-up when the lights were turned off
in Brisbane. We could be as tough and as
brutal as any government in recent
Australian history, and in fact in that case we
were. We went much too far, as far as I was
concerned, at the end, after the lights were
turned on. I did not think it called for any
action then—but, anyway, that is a story for
another day.

We were a tough, brutal government, but
we never sacked anyone. We thought it was
a wrong thing to sack people. Our leader was
a very, very Christian person, in the sense that he had been a preacher in his younger days. His father was a full-time preacher in the Lutheran Church, and Bjelke-Petersen had been a missionary up in North Queensland. We as a group of people did not believe that it was a civilised thing to do to go sacking people.

When you sack people, they lose their car. Mr Deputy Speaker, how would you like to lose your car, have it taken off and repossessed? How would you like to be kicked out of your house because you cannot afford the rental in that house anymore and have to look for social welfare housing? In 20 per cent of cases, you lose your family. How would you like to lose your family, Mr Deputy Speaker? In two per cent of cases, you suicide. How would you like to suicide, Mr Deputy Speaker?

I mean, why did they do this? I cannot come up with any statement other than what the previous speaker said—that they are trying to prove they are tough. We never had to prove to anyone we were tough. Our backgrounds clearly indicated that we were tough. When you have to prove you are tough, there is something seriously wrong with you. And when you have to prove you are tough by breaking the hearts of 15,000 families in Queensland, there is a name for that and it sure ain't tough.

The Liberal and National parties think government is about cutting spending. They do not have very good intellects but really, you have to be pretty simplistic if you think that government is so simple that you simply cut spending. In the Great Depression, they advocated a cut in spending in this place. They are on record as criticising the government for spending. They got wise because they were kicked around the place by a lot of intelligent people in Australia. By the time they had taken three months of kicking, they modified their position and stopped criticising the government spending money and then said the government had spent the money the wrong way. That was not the original thrust; the original thrust was that the government should not be spending money when the collapse hit the whole of the world.

Of course you spend money. That is exactly what you do in a recession. That is exactly what you do in a depression. That is what Takahashi did in Japan. That is what Galbraith did in the United States, or Eccles. That is what John Maynard Keynes did in Great Britain and that is why every country on earth never had much of a depression except Australia. America did it very late in the piece and they had a terrible depression, but nowhere near as bad as Australia. Unfortunately, the conservative viewpoint was prevailing at the time and that was the outcome.

My son Robbie Katter took a different line from Shane Knuth and from me. He is quoted on the ABC Queensland news as saying that to have a massive cut in spending in a post-GFC environment—Mr Deputy Speaker, I know that talking in this place is a farce, but to have the three frontbenchers at the table all talking to each other and laughing I find a little bit over the fence. Would you mind giving them a little bit of a kick, please?

The DEPUTY SPEAKER (Mr Murphy): Let me assure you, Honourable Member for Kennedy, that I am listening to every word you are saying. I always find you an engaging speaker. I draw to the attention of the House that the static is impeding your address.

Mr KATTER: Thank you, Mr Deputy Speaker. My son said, 'In a very fragile post-GFC environment to have a massive cut in government spending is very dangerous
policy indeed. In fact, I would go so far as to say that it's extremely irresponsible policy.' Then he went on to say that those people who are out there cheering and saying, 'Beauty, we're getting rid of all these bludging public servants'—because a lot of the business class see public servants as bludgers—are exactly the same people who, in four months time, are going to be checking their cash registers and whingeing, crying and howling that they are in serious trouble and are going to want to leach the Queensland government. On this one, my son was wrong when he said four months because it was four weeks. I met with two of the biggest retailers in North Queensland and they said, 'Mate, he's driven us straight through the floor.' One of them is a rabid LNP supporter. He would die before he would vote for me or for any KAP people, but he was in terror. His figures have just collapsed.

We went to a motelier at one of the most successful motels in Northern Australia and also one of the biggest. Their figures are down a third. They just got a telephone call to cancel all government bookings for the next 12 months. The lady involved said, 'I didn't take much notice because they'll ring me up next week and say "Can you book four". They'll do it on a piecemeal basis. In the last two months, I doubt whether we had a single government booking.' I said, 'What would it normally be?' She said that 20 per cent to 30 per cent of all her available accommodation is taken by state government officials.

We have had the longest outage in Charters Towers history. I went away there to boarding school in 1959. So I am familiar with my family's home town. They went there before there was a Charters Towers. Since 1959, we have never had an outage like this. Maintenance has not been done in the electricity industry since before the sacking of 500 Ergon workers. So I leave it to your imagination how much maintenance is going to get done in the future, because these corporatised industries are being price gouged by the former ALP government and now by the current government.

We praise and thank Minister Shorten for what the government are doing today. I have discussed this with the minister because there is some worry on the part of some of my public servants that, if they have to be paid the same rate after this legislation comes in—'If you employ a public servant to continue to do that job, they have to be paid the same rate'—they will sack us and put someone in who can be paid less. The whole idea of going to contract work is that workers will be paid less. I would hate to think that the state government is doing this just to look after their crony rich friends. I am sure they are not doing that. The idea is that the price is going to go down because workers are going to be paid less. If they cannot pay workers less, they will get rid of those workers.

From lengthy discussions with Alex Scott—and we appreciate his time—and Ben Swan in Queensland from the AWU, and, particularly, the Together union's Belinda Johnson in North Queensland, they are not going to be able to sack, for example, all the laundry workers in the hospitals. They cannot just go in and sack all of them.

So, for the time being anyway, what the government is doing is going to be very helpful, and we appreciate the government's and the minister's involvement, and we back the initiative being taken by the government in this area. We would like the minister to keep an eye on the situation in Queensland and give any other assistance he could provide, until—well, clearly, if the government keeps going the way it is going, it will not be the government; please God,
we will be. So I would like the ALP, the
government of Australia, to be nice to us and
listen to us. Any further assistance it can give
to the people under attack in Queensland
would be very much appreciated, and we
thank very much the minister and the
government for the initiative.

Mr SHORTEN (Maribyrnong—Minister
for Financial Services and Superannuation
and Minister for Employment and
Workplace Relations) (11:53): I want to
acknowledge the contributions of members
in this debate on the Fair Work Amendment
(Transfer of Business) Bill 2012—in
particular, the contributions of members who
are supporting the government legislation,
including that of the member for Kennedy.
He did say something about railway people
no longer supporting Labor. My family
worked on the railways, and I can guarantee
that they are still supporting Labor, if that is
of any consolation to him, which it may or
may not be.

Turning to the summing-up: on Friday, 21
September, I announced that the government
would introduce an amendment to the Fair
Work Act. The amendment would protect the
entitlements of state public servants
threatened by job cuts announced by state
governments. This bill delivers on that
commitment. The Gillard government does
not accept that employees should be worse
off, or that they should have their
entitlements put at risk simply because their
jobs were outsourced.

Second: this bill, if passed, would not
provide the first transfer-of-business
protections to public servants moving into
the national workplace relations system. I
repeat: it would not provide the first transfer-
of-business protections to public servants
moving into the national workplace relations
system. In fact, for the information of the
House, the provisions currently already
apply to transfers of business between the
Commonwealth government and the private
sector, between the Victorian government
and the private sector, between the
Australian Capital Territory government and
the private sector, and between the Northern
Territory public sector employers and
another national system employer. So all
these employees already generally retain the
benefit of their existing terms and conditions
of employment when they transfer to a new
employer as result of a transfer of business.
This bill in fact simply remedies a loophole
which would see Public Service employees
in other jurisdictions no longer being second
class, but joining the appropriate protections
already enjoyed by a range of public servants
throughout Australia. And this is very fair.

I would also reiterate, for the benefit of
the House, what the transfer-of-business
protections provide. In broad terms, the
transfer-of-business rules will apply where:
(1) an employee transfers to a new employer
within three months of their employment
terminating with their old employer, and (2)
when the employee performs the same or
similar work for the new employer as they
did for their old employer, and (3) where the
old employer transfers assets or outsources
work to the new employer, or undertakes
certain corporate restructuring activities such as movements to associated entities. So, wherever these conditions exist—three months, the same work, a transfer, as I have outlined—the default rule is that the transferring employee's existing workplace instrument, the essential terms and conditions of employment, will transfer with them to their new employer.

Importantly, Fair Work Australia has broad powers to ensure that these rules operate fairly to both the transferring employee and to the new employer. The reforms in this bill simply mean that the Commonwealth will establish, for the first time, a nationally consistent set of transfer-of-business protections for public sector employees when they transfer to a national system employer. The Commonwealth does not have power to regulate transfer of business within state public sectors and within state industrial systems. However, we can regulate, and we should regulate, national system employers and employees, and this bill will ensure that, for employees from some of the states who currently do not enjoy the same protections as other states, those employees transitioning into the national system from a state government, as a result of a transfer of business, retain the benefit of their existing terms and conditions in awards and agreements.

This bill does this by the following: providing for the transfer of employees' terms and conditions of employment from the old public sector employer to a national system employer where there is a connection between the two employers. This bill does this by preserving the transferring employee's existing terms and conditions of employment, whether those terms are reflected in the relevant state award or agreement, by the creation of a federal instrument containing those terms and conditions and recognising service and certain accrued entitlements such as annual leave. This bill will do so by providing for the interaction between the transferring terms and conditions of employment and the Fair Work Act, including the National Employment Standards, and other necessary transitional and technical provisions to make life simpler for employers and employees. Also, it will enable Fair Work Australia to resolve issues that might arise as a result of terms and conditions transferring.

There are a range of things that Fair Work Australia can do to help the new employer. In consulting on this bill, I have been asked, 'What happens to the employer who takes on the former public sector staff?' Just like they can do now, Fair Work Australia can make a range of orders to modify the general effect of the transfer-of-business rules, where appropriate—for example, varying transferring terms and conditions instruments to enable them to operate in a way that is better aligned to the working arrangements of the new employer's enterprise. They can modify the general effect of the transfer-of-business rules to remove terms that are not capable of meaningful operation, such as in the new employer's business. Fair Work Australia can remove terms that are ambiguous or uncertain and change the coverage and application of transferring terms and conditions, if that is required.

When exercising these powers, the independent umpire, Fair Work Australia, is required and will be required under this bill to take into account factors including impacts on productivity for the new employer, and business synergy, as well as the impact on relevant employees, in the public interest. Now, of course, employers and transferring employees are also encouraged to bargain for new enterprise agreements that are appropriate to their enterprise. Where an enterprise agreement is
made, it will permanently replace any transfer instruments at the employer's enterprise.

The transfer-of-business provisions that already exist are merely being extended to an extra group of Australian employees who are entering the national system. The evidence from the existing system we seek to extend is that the transfer-of-business provisions deliver a balanced framework that provides both fairness and flexibility to employees and employers. The recent post-implementation review into the operation of the Fair Work Act, which the government publicly released on 2 August this year, had the following things to say about the transfer-of-business rules:

The Panel considers there is a clear need to protect employees in a transfer of business situations. The alternative is to allow employees to be exploited by the structuring of businesses and contracting arrangements. On the basis of stakeholder submissions, academic advice at face-to-face consultations, analysis of cases under the provisions and an examination of the provisions themselves, the broader legislative definition succeeds in providing better protections for employees than the previous arrangements did.

The review further stated that the scope within the transfer-of-business framework 'for employers to determine the appropriate outcome for their business on application to Fair Work Australia provides significant flexibility'.

One claim that has been made is that the bill will discourage new employers from employing former state employees. This claim was bandied around, but with little evidence to support it. The claim is that the transfer-of-business provisions are some kind of barrier for new employers to hire transferring employees. As I said earlier, this issue was considered in some detail in the recent review of the Fair Work Act. It was argued that the transfer-of-business provisions reduced the employment prospects of workers. Indeed, the member for Kennedy raised this in discussions with me. However, let me assure him and others who are concerned about this that, after reviewing all of the evidence put forward, the Fair Work Act review panel was not convinced that the provisions have had that negative impact. In other words, the panel tasked with examining the functioning of the existing rules, which we are now extending to a new group, said that they were not convinced that the provisions would have that negative impact. To the contrary, the panel concluded that the evidence suggested that the existing transfer-of-business arrangements deliver a balanced framework that delivers flexibility and fairness to both employees and employers.

The government's policy in relation to the transfer-of-business provisions in the Fair Work Act has been consistently clear—that is, employees should be able to retain the benefit of their terms and conditions of employment and their entitlements where their employer changes but the work they perform stays the same. This bill maintains that policy and extends it to certain former state public sector employees to ensure that their terms and conditions of employment are protected where a transfer of business occurs between a state public sector employer and a national system employer.

In conclusion, this bill reflects existing concepts and protections in existing workplace relations legislation that already apply to national state system employees, including a large number of public servants. It is based on a policy of ensuring nationally consistent workplace relations laws in the area of the transfer of business, which in turn is based on ensuring protections for employees whose jobs are outsourced where they end up doing the same job for a different employer.
State governments criticise the bill because they want to take the low road to budget cuts by sacking hardworking public servants and taking the low road on cutting workers conditions. This Gillard government respects the work of Australia’s public servants, regardless of the jurisdiction in which they work. We know how important our public sector workers are to the sort of society this nation aspires to be. The simple proposition with this bill is that we do not consider that public servants in some states should have less protection, when they come into the national system as a result of the transfer of business, than those from other jurisdictions.

I commend the bill to the House.

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

The House divided. [12:09]

(The Speaker—Ms Anna Burke)

Ayes..............................64
Noes..............................64
Majority.........................0

AYES

Perrett, GD
Ripoll, BF
Rowland, MA
Radd, KM
Shorten, WR
Swan, WM
Thomson, CR
Vamvakinou, M
Windsor, AHC

NOES

Alexander, JG
Andrews, KL
Billson, BF
Bishop, JI
Broadbent, RE
Chester, D
Ciobo, SM
Coulton, M (teller)
Entsch, WG
Frydenberg, JA
Gash, J
Hartsuyker, L
Hockey, JB
Irons, SJ
Jones, ET
Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
Oakeshott, RJM
O’Dwyer, KM
Pyne, CM
Randall, DJ
Roy, WB
Scott, BC
Simpkins, LXL
Smith, ADH
Stone, SN
Truss, WE
Turnbull, MB
Vasta, RX

AYES

Plibersek, TJ
Rishworth, AL
Roxon, NL
Saffin, JA
Smyth, L
Symon, MS
Thomson, KJ
Wilkie, AD
Zappia, A

NOES

Andrews, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Buchholz, S
Christensen, GR
Cobb, JK
Dutton, PC
Fletcher, PW
Gambaro, T
Griggs, NL
Hawke, AG
Hunt, GA
Jensen, DG
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Neville, PC
O’Dowd, KD
Prentice, J
Ramsey, RE
Robb, AJ
Ruddock, PM
Secker, PD (teller)
Slipper, PN
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Wyatt, KG

PAIRS

Clare, JD
Ferguson, LDT
Gillard, JE
Grierson, SJ
Kelly, MJ

Clare, JD
Ferguson, LDT
Gillard, JE
Grierson, SJ
Kelly, MJ

Forrest, JA
Haase, BW
Abbott, AJ
Somlyay, AM
Schultz, AJ
The numbers for the ayes and noes being equal, Madam Speaker gave her casting vote with the ayes.

Question agreed to.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (12:17): Madam Speaker, because, inadvertently, someone has missed the division, I would ask that it be recommitted in accordance—

Opposition members interjecting—

Mr ALBANESE: You want to be careful!

The SPEAKER (12:18): Order! Leader of the House, I need to clarify: I gave my vote with the ayes to continue debate because we are on the second reading. So, if someone would like to move the motion, you do not need to recommit; you can have the vote after someone speaks further. It is like we are moving into consideration in detail of the bill. The question is that the bill be now read a second time.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (12:19): I appreciate the opportunity to cover off a few points in my summing up. On Friday, 21 September I announced that the government would introduce an amendment to the Fair Work Act to protect the entitlements of state public servants threatened by job cuts announced by state governments.

This is a federal Labor government that supports our public servants. It is a fact in Australia, under our transfer-of-business laws that, if you are in the private sector in the national workplace system and your work is outsourced, your terms and conditions transfer under certain circumstances. The private sector covered by the national laws is the vast bulk of workers in Australia.

There is a second group covered by transfer-of-business laws—that is, public sector workers who work for the governments of Victoria, the ACT, the Northern Territory or the Commonwealth. For all of these public sector workers, in the event that their work is outsourced their entitlements transfer under the existing instrument under which they are employed.

So we have the vast bulk of Australian workers, when their work is transferred to an employer in the national workplace relations system, covered by transfer-of-business laws. But what has caused consternation in recent times is the harsh slashing, cutting and burning by certain conservative state governments, ripping up the metaphorical Geneva convention of the existing terms and outsourcing them on inferior terms and conditions of employment.

It should always be remembered that public sector workers in Queensland and New South Wales in particular but also in South Australia and Tasmania have negotiated in good faith with their employers—the departments and the government entities—over many years. It is true to say that we do not believe that public sector workers in these four jurisdictions should have inferior rights when transferred to the national workplace relations system to those of the rest of the Australian workforce.

Furthermore, with this bill there have been some issues and concerns raised because we
are extending the national system. But the Fair Work Act review panel said that the existing laws covering the bulk of Australian workers are working well. This is a government that will not leave public sector workers stranded because of the tough slashing-and-cutting attitudes of state governments, which is I suspect a reflection on what the federal coalition would do if they were ever so fortunate as to form government. I commend the bill to the House.

The SPEAKER (12:26): The question is that the bill be agreed to.

The House divided. [12:26]

(The Speaker—Ms Anna Burke)

Ayes..........................65
Noes..........................64
Majority....................1

AYES

Thomson, KJ
Wilkie, AD
Zappia, A

NOES

Alexander, JG
Andrews, KL
Billson, BF
Bishop, JI
Broadbent, RE
Chester, D
Ciobo, SM
Coulton, M (teller)
Entsch, WG
Frydenberg, JA
Gash, J
Hartseyker, L
Hockey, JB
Iron, SJ
Jones, ET
Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
Oakeshott, RJM
O’Dwyer, KM
Pyne, CM
Randall, DJ
Roy, WB
Scott, BC
Simpkins, LXL
Smith, ADH
Stone, SN
Truss, WE
Turnbull, MB
Vasta, RX

Vamvakou, M
Windsor, AHC

AYES

Adams, DGH
Albanese, AN
Butler, MC
Cheeseman, DG
Clare, JD

NOES

Andrews, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Buchholz, S
Christensen, GR
Cobb, JK
Dutton, PC
Fletcher, PW
Gambaro, T
Griggs, NL
Hawke, AG
Hunt, GA
Jensen, DG
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Neville, PC
O’Dowd, KD
Prentice, J
Ramsey, RE
Robb, AJ
Ruddock, PM
Secker, PD (teller)
Slipper, PN
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Wray, KG

Question agreed to.

CHAMBER
Bill read a second time.

Third Reading

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (12:26): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

BUSINESS

Orders of the Day

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (12:30): I move:

That the following order of the day, private Members' business, be returned to the House for further consideration:

No. 15—Surf Lifesaving

Question agreed to.

Rearrangement

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (12:31): by leave—I move:

That so much of the standing and sessional orders be suspended as would prevent the following items of private Member's business being called on, and considered immediately:

Non-Government Schools—Order of the day No. 4

Newstart Payments—Order of the day No. 7

Surf Lifesaving—Order of the day No. 15

Question agreed to.

PRIVATE MEMBERS' BUSINESS

Education Funding

Debate resumed on the motion:

That this House rejects calls to reduce funding to non-government schools to 2003-04 levels that would put at risk the financial viability of many non-government schools and leave many students disadvantaged.

Mr BANDT (Melbourne) (12:32): I move:

That all words after “House” be omitted with a view to substituting the following words:

“calls on all parliamentarians to endorse the principles contained in the final report of the Gonski Review of Funding for Schooling.”

I am pleased that the member for Kooyong, whose electorate adjoins mine, has brought a motion before the House to allow us to debate the proper principles to be applied to funding for schools in this country. As the member for Kooyong flies back into Melbourne tonight and heads back into Melbourne down the Tullamarine Freeway and turns left into his electorate, he may see in my electorate some of the public housing dwellings that you see as you are coming in the car on the way into Melbourne. There are more public housing dwellings in my electorate than in any other electorate in the country.

One thing that the parents in those public housing dwellings will not be doing tomorrow morning is packing a cut lunch for their kids and sending them east down Victoria Street or down Studley Park Road into the electorate of the member for Kooyong to the private schools that they have there, because there is no way in the world that those parents would be able to afford the private school fees that you find in the schools in the electorate of Kooyong. What the parents in the public housing estates in my electorate will be doing is sending their kids to schools like Richmond West, to schools like Abbotsford Primary and, further in, to schools like Debney Meadows, to Mount Alexander College and to Collingwood College.

Those schools are doing a superb job with the limited resources that they have, thanks to the Howard government's funding model, to tackle disadvantage in their electorate.
They are doing everything they possibly can to make sure that the kids who are coming there from public housing dwellings, from other countries and from refugee and migrant backgrounds are lifted up to the standard of education that all people in this country would expect. But they are doing it without the resources that they are entitled to, and they are doing it without those resources because the funding model that was instituted by the former Howard government has gradually starved them of funds. And so the choices that they have to make are: do they put on a new Italian teacher or do they employ someone who is going to be able to provide the support needed for someone with disabilities or for someone who comes from a non-English-speaking background, to lift them up to that standard?

Unfortunately, this divide is growing if we maintain the existing school funding system. Parents in my electorate who perhaps come from more middle-class backgrounds are telling me that, especially when it comes to secondary schools, they are sending their kids out of the electorate of Melbourne and into electorates like Higgins and Kooyong, to secondary private schools that they have there, because they are concerned that the secondary schools in the electorate of Melbourne do not have enough money to teach their kids properly. To show what that is doing, and the concerns that have driven these parents, I will take, for example, the state electorate of Richmond, where we do not have a secondary school for boys thanks to the Kennett government having shut down the public school that we did have. That means that they are now looking further afield. They tell me, 'If we had good, well-funded secondary schools close to home, that is where we'd send our kids, and that is what we want to do'. What we find, in fact, is that this choice that people are exercising to send their children especially to secondary schools that are private secondary schools, is not in fact a genuine choice that they are making of their own free will; they are doing it because they have concerns—whether they are justified concerns or not—about the quality of education in public secondary schools. I have no problem with people who want to send their kids to private schools: of course they should be entitled to do so, but it should never be a forced choice. It should never be a choice that you make because you are concerned about the quality of education in public schools.

We have now been given a road map as to how we can address this very real disadvantage that exists and that will only continue to grow if we do not tackle the flaws in the Howard funding model. That blueprint came with Gonski. What the Gonski review has told us is that we need to tackle disadvantage, and that if we fund it somewhere in the order of $5 billion to $7 billion a year we can lift Australia up into the middle of the rankings when it comes to what OECD countries spend on schools.

Given that we have got this blueprint, we have not only a blueprint that has managed to get endorsement—or at least qualified endorsement—from across the sector but also a parliament where we have the opportunity to now make the changes to the education system and education funding that will deliver benefits for everyone right across this country.

I am very pleased that from the crossbenches we have had unanimous support for the Gonski principles. What we are saying as the Greens—and I think I speak on behalf of other members of the crossbench—is: let's get on with it. Let's use this opportunity that we have in this parliament to get on with it.

Opposition members: Show us the money!
Mr BANDT: There are interjections to say, 'Show us the money!' It is a very good interjection. I tell you what: I think that, if you asked most people in this country whether they would rather have the money go to the schools or to a surplus, they would tell you to put it into schools. We have a great opportunity now to deliver the funding that our public schools so desperately need. I urge all members of this place to support this amendment so that we can send a clear signal that we back the principles set out by Gonski, and so that we use the great opportunity of this parliament to redress educational disadvantage in this country once and for all.

The SPEAKER: Is the amendment seconded?

Mr Jenkins: I second the very well-structured amendment.

The SPEAKER: The original question was that the motion be agreed to. To this the honourable member for Melbourne has moved an amendment. The immediate question is that the amendment be agreed to.

The House divided [12:42]

(The Speaker—Ms Anna Burke)

Ayes.........................65
Noes.........................64
Majority.....................1

AYES

Husic, EN (teller)
Jones, SP
Livermore, KF
Macklin, JL
Melham, D
Murphy, JP
Oakeshott, RJM
O'Neil, DM
Parke, M
Pihlersek, TJ
Rishworth, AL
Roxon, NL
Saffin, JA
Smyth, L
Symon, MS
Thomson, KJ
Willie, AD
Zappia, A

Jenkins, HA
King, CF
Lyons, GR
McClelland, RB
Mitchell, RG
Neumann, SK
O'Connor, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Rowland, MA
Rudd, KM
Shorten, WR
Swan, WM
Thomson, CR
Vamvakakou, M
Windsor, AHC

NOES

Alexander, JG
Andrews, KL
Billson, BF
Bishop, Ji
Broadbent, RE
Chester, D
Ciobo, SM
Coulton, M (teller)
Entsch, WG
Frydenberg, JA
Gash, J
Hartsuyker, L
Hockey, JB
Irons, SJ
Jones, ET
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Neville, PC
O'Dwyer, KM
Pyne, CM
Randall, DJ
Roy, WB
Scott, BC
Simpkins, LXL
Smith, ADH
Stone, SN
Truss, WE
Turnbull, MB
Vasta, RX

Andrews, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Buchholz, S
Christensen, GR
Cobb, JK
Dutton, PC
Fletcher, PW
Gambor, T
Griggs, NL
Hawke, AG
Hunt, GA
Jensen, DG
Katter, RC
Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
O'Dowd, KD
Prentice, J
Ramsey, RE
Robb, AJ
Ruddock, PM
Seeker, PD (teller)
Slipper, PN
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Wyatt, KG
Clare, JD, Forrest, JA
Ferguson, LDT, Haase, BW
Gillard, JE, Abbott, AJ
Grierson, SJ, Somlyay, AM
Kelly, MJ, Schultz, AJ
Leigh, AK, Keenan, M
Marles, RD, Crook, AJ
Sidebottom, PS, Moylan, JE
Smith, SF, Robert, SR
Snowdon, WE, Washer, MJ

Surf Lifesaving

Debate resumed on the motion:

That this House:
(1) notes that with more than 150,000 members and 310 affiliated surf lifesaving clubs, Surf Lifesaving is the largest volunteer movement of its kind in Australia;
(2) recognises the outstanding contribution made to health and safety of beach goers by volunteer and professional surf lifesavers;
(3) highlights that the economic value to the Australian economy of Surf Lifesaving's coastal drowning and injury prevention efforts in 2009-10 was independently assessed to be $3.6 billion;
(4) supports the important role played by surf lifesaving clubs in developing young people's health, fitness and leadership skills through an extensive junior program; and
(5) acknowledges the Coalition's commitment to implement a $10 million fund if elected into government to:
   (a) assist clubs to purchase vital rescue equipment, first aid and medical supplies; and
   (b) extend the Beach Drowning Black Spot Reduction Program.

Mr FITZGIBBON (Hunter—Chief Government Whip) (12:47): I move:
That paragraph (5) be omitted.
I am honoured that the member for Scullin has agreed to second the amendment.

The SPEAKER: Is the amendment seconded?

Mr Jenkins: I will allow the government whip to take the call.

Ms Hall: I second the amendment.

Question agreed to.
Original question, as amended, agreed to.

Newstart Allowance

Debate resumed on the motion:

That this House:
(1) resolves that Newstart payments are too low and should increase by $50 per week; and
(2) calls on the Government to find an appropriate savings measure to fund this increase.

The SPEAKER (12:48): The question is that the motion moved by the member for Melbourne be agreed to.

A division having been called and the bells having been rung—

The SPEAKER: As there are fewer than five members on the side for the ayes, I declare the question negated in accordance with standing order 127. The names of those members who are in the minority will be recorded in the Votes and Proceedings.

Question negatived, Mr Bandt, Mr Wilkie, Mr Oakeshott and Mr Katter voting aye.

BUSINESS

Rearrangement

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (12:53):
I move:
That order of the day No. 4, government business, be postponed until a later hour this day. Question agreed to.
On the Personal Liability for Corporate Fault Reform Bill 2012, I speak on behalf of the shadow Treasurer and member for North Sydney. This bill is part of a process to introduce some sensible reforms to the laws imposing liability on a director for acts or omissions of their companies. Former Treasurer Costello began the hard work to implement reforms to this area of over-regulation. It was a coalition government that tried to bring some sensible reform to this area of Commonwealth law. The Corporations and Markets Advisory Committee reported to the then Treasurer back in September of 2006. The committee recommended a principled and consistent approach to personal liability across various jurisdictions. The committee summed up the concerns as follows:

The Advisory Committee is concerned about the practice in some statutes of treating directors or other corporate officers as personally liable for misconduct by their company unless they can make out a relevant defence. Provisions of this kind are objectionable in principle and unfairly discriminate against corporate personnel compared with the way in which other people are treated under the law.

That is the mischief that this bill is aimed at: situations of so-called derivative liability or positional liability that are imposed on a person for acts of the corporation because a person holds a particular position, regardless of their involvement in the company's contravention. Derivative liability or positional liability laws imposed on directors hinder productivity, as these types of laws encourage directors to make decisions that are excessively risk averse and to be overly cautious in their decision making, rather than having their focus on ways to improve productivity and competitiveness. A less common but unjustifiable approach to imposing personal liability on directors for corporate fault has been the practice of reversing the onus of proof. Whilst the states and territories have more laws on their books that reverse the onus of proof than does the Commonwealth, the Law Council of Australia, for one, has been advocating that the Commonwealth take the lead and remove all its legislation that reversed the onus of proof.

The bill will implement the COAG directors' liability reform. The COAG reforms aim to harmonise the imposition of personal criminal liability for corporate fault across Australian jurisdictions, remove regulatory burdens on directors and corporate officers that cannot be justified on public policy grounds, and minimise inconsistency between Australian jurisdictions. COAG agreed to a set of principles proposed by the Ministerial Council for Corporations, otherwise known as MINCO, for national adoption as the basis upon which personal liability for corporate fault should be imposed. The principles are:

1. Where a corporation contravenes a statutory requirement, the corporation should be held liable in the first instance.
2. Directors should not be liable for corporate fault as a matter of course or by blanket imposition of liability across an entire Act.
3. A "designated officer" approach to liability is not suitable for general application.
4. The imposition of personal criminal liability on a director for the misconduct of a corporation should be confined to situations where:
   a. there are compelling public policy reasons for doing so (e.g. in terms of the potential for
significant public harm that might be caused by
the particular corporate offending);

b. liability of the corporation is not likely on
its own to sufficiently promote compliance; and

c. it is reasonable in all the circumstances for
the director to be liable having regard to factors
including:

i. the obligation on the corporation, and in
turn the director, is clear;

ii. the director has the capacity to influence
the conduct of the corporation in relation to the
offending; and

iii. there are steps that a reasonable director
might take to ensure a corporation's compliance
with the legislative obligation.

As the parliamentary secretary outlined
during the introduction, the bill amends
various acts to remove personal criminal
liability for corporate fault where such
liability is not justified; to remove the burden
of proof on defendants to establish a defence
to a charge; to replace personal criminal
liability for corporate fault with civil liability
where a non-criminal penalty is more
appropriate; and, where personal criminal
liability is justified, to make clear the
circumstances where such liability would
apply.

While this bill is an improvement on the
status quo, it has not removed all provisions
that impose a reversed onus of proof. At this
month's hearing into the bill by the
Parliamentary Joint Committee on
Corporations and Financial Services, the
Law Council identified that section 8Y in the
Taxation Administration Act had not been
removed despite that provision imposing a
reversal of the onus of proof. Another recent
element of this approach to directors' liability is found in the area of executive
remuneration legislation. In his evidence to
the committee, the distinguished and
respected expert on corporate law Professor
Baxt identified a recent taxation provision
that he described as totally unacceptable
because it is a provision of strict liability that
reverses the onus of proof and imposes
liability on a director who has not been
appointed at the time of the relevant act or
omission. Professor Baxt was referring to a
provision that imposes liability for a
superannuation levy not on the directors who
were directors of the company at the time the
levy was collected but on any new director
who comes onto the board after the levy.
Professor Baxt believes that a provision of
this kind has not been copied into any other
democracy that adopts an English common
law system of legislation.

Given that the changes have been agreed
through the COAG process and are
supported by stakeholders as an
improvement to the status quo, the coalition
does not oppose the bill but urges the
government to re-examine its decision not to
remove provisions that reverse the onus of
proof and provisions that not only reverse the
onus of proof but also impose strict liability.
On behalf of the shadow Treasurer the
coalition will not be opposing this
legislation.

Mr NEUMANN (Blair) (13:00): I want
to commend the Parliamentary Secretary to
the Treasurer for the great work he has done.
He has been a real champion of reform in
these areas and work in relation to the Storm
inquiry when he was the chair of a
parliamentary committee. My friend the
member for Oxley has been a big advocate
for reform in these areas in the past and I am
pleased that in his current role he has
undertaken this work. The genesis of this
legislation came about in 2008 when the
Labor Party took an approach in the 2007
election that we would do this kind of good
work, which had been argued for for quite
some time. It came about through a COAG
process where they agreed to the reform of
personal criminal liability.
This bill is about the specific form of derivative liability. It is a situation where a director or a corporate officer could be found to be criminally liable for the acts of the corporation they serve. It may be the case that that person is found in those circumstances, where they may not have had particular intent or knowledge, and they had not acted recklessly in relation to the particular issue. What distinguishes this sort of liability is that they could be found liable simply because they are a director of a company that has committed the offence. The offence will continue to apply in relation to the company.

There are some amendments in relation to the Corporations Act, the Foreign Acquisitions and Takeovers Act, the Health Insurance Act and the Therapeutic Goods Act. To be very specific, these acts are amended to remove the imposition of personal criminal liability for corporate fault except where the director or officer knew of the offence, was involved in the offence or failed to take reasonable steps to prevent the offence, such as putting appropriate procedures in place to prevent the offence—in other words, acted recklessly—or if the harm that the offence causes is of a serious public interest nature, particularly in terms of the protection of public health and safety and the like, or if corporate penalties alone would be ineffective to prevent the conduct in question. This is particularly a pro-business and pro-economic approach. It also helps those businesses that are across jurisdictions.

I can recall my former lecturer in government at the University of Queensland a long time ago, Ken Wilshire, saying that these types of things, with the oddities and eccentricities of the federal jurisdiction that we have today, used to cause him sleeplessness at night. There is quite strange behaviour because of the way the Federation that we call Australia was created. So, this is a good approach. It means that we will have consistency across the length and breadth of the country. It is a very pro-business and pro-company reform. I commend it to the House and thank the member for Oxley for his great work in this area.

Mr RIPOLL (Oxley—Parliamentary Secretary to the Treasurer) (13:03): I thank those members on both sides of the chamber who have taken part in the debate on the Personal Liability for Corporate Fault Reform Bill 2012. The reform of directors' liability is one of an ambitious package of 27 deregulation reforms that this government has been progressing through the Council of Australian Governments National Partnership Agreement to Deliver a Seamless National Economy to improve regulatory performance. The directors' liability reform commits all jurisdictions to significant law reform in line with COAG endorsed principles that will establish a nationally consistent and principled approach to the imposition of personal criminal liability on directors and corporate officers for corporate fault. The bill delivers on the reform through a package of amendments that, when passed, will bring all Commonwealth laws into alignment with the COAG endorsed principles and guidelines for the imposition of directors' criminal liability for corporate fault.

Reforming personal criminal liability for corporate fault in Australia is a significant red-tape reduction that will benefit all Australian businesses. Personal liability on company directors and officers has developed in a piecemeal fashion over many years and successive Australian governments across all jurisdictions have passed laws imposing personal liability for corporate fault with differing standards of fault and responsibility. The vast majority of provisions imposing such liability were contained in state and territory legislation.
This has led to inconsistent laws and significant complexity and uncertainty for business. A consistent approach to applying personal liability for corporate fault by all jurisdictions will provide greater certainty for businesses that are subject to both Commonwealth and state or territory laws or that trade in multiple jurisdictions, thus helping to promote a seamless national economy.

Substantial work has also been undertaken by state and territory jurisdictions to deliver on this reform in line with their commitments under the national partnerships agreement. All jurisdictions are working to reform their laws to bring them into alignment with the COAG principles to achieve a more nationally consistent and principles based approach to directors' liability. This collaborative approach ensures that, when all jurisdictions have enacted legislation to meet commitments under the reform, there will be increased consistency in the imposition of personal criminal liability for corporate fault in Australia. Importantly, it will also substantially reduce the number of acts across all jurisdictions that impose this type of liability.

This bill implements the Australian government's commitments under the COAG National Partnership Agreement to Deliver a Seamless National Economy to reform personal criminal liability for corporate fault. This bill will significantly reduce the overall number of offences under Commonwealth law which hold a person criminally liable for the fault of a corporation. The passage of this bill will see the removal of several hundred offences across Commonwealth legislation. This will reduce the compliance burden on businesses without compromising the need to have corporate officers take due care in ensuring that their company complies with the law. It also ensures that under Commonwealth law, where a corporation has committed an offence, a person will not be found guilty of that same offence unless it is fair and reasonable to do so.

The COAG directors' liability reform is not just about reducing red tape or the number of regulations on the statute books; it is also about having smarter and more efficient regulation that achieves the right policy outcomes without creating unnecessary compliance burdens for companies. At the end of the day governments have an obligation to achieve a balance when it comes to deregulation reform to ensure effective and appropriate regulatory frameworks are in place to protect the integrity and confidence of the market. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

Mr RIPOLL (Oxley—Parliamentary Secretary to the Treasurer) (13:07): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Migration Amendment (Reform of Employer Sanctions) Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr MORRISON (Cook) (13:09): I rise to speak on the Migration Amendment (Reform of Employer Sanctions) Bill 2012 and indicate that the coalition will not be supporting this bill. The coalition will not support, on principle, a bill that seeks to impose unreasonable regulatory burden on Australian employers, the vast majority of whom are honest and law-abiding.

For five years Labor have mummified employers, tying them up with their never-
ending rolls of red tape. Labor have strangled productivity and stifled ingenuity of business—micro, small and large. Since 2008 more than 18,000 additional regulations have been created by the Rudd-Gillard governments. Labor made a promise when they were elected that they would introduce a one-in one-out scheme—the first broken promise, and sadly not the last. In 2008 Labor added 5,284 regulations and repealed just 33; in 2009 Labor added 7,329 regulations and repealed just 21; in 2010 Labor added 3,386 regulations and repealed just four; and in 2011, for the 2,797 regulations added by Labor, they repealed 28. In the space of just four years that amounts to more than 18,700 regulations in with just 86 taken out. Forget one-for-one: this government's legacy is 218 regulations for every single one that they have taken out. They are a government who have turned Australian businesses into compliance officers for the federal government as part of their regulation binge over the last four to five years.

It is a tough time to be running a business, as I know the shadow minister for small business sitting at the table, the member for Dunkley, understands better than anyone in this place. Retailers are struggling. Confidence is low. People are having to find room in their budgets to pay for increased electricity bills courtesy of this government's carbon tax—the carbon tax which was never going to be introduced under a government this Prime Minister said she would lead. Resources and mining companies are facing critical decisions about future investments in the pipeline, having now been subject to a tax on mining that drove a wedge into sovereign risk investment in their sector and yet has failed to raise a dollar for the government in revenue. The mining tax has proved to be the flightless bird of taxation, and it has not gotten lift off. The only thing it has lifted off has been an increase in sovereign risk for those seeking to operate in the mining sector. Doing business is tough enough as it is, let alone doing business under Labor, and having to run the gauntlet of an overexpanding maze of red tape does not make that any easier. Labor's approach to regulation is not making people jump through a few well-placed hoops; they are sending business men and women on a steeplechase of regulation that seems to have no end.

Of course the exploitation of foreign workers is a serious issue—there can be no argument there. An immigration program must be robust and fair. The coalition has always maintained that compliance is critical to ensuring the integrity of our migration streams and to protect Australian jobs and industries. If the government want to understand why Australians have lost confidence in Australia's immigration program, they need look no further—not through increased regulation on business on foreign workers; they should be looking at their failure on our borders. And today I note that more people have arrived by boat in 2012 than turned up under the entire period of the Howard government—extraordinary failure. No wonder people have lost confidence in this government's ability to manage a migration program.

But the debate today is not about the need for compliance. Today this government is asking for more red tape to hang on business. This debate is about Labor's habit of slapping employers with ever-expanding tomes of regulation in place of finding real solutions or providing real governance through better risk management strategies and through better use of the powers they already have rather than seeking to ease their consciences for their own failures by just slapping more regulations and more laws through this parliament.
Labor's insatiable appetite for more regulation on business should not be dressed up as getting tough on immigration. A crackdown on illegal workers should not come at the expense of, in Minister Bowen's very own words, 'the vast majority of Australian employers who do the right thing and are reputable and law-abiding businesses'. A risk management response should differentiate and deliberately target those who intentionally set out to exploit others rather than overloading all employers with an expensive and excessively regulatory burden. The coalition will not support heavy-handed regulation across the board, and that is why we will not support this bill.

That is the key difference between the coalition and this government. Time and again this government fails to understand, let alone address, the challenges facing the Australian economy. Time and again, Australian taxpayers, Australian employers and Australian small businesses pay the price for Labor's wilful mismanagement. They pay for it in the taxes that this government seeks to impose upon them. They saw it most recently in MYEFO. They see it in the levies the government imposes on them in terms of self-managed super. They see it every single day in the time robbed from them to run their businesses, time they could have used to come up with the innovative products and ideas to determine and secure new markets which would grow their businesses and create jobs. That is what this over-regulation does—it robs them of their revenue in robbing them of their time.

Time is precious to anyone running a business, particularly a small business. Time spent filling out paperwork for this federal government, which has an unending appetite for it, could be better spent by these businesses doing what they do best, doing what they love and doing what they want to do—the reason they put their houses and their financial futures on the line. They do not run businesses to keep this government happy with paperwork; they do it to create a better future for themselves, their families, their communities and our economy. It is businesses that create jobs. It is not governments—although, with more regulation, they have to employ people to receive the bits of paper from businesses and endlessly collate them. At the end of the day, this paperwork offers very little in terms of making a difference to the economy.

A risk management response should differentiate and deliberately target those who set out to exploit others. Time and again, the Australian taxpayer will have to pay this bill. Businesses should not be made to do the government's work for them or be squeezed to make up the difference in terms of the $120 billion budget black hole that Labor have because their accounting went wrong. Frankly, the government do not understand the underlying challenges for the Australian economy. They just don't get it.

All Labor has done is make it harder for businesses and employers to keep their doors open. We are facing a significant productivity challenge in this country that the government has shown itself incapable of responding to. This was an issue it made much of prior to 2007 but has delivered nothing on in its time in government. In the past five years, under this government, our productivity performance has plummeted. Multifactor productivity dropped 4.2 per cent over the five years from July 2007, driven largely by a fall in capital productivity. This has a direct correlation with regulatory burdens, which chew up time and money.

A recent McKinsey study showed that, of the $200 billion increase in national income between 2005 and 2011, some 90 per cent was due to the improvement in the terms of trade and capital investment. There was an
11 per cent decline in our productivity that actually took away, stole, from our national income. The balance of the 20 per cent make-up to achieve that increase in national income was delivered by increases in the size of the workforce, particularly through a growth in the Migration Program and through an increase in workforce participation. So this government has not delivered on the productivity improvements that it said it would prior to 2007. That should come as no surprise. I am at a loss to understand what they have delivered on since that time.

Australians go into business because they believe they have something to offer. They have a vision and an idea. They go to work to do a job, not to do paperwork. According to the Productivity Commission, real GDP growth has averaged 3½ per cent over the last 35 years, with labour productivity accounting for 1.7 per cent or more than half of this growth; population accounting for 1.4 per cent; and participation, for just 0.4 per cent.

The key is to focus on reforms that are achievable and practical. One key aspect of reform highlighted by both the coalition and the Productivity Commission to improve our productivity is to remove unnecessary regulation. The Productivity Commission estimates that a 20 per cent cut in compliance costs can add 0.8 per cent to GDP growth. In dollar terms, they estimate the value gained by cutting red tape could be as much as $12 billion a year.

Over-regulation is killing business innovation across the board. It is crowding out the most important activity a business can undertake—developing the new products, services and markets that will fuel future growth and employment, and looking after its customers. We should be reducing business compliance costs and stripping back unnecessary regulation, not adding more.

The coalition will allow businesses to be businesses again if we are elected at the next election, rather than continuing to be compliance officers like this regulation-hungry government. Businesses and employers understand the cost of unnecessary complexity and regulation, including in our migration programs, and especially in the critical areas of skills, labour and business migration. Sadly, the government does not—nor will it listen to the concerns of those who experience this firsthand. Australian entrepreneurs and companies have told the Coalition Deregulation Taskforce that the cost of doing business in Australia is now anywhere between 20 and 40 per cent higher than it is for doing business with our major international competitors. For that reason, many businesses, especially in the manufacturing sector, have moved their operations offshore, to countries that are more competitive. According to the Business Council of Australia, when compared with the United States, resource projects are about 40 per cent more expensive to run in Australia, Australian airports are 90 per cent more costly to build and Australian hospitals cost 62 per cent more. The government's answer to everything is to hit the panic button and invent extra regulations to try and compensate for their own incompetence.

The National Red Tape Survey released this month by the Australian Chamber of Commerce and Industry found almost three-quarters of the 870 businesses surveyed are spending more time on regulation than they were two years ago. It found that 44 per cent of businesses are having to spend between one and five hours a week complying with government regulations—filling out forms, applying for permits, and reporting business activity at a local, state or federal level. It
found that one in three businesses is spending more than five hours a week on regulation. That is five hours locked up in the office, off the shop or factory floor each week, which works out to be around 30 working days each year—30 days taken up just with paperwork and compliance. And I am sure that for many it is a lot worse than that. Eleven per cent of those surveyed spent more than 20 hours a week on regulation. That is more than half the working week every week.

Not surprisingly, it is costing more, too, with 73 per cent of businesses reporting that their overall cost of compliance had gone up in the last two years; 42 per cent of businesses estimating that they had spent more than $10,000 on compliance with regulation; 80 businesses spending between $50,000 and $100,000; and an astounding 60 businesses spending in excess of $100,000. Around 60 per cent of businesses said that red tape had a moderate to major impact on their businesses, while 54 per cent flagged that the effort taken to comply with the regulations had prevented them from making changes to expand or grow their businesses.

The productivity revolution—I know that the government apply the word 'revolution' to anything that falls out of their heads—to anything that falls out of their heads—that needs to take place has to operate and occur within businesses. It is about how they manage themselves and how they operate themselves.

Mr Stephen Jones: Mr Deputy Speaker Adams, I rise on a point of order. This is a magnificent job application for the leadership of the opposition, but none of it is relevant to the legislation before the House.

The DEPUTY SPEAKER (Hon. DGH Adams): The honourable member will resume his seat.

Mr MORRISON: I note the point made by the member for Throsby. He clearly does not understand that increased regulation, which is the subject of this bill, is what is at issue. I do not know what talking points he is going to be speaking from when he next speaks; maybe he has got them mixed up again! He happens to get mixed up on many issues most of the time, but if he wants to listen a little more than he speaks he might understand a few things about the impact of regulation on business, which I am sure that he as a former union official may have had some exposure to—if he spoke to employers rather than trying to extort them.

The Migration Amendment (Reform of Employer Sanctions) Bill 2012 before us today will only add further strain and will further stain this government's record when it comes to economic management. As thanks for having law-abiding businesses, honest employers will now have to cop a ridiculous regulatory burden to verify that their employees are, in fact, legal. The government have taken an unrealistic approach to managing risk within our immigration program and have failed to implement systems to help businesses manage that risk effectively. Because the government could not be bothered, they are going to contract this out and put the burden on business. This legislation is a case in point.

This is a government that does not understand business, big or small, and this is a government that cannot be trusted not to move the goalposts midway through an agreement or investment. There is mounting evidence that this government and this minister, held captive by the unions, are actively destroying Australia's skilled migration program, particularly in the area of temporary migration and, in that process, they are destroying Australian businesses.

Labor has undermined the confidence of foreign investors by changing the rules of
engagement without warning. The government's botched handling of skilled migration has been on display for the last six months—hopefully it will come to a resolution this week—through the enterprise migration agreements farce, which continues to this day. Six months ago, the minister went to the National Press Club and announced this grand new arrangement for the Roy Hill mine project in Western Australia. But announcements by this government mean very little. They think that once you have announced something—whether it is the Asian century or the National Disability Insurance Scheme—the job has been done. It does not matter what they announce; people want to see the program delivered. Having announced an enterprise migration agreement back in May for skilled migration, particularly temporary skilled migration, opportunities to ensure the viability of a project of that significance—which is bigger in today's dollars than the Snowy Mountains project—instead of following through and being able to confirm it in a matter of days or weeks, we saw the Prime Minister and the Minister for Employment and Workplace Relations dingo on that announcement on the same day, after their meetings with unions.

Six months later, the Roy Hill mine EMA is still not signed. There is still no deed. And this is happening when the coalition have supported the government; even when we support them, they still cannot get it right. I hope that the minister will be able to come to an agreement on the Roy Hill mine project. I hope that the government will come to that agreement this week. They have already failed to this point, through their delay, but if they fail to come to an agreement this week then they have failed absolutely.

It is against this track record of failure after comprehensive failure that the government have come into this place and sought permission from the parliament to impose upon businesses another regulatory burden. They are not asking for more money, as they were earlier in the week; they are asking for more regulation. Is it any wonder businesses do not trust this minister when he tells them that these sanctions 'should only be of concern to those employers who seek to circumvent the law'? These sanctions should be of concern to every employer whose business relies on being able to access overseas workers where Australians are not available to fill the jobs.

In their submission to the Department of Immigration and Citizenship, when the exposure draft of this bill was first released, the Australian Mines and Metals Association noted that these measures would 'impose disproportionate cost and inconvenience on resource industry employers, even though work by noncitizens has not been identified as a significant occurrence within the resource industry'. They went on to say:

Overall, it is imperative that the cost of doing business is balanced appropriately against the cost of ensuring compliance with migration laws. These bills do not strike that balance.

The Australian Hotels Association said in their response to the exposure draft that their concerns centred around what they saw as 'significant additional obligations on all businesses and all workers as an inefficient way of addressing a relatively small-scale and isolated problem'. AiG, the Australian Industry Group, described the proposal as 'heavy-handed and unnecessary'. They said that imposing strict liability offences on employers and labour suppliers will not deter the small minority of employers or labour suppliers who already knowingly abuse the law to engage cheap labour. They said:

Rather the proposed changes will impact the unintended targets, i.e. good employers and labour suppliers. It is unfair that these persons be...
subject to high regulatory burdens because of the illegal practices of a very small few. The Labor government has already imposed a significant burden on employers who hire overseas workers, including but not limited to the Migration Legislation Amendment (Worker Protection) Act 2008, which gave the Department of Immigration and Citizenship expanded powers to monitor, investigate and penalise employers for noncompliance as a sponsor. The department has existing laws to do the job that is needed to ensure compliance in relation to migration. Under that legislation, DIAC officers were given the investigative authority to conduct site visits, monitor workplaces and impose fines of up to $33,000. Furthermore, that legislation imposed a mandatory training requirement for 457 visa holders that effectively amounted to a two per cent payroll tax on those who engaged overseas workers in a temporary capacity.

This bill creates new, and broadens old, applications of criminal offences and civil penalty provisions on those who permit or refer an unlawful noncitizen to work in breach of their visa conditions. And it extends that liability to include executive officers of corporate bodies, partners or members of management committees of unincorporated associations. The current employer sanctions regime, introduced by the Howard government in 2007, already includes criminal offences for allowing or referring an unlawful citizen to work, or to work in breach of a visa condition restricting their work. When it comes to this government, and when it comes to Labor more generally, too much regulation is never enough when it comes to imposing a regulatory burden on small and large business alike.

In a report commissioned by the government, Mr Stephen Howells concluded that the provisions are: wholly ineffective as a deterrent against the small number of employers and labour suppliers who engage or refer non-citizens who do not have lawful permission to work or who work in breach of their visa conditions. He went on to say:
The Employer Sanctions provisions are also ineffective as an educational tool for recalcitrant employers and labour suppliers.

Those two statements are inherently contradictory. Based upon those assessments, it is difficult to see how this legislation will exert any more of an impact upon the very small group of offenders who knowingly flout existing laws in the face of existing penalties—but I bet you it will keep the unions happy. I suspect there will be a few cheers from the union movement in the lead-up to an election as this bill parades itself around the union boards and as they decide the level of donations that they will be applying to the Labor Party as they go into the next election. It will not be keeping business happy, but it will keep their union funders happy, that is for sure.

The number of breaches is acknowledged to be few; there have been even fewer convictions. So Labor's answer to cracking down on a very small minority is to force a greater regulatory burden on the majority of businesses who already do the right thing. Howells' report estimates that around 100,000 people might be working illegally in the country at any one time. These figures are speculative. But, in any case, even if we were to accept them, the nation's total workforce is over 11 million. We are talking about less than 0.9 per cent of the workforce.

Applying these new penalties and provisions to current as well as future employees will create a significant headache.
and impose an enormous regulatory burden on employers. The statutory defence provisions of this new bill would require any employer establish when any work is performed, they were shown a valid Australian passport, a valid birth certificate, a valid certificate of permanent residency or a valid visa permitting work. The combined effect of these recommendations would mean that any employer could be taking a risk if they do not check a passport, birth certificate or visa status of a person who presents themselves for work. The administrative impact of this measure alone is excessive. Furthermore, the processes involved in seeking that documentation are not only lengthy; they are inherently discriminatory. Employees will be required to share information about their age and place of birth, which could lead to discrimination against people who may be legitimate Australian citizens because of their racial identity or background.

The Australian Chamber of Commerce and Industry have flagged grave concerns about the draft legislation with the Australian Human Rights Commission and informed the government that if the bill were to be passed in its current form then they would be seeking exemptions under the federal and state discrimination acts to protect their ability to make requests for the evidence required under the Migration Act.

The existing regulatory regime and costs of compliance that the government has systematically built around the employment of foreign nationals is already onerous and the proposed changes will significantly increase the regulatory burden and increase the compliance cost on employers.

The explanatory memorandum alone is 105 pages long. More importantly, there has not been a compelling case put forward by the government to change these laws. Frankly, Australians do not have confidence in this government to run and administer policy. The episodes of failure are many to back up their lack of confidence. In sharp contrast, the coalition has proven economic credentials and a sterling record. The coalition has a six-point plan to improve productivity. We will strengthen the economy by lowering taxes and slashing red tape through more efficient government and more productive businesses, delivering more jobs, higher wages and better services for Australians. We have a proven policy and record of restoring order and integrity to Australia’s immigration program and, importantly, in reinstating public confidence in both the humanitarian and refugee program and skilled migration stream. Remember it was a coalition government that increased the percentage of our permanent intake from less than 30 per cent under Paul Keating to almost 70 per cent when we left office in 2007. That is our record of which we are duly proud. We were able to do that while doubling the permanent immigration intake and halving the level of concerns Australians had about immigration levels being too high. That is evidence of the confidence of the Australian people in an immigration program being run well. That confidence is no longer in existence today.

Those businesses which currently employ illegal workers are already breaking the law. They are obviously not dissuaded by the sanctions or fines already in place, so what is the point of creating more regulations for them to continue to flout? Drowning legitimate businesses under mountains of unnecessary paperwork is not going to help the department weed out dishonest operators. The coalition has always believed that immigration is a nation-building initiative. We maintain it will play a key role in the urgent productivity challenges Australia now faces. And the way to introduce integrity into
both processes is not through heavy-handed regulation but by better management under existing law. In immigration we can boost productivity by reducing the level of compliance and regulation that is strangling business. The coalition would do this through a genuine commitment to proper risk management and systems and policies to support such an approach. The coalition has the proven policy and the resolve to back it up. We mean what we say and we deliver on our word. We stick to our principles, which is why we refuse to support this bill today. It has been brought into this place, once again, to seek more regulation on top of the more taxes Labor continues to ask from the Australian community and to further increase the regulatory burden Labor is seeking to impose on employers. It is simply unreasonable and does not have our support.

Mr STEPHEN JONES (Throsby) (13:36): We need to act on this issue. Recent estimates put the number of unlawful noncitizens and lawful noncitizens working without permission in Australia at around 100,000. This is despite the fact that the Department of Immigration and Citizenship continues to have considerable success in locating illegal workers.

We have to tackle the continuing practice of allowing or referring unlawful noncitizens or lawful noncitizens without the required permission to work. It remains a serious issue for business because it provides those who are breaking the law with an unfair competitive advantage over those who obey the law.

If the opposition spokesperson is so concerned about the interests of businesses large and small, he might in his 25-minute tirade about everything except the provisions in the bill have had something to say about those businesses that are doing the right thing and are forced to compete on an unlevel playing field against those businesses that are not doing the right thing. So it is not only in the interests of businesses; it is also in the interests of employers.

What Mr Howells’ investigation into these provisions found was that there is a high correlation between the use and abuse of illegal workers and organised crime—not only the crime of wilfully and knowingly hiring illegal workers but also other criminal activities in the businesses where that occurs. So multiple levels of exploitation occur and that is why a review was conducted and this legislation was brought before the House.

If those opposite, including the opposition spokesperson, are as concerned as they say they are for the fair operations of business, they might have mentioned those issues in their 25-minute diatribe about everything except the provisions that are contained within this bill, the Migration Amendment (Reform of Employer Sanctions) Bill 2012. As I said earlier during my point of order, it had more resonance with a job application for another job for the opposition spokesman than it did with the provisions contained within the bill before the House this afternoon.

The purpose of the bill is to deal with the problem of noncitizens working without permission in Australia through the creation of effective laws to sanction persons who allow to work, or refer to a third person for work, those unlawful noncitizens, who do not have that permission. In particular, the bill amends the Migration Act to implement the government’s response to the aforementioned independent report by the legal expert Mr Stephen Howells entitled ‘Report of the 2010 Review of the Migration Amendment (Employer Sanctions) Act 2007’. These provisions have some background. In 1999 the former government commissioned a review that drew attention
to the problems and recommended a tiered sanctions regime. Some eight years later, in 2007, the Howard government introduced only part of the recommended regime—criminal sanctions.

Wind the clock forward to 2010, and we conducted a review of those provisions. That review, conducted by the eminent barrister Mr Stephen Howells, found that those criminal sanctions had been wholly ineffective as a deterrent to illegal work hire practices and that those measures had not provided a practical mechanism to instil in business an awareness of the need to comply. The Howells review recommended the implementation of a scheme with modifications originally recommended in 1999. So what we are bringing before this House are recommendations that were provided to the former government in 1999 and not acted upon. Perhaps if they had been acted upon, there might have been a more sufficient and effective deterrent regime which would not have led to the situation where we see in excess of 100,000 illegal workers in this country at any one point in time. The recommendations are that there be graduated tiers of education, warnings, infringement notices, non-fault civil penalties and criminal offences.

It is important to point out that, in complete contrast to the diatribe that we witnessed from the opposition spokesperson, the legislation does not create additional offences and an additional regulatory burden. What it does is ensure that businesses have all the information and education available to them so that they are fully informed of their rights and obligations. If they are found to be in breach of those obligations, they are then provided with warnings, infringement notices and non-fault civil penalties, and ultimately criminal penalties are available.

It is not unusual in the laws which regulate businesses and other organisations within this country that there are parallel civil penalties alongside criminal offences. For all sorts of reasons, parliaments and governments of all persuasions have seen the benefit and wisdom of creating parallel civil penalties for criminal offences. So the amendments in the bill will amend the criminal offences and create new non-fault civil penalty provisions for persons who either allow an unlawful noncitizen to work, refer an unlawful noncitizen to a third person for work—perhaps through a labour hire or other arrangement—allow an unlawful noncitizen to work in breach of a work related visa condition or refer an unlawful noncitizen to a third person in breach of a work related visa condition.

In order to address the illegal practices of sham contracting, informal labour hire and use of illegal workers by various entities within a conglomerate, the application of the criminal offences and civil penalty provisions will be broadened so that a person who participates in the chain of events that result in a noncitizen being allowed to work or being referred to work without the required permission can be held liable for contravening the work related offences and work related provisions. In addition, the bill will extend both criminal and civil liability in certain circumstances to effective officers of bodies corporate partners in a partnership and members of an unincorporated association's management committee. The bill will also introduce new investigation powers to allow authorised officers to gather evidence of suspected breaches of the work related offences and work related provisions.

The Department of Immigration and Citizenship will also put into place a revamped enforcement strategy to promote voluntary compliance. In particular, the department will use education and targeted
awareness campaigns to instruct on the correct processes to ensure a worker has a legal entitlement to work. They will have the capacity to issue administrative warning notices to employers and labour suppliers in the first instance. So we are moving from the heavy-handed civil or criminal action to facilitate voluntary compliance by issuing administrative warnings and avoid legal sanctions where possible. Finally, to facilitate—

The DEPUTY SPEAKER (Mr S Georganas): Order! The debate is interrupted in accordance with standing order 43. The debate may be resumed at a later hour. The member will have leave to continue speaking when the debate is resumed.

STATEMENTS BY MEMBERS

Casey Electorate: Ben's Shed

Mr TONY SMITH (Casey) (13:45): Last week I had the pleasure of visiting Ben's Shed in Yarra Junction. Ben's Shed, like many men's sheds across our community, operates on an informal basis throughout the week for a varied age group of local men who work together, talk together, support each other and in doing so contribute greatly to the local community. Ben's Shed is a fixture of the Yarra Junction community. As well as working on furniture and other woodworking products, they play an important role in teaching local schoolchildren throughout the Yarra Valley some of the craft that they perform. Schools including Gladysdale Primary School, Wesburn, Launching Place, Woori Yallock and Millwarra will visit this wonderful community facility on a regular basis.

I want to pay tribute to all of the locals who participate in Ben's Shed: the president, Richard Greenlees; the vice president, Bob Finch; the secretary, Rob Barber; the Treasurer, David Leslie; and all the other members I met last week when I was in Yarra Junction with my mobile office. It was great to drop in and see them. I had the pleasure—and I know the member for Dunkley will welcome this—of having lunch with them on hot dog day in Yarra Junction.

Navy Week

Mr LYONS (Bass) (13:46): I note in the gallery the magnificent primary school from Bass, Larmenier Catholic Primary School, and welcome them to the House. I recently had the good fortune to attend the Navy day celebrations along with my state Labor colleague the Attorney-General, Brian Wightman, at the George Town Max Harris memorial garden. This service was held at the end of Navy Week, a time to celebrate and commemorate the excellent work undertaken by the Royal Australian Navy. The Royal Australian Navy has a proud history of protecting Australia and its waters. Its vision is to be a navy with 'a worldwide reputation for excellence as a sea power, a well-equipped, professional team of highly motivated and qualified people serving Australia with honour, supported by a nation proud of its Navy'.

I was pleased to be included in the commemorative service celebrating Navy Week this year and would like to extend my thanks to the George Town subsection of the Naval Association of Australia for hosting the wreath-laying service. It was a great event with an excellent turnout on the day. I would particularly like to thank Alex McNeill, the president of the George Town subsection.

Banksia Securities

Ms LEY (Farrer) (13:48): I would like to offer my concern for a number of constituents in the Albury region who like many across the border in regional Victoria have been impacted by the collapse of
Banksia Securities. Some of these people stand to lose tens of thousands of dollars in savings or investments they presumed were deposited in something as safe as a bank. Today's Financial Review reports:

... Banksia looked and acted like a bank. The company sold debentures ... both for fixed terms and at call.

It was these 'at call deposits' which gave some the impression Banksia was indeed a bank, as it apparently offered an ability to withdraw money at any time.

I welcome the set-up of an ASIC task force to look at the collapse, but surely this could have been prevented. All legitimate banks—and I add smaller local credit unions and building societies to that list—are authorised deposit-taking institutions operating under the Banking Act and supervised by APRA. A release from my local branch of the WAW Credit Union sums this up:

This collapse has placed many individual and community investments at risk and the Government must reassess and enforce restrictions on the non-APRA-regulated sector to provide better transparency and protection for the Australian community.

I commend our local credit unions such as WAW and our local building societies such as the Hume Building Society for their commitment to our local community in Albury and the border region.

**State of the Music Scene Forum**

Mr STEPHEN JONES (Throsby) (13:49): This week a group of music enthusiasts gathered in Wollongong for the second annual State of the Music Scene Forum. It was organised by a friend and colleague of mine, Mr Rob Carr. Like many ageing rock fans, I have mourned the closure of many venues where I spent my youth watching live music and seeing mates kick-start their careers in music and entertainment—great local bands like the Unheard, Man Bites Dog and Tumbleweed. Visiting Australian rock bands like the Divinyls, the Oils and Cold Chisel was an important cultural part of growing up in the Illawarra.

I am a firm believer that a vibrant live music scene has the potential to transform the Illawarra region, which needs to attract knowledge-based workers and retain its young people when they finish school or university. It is quite simple: we need to provide quality entertainment options for our residents when they are not working or studying, or otherwise they will not stick around.

It is great to see that there are other people in the region who share this passion and who have started up a number of small venues for emerging artists. However, I feel that more needs to be done. I offer my support to those who are getting behind the State of the Music Scene Forum in the Illawarra to ensure we can create more venues for more live bands and more live music in the Illawarra. It is not only great for entertainment but good for the local economy too. These people have my wholehearted support.

**Godfrey, Mr Ron**

Mr IRONS (Swan) (13:51): I rise today to register my condolences for Belmont City Councillor and close friend, Glenys Godfrey, on the death of her husband, Ron Godfrey. Well known for his cheeky sense of humour, Ron was loved by the local community. As a bloke's bloke, Ron prided himself on being a cheery local larrikin with a heart of gold. Ron grew up in Kalgoorlie, one of Western Australia's iconic mining towns. Ron and Glenys have lived in Redcliffe in my electorate of Swan for over 20 years and have been well known as passionate and active members of the local community. Ron
loved horse racing—that is where he and Glenys met—and was a member of the Victoria Park Bowls Club. Ron was a dedicated family man. He was a husband, father, step-father, grandfather and great-grandfather. His passions kept him busy but he was always hugely supportive of Glenys.

During his funeral ceremony, the mention of the West Coast Eagles came up. Ron was a strong supporter of the West Coast Eagles. They say that behind every good man is a good woman. Well, Ron was the good man behind the good woman Glenys. His daughter was amazed that she eventually was able to get Ron to wear an apron while he was cooking—so good on you, Glenys. Ron was also famous for loving a schooner and a beer.

Despite his long struggle with illness, Ron stayed resilient throughout. With his sense of humour and love for his family, Ron kept up his strength until his last moments. Ron passed away peacefully on 13 October 2012. Ron will be dearly missed, but not forgotten, by all who knew him.

**International Brain Tumour Awareness Week**

Ms O'NEILL (Robertson) (13:52): I rise to note in this place that this week is International Brain Tumour Awareness Week. It runs from 28 October all the way through to 3 November. People who are interested in becoming more aware about brain tumours and the challenges that are facing research in that area can go to the website www.btaa.org.au for the Brain Tumour Alliance Australia. You could Google search that and find it as well.

In the parliament, this is the third year that members have been provided with a grey ribbon to help us highlight this issue. In the Senate, Senator Catryna Bilyk and Senator Scott Ryan have been very active in attempting to raise awareness not only here in the parliament but throughout the nation, through our electorates and more broadly.

Brain tumours are the highest cause of disease related deaths in children under 16, second only to accidental drownings for causes of death, and they are the highest cause of cancer related death in females under 40 and males under 44. From 2006 to 2010, people with a brain tumour had just a 22 per cent chance of surviving for at least five years. Between 1982 and 2007, mortality trends really have showed very little change.

I put this on the record and note that my own brother passed earlier this year of a brain tumour, aged 41. Sean Patrick O'Neill, rest in peace.

**National Stroke Foundation**

Mr BUCHHOLZ (Wright) (13:54): This week in the parliament I had the opportunity to be present at a function hosted by the National Stroke Foundation. The National Stroke Foundation's objectives were to raise awareness about stroke victims in our community. One of the things I learned is that they do not like being called stroke victims. They are stroke survivors and they are proud survivors.

Present with that group were some people from my electorate up in Queensland, the electorate of Wright, Brian and Wendy Harris. It is a devastating, crippling disease. He was healthy and active, coached a young soccer side and had no early symptoms. He went to bed one night and in the middle of the night he had three seizures, and from that moment onward he has suffered the symptoms of stroke, with the loss of feeling and movement in one arm and down one side. Could you imagine the impact that that has on a family with no early diagnosis?

Stroke does not just reach out and touch the elderly. Brian lives his life and is in his mid- to late-50s. There is also evidence that
there are stroke victims as young as 24 years old, like Emma Gee. She said: 'I was offered anti-depressants initially, but I didn't like to take them.' She said:

Life is full of meaning now which once it lacked. So, please, I encourage those who are interested to learn more about stroke victims, or stroke survivors, to contact www.strokefoundation.com.au, and I commend them.

**Flinders Island**

**Mr LYONS** (Bass) (13:55): On Friday, 19 October I had the pleasure of attending the Flinders Island Show. I met some scouts, and I know that the scouts have just been given a volunteer grant of $4,000 to assist them with a trailer and barbecue. I congratulate the Flinders Island Show committee, the Lions Club, the show stewards, the bar staff and the catering volunteers, as well as the Flinders Island Council for their support of this annual event. What a great show Flinders Island people put on. It was a great event.

One example of how important this was for the community is Aunty Phyllis, who is well known and well loved on the island. Phyllis has been a committed mentor for young Aboriginal people. She has been involved as an elder and mentor in meenah mienne—‘my dream’—an arts based pilot project for Aboriginal youth in the youth justice system, and she visits and mentors Aboriginal people at the Ashley Youth Detention Centre.

Phyllis has worked tirelessly for the Tasmanian community throughout the mainland in youth justice, housing, family violence, Aboriginal wellbeing and Aboriginal women's health. She is highly regarded as a passionate advocate for the Aboriginal people of Tasmania, their identity, culture and traditions.

Finally, I offer my congratulations to Gillian Woods, the recipient of the Flinders Island citizenship award for her hard work in the community. Gillian was nominated by community members in recognition of her ongoing support and fundraising efforts for the Royal Flying Doctor Service and the Cancer Council.

**Forde Electorate: Local Organisations**

**Mr VAN MANEN** (Forde) (13:57): I rise to give praise to a number of local organisations in our electorate. Firstly, I would like to recognise the efforts of the Logan City Council for winning both the Inclusive and Connected Communities Award and the Design, Development and Management Award for Parks at the Queensland Parks and Leisure Australia awards last month. The awards were received in recognition of the council’s work on recreational trails throughout Logan City and particularly for their work restoring Tygum Lagoon. Logan City Council work diligently to lift the community of Logan, a community that often receives negative feedback from outsiders, but let me tell you that Logan is full of positive stories, and I really enjoy being able to share them in this place.

On that note, one of our local schools, St Joseph's Tobruk Memorial School, has recently taken out the state title in the Wakakirri story-dance festival in only their second year of taking part. The cowboy-themed performance involved 39 students from years 4 to 7, and the school now plans to compete for the national title. I wish them all the best in that endeavour.

It would not be possible to hear all these great stories from our community without the support and encouragement of our local community newspapers, which do a fantastic job in both promoting local issues and pressing for solutions to them. I
acknowledge the editor of *Albert and Logan News*, Lesley Hunter-Nolan, who recently won an award at the Quest newspapers awards for editorial coverage, and her colleague Judith Maizey. I wish them all the best for the future.

**New Chinese Language and Culture School**

Mr SYMON (Deakin) (13:58): On Sunday, 16 September I had the honour of attending the New Chinese Language and Culture School’s 20th anniversary celebrations, which were held at the Preston Town Hall. The celebration was attended by the Deputy Consul-General of the Consulate-General of the People’s Republic of China, the Consul of Overseas Chinese Affairs and Mr Jun Ye, the Principal of the New Chinese Language and Culture School. The town hall was full of parents, teachers and especially the students, who put on a great show for the assembled audience, with traditional and modern singing and dancing.

In 2007 I attended the 15th anniversary of the Chinese Culture School, as it was then known, at the Balwyn High School, and it is very pleasing to see the growth of the school that has occurred in the last five years. The school now operates from six different campuses after hours at secondary schools around Melbourne, including two in my electorate of Deakin, those being Blackburn High School and Ringwood Secondary College. With over 2,500 students, the New Chinese Language and Culture School is a great resource for Australia to help our students both current and future to expand their knowledge of and understanding of the language of our biggest trading partner, as we stake our future in the Asian century.

The SPEAKER: It being 2 pm, the debate is interrupted.

**STATEMENTS ON INDULGENCE**

Keighran, Corporal Daniel Alan, VC

Ms GILLARD (Lalor—Prime Minister) (14:00): On indulgence, the House will now be aware that this is a very special day for our nation. This morning I, along with a number of members of parliament, including the Leader of the Opposition, attended Government House to witness the award of a Victoria Cross to Corporal Daniel Keighran. In Afghanistan, Australia has seen moments of great sorrow and great courage. On 24 August 2010, in a single engagement we saw both. That day, our troops were patrolling with soldiers of the 4th Brigade Afghan National Army at the village of Derapet in Uruzgan province. Our patrol was attacked from three separate locations at once by a numerically superior enemy. It was vital that Australian and Afghan forces could direct their fire accurately against these enemy positions. Corporal Keighran and another member of the patrol moved to an exposed ridge line to identify the enemy and to direct our fire. Corporal Keighran then deliberately drew enemy fire, pushing forward over the ridge line to identify targets for our gunners and he exposed himself to enemy fire again when he came back to the crest to direct the fire of our light armoured vehicles. He helped turn the fight in our favour.

The fighting brought an Australian casualty. Corporal Keighran risked his life, drew enemy fire away from the team treating his Australian mate and then helped clear the landing zone for his mate’s evacuation—that was Lance Corporal Jared MacKinney. 24 August 2010 was a day of sorrow. Lance Corporal Jared MacKinney was killed on that day. We remember him. And it was a day of honour. Corporal Daniel Keighran earned the Victoria Cross. We honour him and we honour the four other Australians
who have been decorated for their acts on that day.

Some Australians in Afghanistan have performed truly astonishing acts of individual courage and they will be remembered for ever— Corporal Mark Donaldson VC, Corporal Ben Roberts-Smith VC and now Corporal Daniel Keighran VC. Today we pay tribute to their exceptional and extreme acts in the presence of the enemy. Today we should also pay tribute to the quiet courage of every Australian who deploys. Whether they are the ground crew who serve the airfield at Tarin Kot, the workshop supervisors who train the Afghans and manage our equipment, the headquarters staff who plan transition, the development advisers who walk the villages of the south to help the Afghan people, the devotion to their duty is incredible. Their presence among us is one of the privileges of our generation. We are lucky to have them all and we should be proud they are Australians.

Honourable members: Hear, hear!

Mr ABBOTT (Warringah—Leader of the Opposition) (14:03): On indulgence, I rise to support the eloquent words of the Prime Minister. Normally we rise in this place to commemorate a fallen warrior. Today we rise to acknowledge an Australian soldier who is, magnificently, alive. Corporal Dan Keighran has been awarded the Victoria Cross for consistent and conspicuous gallantry, putting himself at risk for his mates as a section commander with the 6th Battalion Royal Australian Regiment. The Derapet engagement had its share of tragedy as well as its success. As we honour Daniel Keighran, we grieve for Jared MacKinney.

This is the first Victoria Cross for Australia to be awarded to a member of the Royal Australian Regiment. It is a fitting tribute to the gallantry of this unit, especially the 6th Battalion Royal Australian Regiment, which has not always had the recognition it deserves. Daniel Keighran joins a remarkable elite, the best of the best, the bravest of the brave and we salute him in this House.

Honourable members: Hear, hear!

Mr STEPHEN SMITH (Perth—Minister for Defence and Deputy Leader of the House) (14:04): On indulgence, I rise to associate myself with the remarks of the Prime Minister and the Leader of the Opposition. This is a great day for our nation, it is a great day for the Australian Defence Force, it is a great day for Corporal Daniel Keighran, his wife Katherine and his family. As members would be aware, the Victoria Cross for Australia is our highest award for bravery and it rightly takes precedence over all other Australian awards. The first Victoria Cross for Australia was awarded in January 2009 to then Trooper now Corporal Mark Donaldson. The second was awarded to Corporal Ben Roberts-Smith in January 2011 and today we see the award to Corporal Daniel Keighran.

If I could indicate, by way of an aside, as the member for Perth and as Minister for Defence from Western Australia join with the local member and say how proud I am that of the three Victoria Crosses for Australia all three have a Western Australian association—Trooper Donaldson from SAS in Swanbourne, Ben Roberts-Smith from a well-known Western Australian family and now Corporal Daniel Keighran who now lives and works in the great regional centre of Kalgoorlie-Boulder.

The Victoria Cross for Australia bears two simple words— ‘For Valour’. Like Trooper Donaldson and Corporal Roberts-Smith, Corporal Daniel Keighran has shown us what is meant by that phrase. His acts of conspicuous gallantry, devotion to duty and disregard for his own safety in the face of the
enemy show us why the Victoria Cross is awarded in recognition of only the most exceptional courage.

Corporal Daniel Keighran VC now serves, now and for all time, as a reminder that young Australians are capable of extraordinary acts of valour—capable of a standard of courage, of audacity, of single-minded determination to help and to protect others in the finest traditions of the Australian Defence Force. His actions underscore that, underscore the willingness of members of the ADF to place duty above all else, and highlight the sacrifice which members of the ADF are willing to make. Today Corporal Daniel Keighran VC has made all Australians proud. He has made our nation proud. Our nation, our people and our parliament salute him.

Mr ROBERT (Fadden) (14:07): I join the Prime Minister, the Leader of the Opposition and the Minister for Defence in acknowledging the courage and daring of Corporal Daniel Keighran VC. I was first informed of Corporal Keighran's VC two weeks ago whilst standing beside Minister Snowdon in the desert of North Africa. That both the government minister and opposition shadow minister for defence personnel were informed together speaks volumes of how this award of national significance is regarded. That we were both standing on the battlefield of El Alamein in North Africa at the time, where the 9th Division had played such a pivotal role and where two Australians, Sergeant William Kibby and Percy Gratwick, were both awarded VCs, was especially poignant.

Corporal Keighran, like those VCs from El Alamein and elsewhere, was not born a hero. They were ordinary Australian soldiers who, faced with the most daunting of circumstances, rose to extraordinary heights. They epitomise the finest traits of our national character: of mateship, endurance, sacrifice and courage—traits that our soldiers, sailors and air men and women display today wherever they serve, at home or overseas.

In chatting with the section mates of Corporal Keighran and his commanding officer during 6RAR's tour in Afghanistan, they speak in soft tones of the Battle of Derapet, not only for the loss of Corporal MacKinney but also in heaping universal praise upon Corporal Keighran's actions on that day. He is the first infantryman from a line battalion of the Royal Australian Regiment, in this case the 6th Battalion, to be awarded the coveted Victoria Cross whilst fighting with the battalion in combat operations. He displayed the Royal Australian Regiment motto aptly: 'Duty first.'
Ms GILLARD (Lalor—Prime Minister) (14:10): I thank the Leader of the Opposition for his question, and we end the week as we started it—with the opposition back on their campaign of fear, their mendacious claim to try and scare the Australian people about the impact of carbon pricing. All of these claims come from a leader of the opposition that brought you the statements that Whyalla would be wiped off the map, the coal industry would shut down and roasts would cost $100.

To the Leader of the Opposition: he ought not to verbal the Treasurer; the Treasurer yesterday went through a number of factors which, in combination, bring us economic growth. Put simply, we have to be ready for the challenges of the future. We live in an era of remarkable change. We are in the area of the world that is changing the most. It is the area of the world undergoing a profound transformation which, in its size and scale and speed, leaves the industrial revolution in its wake.

When you are living in an era of change, you can either decide to be ready for that change or sit and do nothing—or, even worse, pine for the past and not be ready for that change. Undoubtedly, one of the things that is changing in our world is that people are dealing with climate change and tackling carbon pollution. Provinces in China are, South Korea is and nations in our region are moving. And we have a choice for our economy: do we wait till the final moment and have a huge dislocation in our economy to try and catch it up to what will then be required by the world, or do we have the most efficient transformation possible at the lowest cost?

The Leader of the Opposition has endorsed a target of reducing carbon pollution by five per cent by 2020. That, supposedly, is bipartisan policy. You then ask yourself the question: if we are going to get there, does it pay to start now or leave it to 2019? Well, common sense tells you: the sooner you act, the easier the transition will be.

Then the other question you ask yourself is: what is the most efficient way of doing it? The Liberal Party, before it was led by this Leader of the Opposition, believed in a market mechanism to achieve that transition, as do we. The Liberal Party of Prime Minister John Howard believed that. It is truly to be regretted that this Leader of the Opposition has driven the Liberal Party into climate change denial and extremes, and that is what is represented by his question today.

**Australia's Future**

Ms SAFFIN (Page) (14:13): My question is to the Prime Minister. Prime Minister, how is the government getting on with the job of setting out a clear plan for Australia's future?

Ms GILLARD (Lalor—Prime Minister) (14:13): I thank the member for Page for her question. The member for Page, in asking her question, is showing, on behalf of her constituents, the common sense and the understanding that you will realise the best possible future if you plan for it rather than just having yourself or your nation drift into a future determined by others. Our nation is here, in contemporary times, and that means that we live in a tough and unpredictable world. We saw the consequences of it being a tough and unpredictable world with the global financial crisis.

And we got the judgement calls right—the government working with employers, working with trade unions and working with the Australian community. We got the judgement calls right to save jobs—200,000 of them—and to keep our country out of recession. That means we emerged strong and resilient from this time of real impact in the global economy, AAA credit rated, with...
low unemployment, inflation and interest rates, having cut taxes so that you can keep $18,200 before you pay a cent of tax.

But in a world that continues to change, in the scale, size and speed of the transformation we are living through in our region now, we have to keep planning for the future. That is why the government has delivered a clear plan for this nation's future. We did that on the weekend with the delivery of the white paper showing how Australia can be a winner in this century of economic growth and change in the region in which we live.

We have identified at the centre of that plan the need to make sure we win this economic race by winning the education race. The jobs of the future will be high-skilled jobs. Higher-skilled jobs can be higher-wage jobs. It is good for the Australian community to have a future where you can find employment and where that employment is high skill and high wage. But it will not happen by accident and it will not happen if we allow our schools to slip behind the standards of the world, which is why we are so focused on driving our schooling system into the world's top five. It will not happen if we do not have infrastructure at the standard of the world, which is why we are focused on the delivery of the NBN, as well as traditional infrastructure, like roads, rail and ports. It will not happen if we continue not to act on challenges like climate change—if we follow the Leader of the Opposition down this path of recklessness and negativity. We need to ensure that there is a clean energy future.

Australians are an optimistic people. They can have confidence in our plan for the future, and we will get on with the job of delivering that plan.

**Mining**

**Mr ABBOTT** (Warringah—Leader of the Opposition) (14:17): My question is to the Prime Minister. I refer the Prime Minister to an editorial from the *Wall Street Journal* this week that states:

For the latest tutorial on lousy tax policy, cast your eyes down—way down—to Australia, where the country's windfall mining tax has produced … zero revenue in its first three months.

... … …

This is what happens when government tries to raid business to fill a budget hole, rather than lower taxes to promote economic growth …

Does the Prime Minister regard these comments as negative scaremongering?

**Opposition members interjecting—**

**The SPEAKER:** Order! The Prime Minister has the call and should be heard in silence. The member for Dawson!

**Ms GILLARD** (Lalor—Prime Minister) (14:17): The Leader of the Opposition's version of leadership might be being dictated to by editorial writers in the United States of America, but my version of leadership is coming up with a uniquely Australian plan for our nation's future. As Australians standing in this parliament I actually think it is our duty as Australians to make sure we are making decisions that are in the best interests of our nation, and as Prime Minister I will always do that.

It is in the best interests of our nation that at this time of change in our economy, when we see our resources sector going strongly, which is of course a down payment on the economic opportunities of this Asian century of change, that we make sure we have in place the right tax policy so that we can share the benefits of that period of resources growth. I believe that is the right policy, and the government has delivered it. It is a profits based policy. That is why it is an efficient tax. It is obviously true, manifestly true, that,
as commodity prices rise and fall, the degree of taxation moves with it. That is why it is a profits based tax—because that is the efficient way of taxing.

To the Leader of the Opposition: it is really an interesting kind of schism in the characterisation of the opposition on the minerals resource rent tax. They used to tell us that it was so big, so onerous and so crushing that it would destroy the resources industry. Now they tell us that apparently it is not big enough and it is not raising enough money.

Opposition members interjecting—

The SPEAKER: The member for North Sydney!

Ms GILLARD: One wonders how people can get up in the morning and actually have these ridiculous double standards in their head. Of course, one could conclude that the opposition is incapable of reason. But what I think is more likely than that is that, whatever the reasoning is, they will always be negative. So they do not mind on one day saying that the tax is so big it will destroy the resources industry and the next day saying the tax is too small and is not raising enough revenue. The only thing that brings this opposition together, the only point of coherence in their whole strategy, is being negative about everything, every day, every time, and making sure they are always negative about Australia's future.

Opposition members interjecting—

The SPEAKER: The member for Sturt is warned!

Ms GILLARD: We are on a different path, with a plan for Australia's future befitting a confident and optimistic nation, and that is who we are.

Economy

Ms OWENS (Parramatta) (14:20): My question is to the Treasurer. Will the Treasurer update the House on developments in the global economy? What do these say about the continuing strength of our own economy?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:21): I thank the member for Parramatta for her question, because overnight we had another stark reminder of just how difficult conditions are in the global economy, with unemployment across Europe and the eurozone hitting a shocking 11.6 per cent. The situation here could not be more different. In the eurozone there are something like 18½ million people in the ranks of the unemployed, but we have seen here in Australia 800,000 jobs created in the period of this Labor government. Our unemployment rate has a five in front of it, which is less than half the rate in the eurozone. Of course, that is a direct result of direct actions taken by this government to support our economy in the face of a collapse in global demand during the global financial crisis and the global recession.

As a consequence of that, our economy is stronger than just about any other developed economy. If those opposite had had their way, Australia would have experienced a recession and we would have had the capital destruction and the skills destruction that goes with that which are still being felt across developed economies right around the world.

Everybody on this side of the House is proud of the actions taken by this government to support employment, to support jobs and to support small business—and, in particular, to ensure that so many Australians were taking home a pay packet. We will always support those on low and middle incomes, unlike those opposite, who have been in here, in the parliament, in the last couple of days hacking away at wages and working conditions and supporting...
policies that will erode the living standards of working Australians.

We understand that the global economy does have a dramatic impact on the future of the economy in this region. One of the reasons I am going to the G20 meeting in Mexico over the weekend is to talk with my colleagues and other finance ministers about what must be done to reinvigorate global growth, because global growth with a three in front of it is simply not going to enable a reduction in unemployment levels across the country. So we do need some decisive action through those bodies.

But what we are seeing—and this is what works in Australia's favour—is this shift in economic power from the West to the East. Here in this region we appreciate the opportunities that lie before us, which is why we have published the Asian century white paper. We understand that putting in place a range of policies to support capacity in the economy and productivity growth is the way of the future. That is our plan for the future. It stands in very stark contrast to the approach of those opposite. We want to build our workforce up; they want to tear it down. We have a very clear plan for the future; they have an approach that is simply stuck in the past.

Mining

Mr HOCKEY (North Sydney) (14:24): My question is to the Treasurer. I refer the Treasurer to his own words yesterday in relation to the mining tax. He said:

The fact is that unused royalties are not transferrable, nor are they creditable.

I refer the Treasurer to the Heads of Agreement he signed with the mining companies that states:

All State and Territory royalties will be creditable against the resources tax liability … Any royalties paid and not claimed as a credit will be carried forward …

Treasurer, if you do not understand your own mining tax, how can we believe anything you say about the surplus? (Time expired)

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:24): I really do thank the shadow Treasurer for that question, because I not only understand the legislation; I support it. Unlike those opposite, we support a resource rent tax. We supported the PRRT and we are supporting the MRRT. In the forecasts, we are forecasting revenue of $9 billion. It is true that we are not providing a refundable credit, such as the refundable credit that was put forward in the RSPT. It is also true that those credits are not transferrable. Royalty credits can be used, but they are used as a deductible allowance, and that is how it operates under the law: it is a deductible allowance. It is true that people have described that as creditable, including me in the past, but it is a deductible allowance. It is true that people have described that as creditable, including me in the past, but it is a deductible allowance, and it does not work the way in which the member over there described it this morning. It is deduction from profit—a deductible allowance. We on this side of the House understand the difference between a refundable credit and a deductible allowance.

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Mr Dutton interjecting—

The SPEAKER: The member for Dickson is warned!

Mr SWAN: That is what the legislation says: it is a deductible allowance. And no amount of moving all the words around by the shadow Treasurer can move away from that. It is a deductible allowance.

I want to finish on this final point. When we announced the resource rent tax, all of those opposite went down on bended knee. They went out to the millionaires and billionaires in the mining industry and the vested interests and said—

Mr Simpkins interjecting—
The SPEAKER: The member for Cowan is warned!

Mr SWAN: They went out and said, 'We've got a tax cut for you.' We on this side of the House believe in resource rent taxes and understand their importance to the future of the country, and we understand that it is important that Australians get fair value for the resources they own 100 per cent, which is why we are supporting a resource rent tax. Those on the other side of the House are opposing one—one that will bring revenue to the Australian people so we can spread opportunity right around this country.

Mr Hockey: We love you, Swannie!

The SPEAKER: The member for North Sydney will leave the chamber under 94(a). I continue to warn people—

Honourable members interjecting—

The SPEAKER: No, you cannot hear the warnings, because you are all making so much noise. If people will continue to ignore warnings and constantly interject, in direct breach of the standing orders, they should not be allowed in the chamber.

The member for North Sydney then left the chamber.

Disability Services

Mr WILKIE (Denison) (14:27): My question is to the Prime Minister. To be eligible for Better Start, a child must have an eligible diagnosis. But this leaves children like five-year-old Lachlan from my electorate ineligible, even though he cannot walk or talk properly and needs therapy similar to that offered to children with Down syndrome, cerebral palsy or autism, who do qualify. PM, the NDIS is great but no use to Lachlan right now. Please, can Better Start be extended to little Lachlan immediately?

Ms GILLARD (Lalor—Prime Minister) (14:27): I thank the member for Denison for his question on what is an important issue—an important issue for his constituent Lachlan and also an important issue for people right around the country. I know there are so many Australians who find it so difficult now, with our current system of supports and services, to get the care their families need. One of the reasons we have embarked on creating a National Disability Insurance Scheme is that we do understand that the way in which services are provided now is too fragmented and that there is not a common approach, so people in comparable circumstances do not get the same degree of support.

We have been working to improve circumstances for people with a disability, and our Better Start for Children with Disability program was part of that extension of support. It is an early-intervention initiative that we will extend further next year. Better Start does relate to eligible conditions, as the member for Denison has said, and I do understand that there are still children like Lachlan who are not eligible for the Better Start program. For Lachlan and for families around the country, we will continue to improve disability services as we can. But the real outcome we are seeking for them is the National Disability Insurance Scheme.

I am happy, of course, to maintain contact with the member for Denison about the specific circumstances of this family. And I know that he will be working with the government because I know he too is very concerned about disability services and wants us to work together to ensure for people around the nation and in his electorate that we see an NDIS.

Carbon Pricing

Mr KELVIN THOMSON (Wills) (14:29): My question is to the Minister for Climate Change and Energy Efficiency. Will the minister update the House on the impact of carbon pricing across the economy,
including on major sporting and cultural events? How accurate have predictions of these impacts been?

Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (14:30): I thank the member for Wills for his questions. As a Victorian he knows there is an important carnival going on over the weekend and into next week in Victoria.

Carbon pricing has been in place now for four months and the economy is growing, inflation is contained, interest rates have come down, investment is growing—the economy is strong. That is the reality of carbon pricing in our economy: the economy is continuing to grow. It is a very different picture indeed to the nightmare that was presented over the last 18 months by the Leader of the Opposition. We all know he predicted that whole towns were going to disappear, industries were going to be ruined, hundreds of thousands of jobs would be destroyed and the weekly shopping trip would bankrupt families.

I am asked about the impact on major events in particular. The Leader of the Opposition has also claimed that the whole Australian way of life is under threat from carbon pricing. But major events, like the Spring Racing Carnival, which are surely cornerstones of our way of life, are underway, and I want to reassure racing fans that there is no cause for alarm. Carbon pricing will not stop the Victoria Derby on Saturday and it will not stop the Melbourne Cup next Tuesday. The carnival is going to go well.

Treasury modelling showed the carbon price impact on sport and recreation will only be 0.3 per cent, or around 20c a week. Fashion at Flemington is going to be okay because last week's CPI figures showed the price of women's clothing actually fell by 0.2 per cent in the September quarter! What people with an interest in the racing industry need to know is that the Leader of the Opposition's scare campaign has been the biggest shakedown since the Fine Cotton affair in 1984! The ring-in that day, for those who can remember, was called Bold Personality. That is all we have had from the Leader of the Opposition. The rest of it is all rubbish, a complete shakedown, and frankly it is time that the Liberal Party stewards started to intervene here and had a look at a bit of change.

What about the member for Wentworth? A classy thoroughbred if ever there was one! He was badly checked by the member for Warringah in the 2009 race. The member for North Sydney is hungry for a win, but he has demonstrated yet again today that he is not up to group 1 racing level—he is out of the chamber. Then there is the member for Curtin: three times runner-up—surely a chance this time! The member for Cook is a promising weight-for-ager, I reckon, but spooked by foreign horses every time! Or the member for Mackellar, a favourite in 1994, and what a stayer—she's still here! (Time expired)

Carbon Pricing

Mr HUNT (Flinders) (14:33): My question is to the Prime Minister. Does the Prime Minister disagree with this analysis from Woolworths, presented to the Energy Users Association of Australia conference last week, which clearly shows that the carbon tax will increase their electricity costs—

The SPEAKER: Order! The member for Flinders will disuse the prop.

Mr HUNT: costing them tens of millions of dollars?

Ms GILLARD (Lalor—Prime Minister) (14:34): I thank the member for his question, and I do thank him for clearly
engaging in a bit of choreography with the minister for climate change for the amusement of the House. On the quick look I had at that graph when it was held up, what it is showing is that the biggest bars of cost are things like the network charges. So I thank the member for holding up a chart that proves the government's case about electricity.

We have had the Leader of the Opposition, as part of his mendacious claim, out there saying that any dollar increase in electricity is about the carbon price, and for a long period of time he was absolutely denying that there was any other factor. Finally, he was shamed into admitting that yes, there are other things going on with electricity; and yes, there were things like 40, 50, 60, 70 per cent increases before carbon pricing even came into effect; and yes, a big factor in those increases is the so-called gold-plating of the network, shown I think by the blue bars on that chart there.

Mr Hunt: Madam Speaker, I rise on a point of order on relevance. The question was: does the Prime Minister accept a 14 per cent increase in electricity costs for Woolworths, on their own evidence?

The SPEAKER: The member for Flinders will resume his seat. The Prime Minister has the call.

Ms GILLARD: I am talking about electricity pricing and its impact on businesses, and I am thanking the member for holding up a chart that I think, from the quick look I had at it, clearly shows that carbon pricing is the least of the effects on electricity—the least of the effects.

On impacts for businesses like Woolworths, they have actually been on the public record about carbonpricing, and they are not joining hands with the opposition in this reckless campaign of fear. So, when it comes to the Woolworths business, I suggest people listen to the people who run it rather than the opposition.

Then, of course, the thing that the member did not raise, and that members opposite do not like to raise, is that as part of carbon pricing we have provided tax cuts and family payment increases and pension increases, building on our other cost-of-living measures for families, all of which would be removed by those opposite—tax cuts gone, pension increases gone, family payment increases gone, Schoolkids Bonus gone and the list goes on.

So, after the expose that there has been of this litany of falsehoods from the opposition, it is time for members who can actually think in terms of policy to start disassociating themselves with this reckless and stupid campaign.

Mr Hunt: I seek leave to table the Woolworths presentation to the Energy Users Association of Australia Conference from last week.

Leave not granted.

Dr Mike Kelly interjecting—

The SPEAKER: The member for Eden-Monaro is warned!

Disability Services

Ms HALL (Shortland—Government Whip) (14:38): My question is to the Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform. Minister, will you update the House on the progress that the government has made towards a national disability insurance scheme? How will this benefit people with disabilities, their families and their carers?

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (14:38): I thank the member for Shortland very much for her
question and for the way in which she stands up and advocates for people with disabilities and for carers in her electorate. One of the things that the member for Shortland knows well and that the question from the member for Denison also emphasised today is just how critical it is that we confront the reality that the system of disability care and support in Australia is underfunded and unfair. That is what people with disability in Australia face and have faced for a very long time.

People with disability have waited for such a long time for change to the system of disability care and support. It is now time that this changed and this government is determined to make that change. We are determined to deliver a new system of disability care and support for this nation to make sure that people with disability do not face a lottery. It should not depend on where you live or how you got your disability or what the disability is. That is what people have faced for so many years.

I will shortly be releasing for public discussion the draft bill to establish a national disability insurance scheme. That will be available. People will be able to see the way in which the legislation will build the framework for a national disability insurance scheme. This legislation will establish the launch transition agency. That agency will be established as an independent body that has the responsibility to run the National Disability Insurance Scheme. The legislation will also set out the way in which the agency intends to deliver planning and support for people with disability and for their families and their carers. I intend to introduce the legislation into the parliament before the end of this year. We went to make sure that we get it into the parliament and the public to have a very good look at before it is debated next year.

The draft legislation has been well informed by thousands of conversations that we have had with people with disability, family members, carers—all the people who need to have a say. There has been a lot of detailed discussions with those who work in the sector and also with the states and territories. I particularly thank those states that are host jurisdictions who have played such a constructive role. (Time expired)

Union Funds

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (14:41): My question is to the Prime Minister. I refer to her claim on 23 August that she had no involvement with the AWU workplace reform fund after she helped set it up in early 1992. I refer the Prime Minister to the power of attorney, which I have a copy of, that carries the Prime Minister's signature as a witness on 4 February 1993 from Mr Ralph Blewitt to Mr Bruce Wilson. Mr Blewitt has stated publicly that he did not sign the power of attorney on that date and nor did he sign it in your presence. Did the Prime Minister witness this document in the presence of Mr Blewitt and on the date nominated?

Ms GILLARD (Lalor—Prime Minister) (14:42): We could not get a sharper contrast between a government focused on the future and an opposition focused on sleaze and smear from 17 years in the past.

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (14:41): My question is to the Prime Minister. I refer to her claim on 23 August that she had no involvement with the AWU workplace reform fund after she helped set it up in early 1992. I refer the Prime Minister to the power of attorney, which I have a copy of, that carries the Prime Minister's signature as a witness on 4 February 1993 from Mr Ralph Blewitt to Mr Bruce Wilson. Mr Blewitt has stated publicly that he did not sign the power of attorney on that date and nor did he sign it in your presence. Did the Prime Minister witness this document in the presence of Mr Blewitt and on the date nominated?

Ms GILLARD (Lalor—Prime Minister) (14:42): We could not get a sharper contrast between a government focused on the future and an opposition focused on sleaze and smear from 17 years in the past.

The SPEAKER: The Prime Minister will return to the question before the chair.

Mr Pyne: Madam Speaker, I rise on a point of order. The Prime Minister is accusing the opposition of smear but the stories that are being written about this are being written by Hedley Thomas, Mark Baker and Samantha Maiden. Is she accusing them of smear?

The SPEAKER: The Manager of Opposition business will resume his seat.
Mr Albanese: Madam Speaker, on a point of order: what was the point of that point of order from the Manager of Opposition Business?

The SPEAKER: The Leader of the House will—

Mr Albanese: My point is that a point of order has to be about the standing orders being breached. The Prime Minister was perfectly within the standing orders in calling you out on your sleaze campaign.

Mr Simpkins: It is about accountability!

The SPEAKER: The member for Cowan will leave the chamber under 94(a). The Prime Minister has the call and will refer to the question.

Ms Gillard: I stand by my comments on the public record in relation to this matter. Let me make it clear: my accusation of the opposition is hypocrisy. I table a record of the press conference held by the Leader of the Opposition at the start of this week, 29 October, in which he said—

Mrs Bronwyn Bishop: Madam Speaker, I rise on a point of order. I refer you to page 565 of the Practice, where it says that it is established practice of the House that where a minister refuses to answer a question it is usually on the basis that it deals with national security or other matters. Clearly that does not come into the failure to answer these questions. The Prime Minister should either take it on notice and supply the answer or answer the questions that have been deliberately put by the Deputy Leader of the Opposition. These are questions that have in fact never been addressed by the Prime Minister, including in her press conference.

Mr Albanese: Madam Speaker, on a point of order again: that contained argument. There is a process in which that is quite clearly out of order. If someone wants to object on the basis of relevance, they simply have to state that, rather than put an argument before the House.

The SPEAKER: Leader of the House, I was going to point out to the member for Mackellar that until the end of the point of order she was making a relevant point of order. The last part, however, was not relevant. It was introducing argument, and points of order should be on issues of procedure. The Prime Minister has the call and will be relevant to the question.

Ms Gillard: When I was interrupted, I was tabling a document containing a statement of the Leader of the Opposition from 29 October where he says:

I will leave the nasty personal politics to the Labor Party. I predict that we will see a lot more of that in the months leading up to the next election, but I am going to focus every day on what matters to the Australian people and that is sensible, careful, responsible change that will give them a stronger economy and a more cohesive society.

The SPEAKER: The Prime Minister will table the document and resume her seat.

Ms Julie Bishop (Curtin—Deputy Leader of the Opposition) (14:45): Madam Speaker, I ask a supplementary question. I refer the Prime Minister to the internal Slater & Gordon memo that confirms the power of attorney was used to secure a mortgage of $150,000, borrowed from Slater & Gordon, in addition to money from the AWU’s slush fund to purchase a Fitzroy property. Why won’t the Prime Minister come clean on her ongoing involvement in the AWU slush fund, the year after she claimed she had no involvement? (Time expired)

Mrs Mirabella interjecting—

Mr Albanese: Madam Speaker, I rise on a point of order, but I would ask that that be withdrawn first.

The SPEAKER: The member for Indi will withdraw.
Mrs Mirabella: I withdraw.

Mr Albanese: Madam Speaker, the question went to issues which allegedly were ongoing. The Prime Minister responded to all of these questions at least 17 years ago.

Mr Pyne: Madam Speaker, I rise—

The SPEAKER: The Manager of Opposition Business will resume his seat.

The question did contain a great deal of argument. As it was a supplementary, I think that is invalid. The Deputy Leader of the Opposition is welcome to restate the question and exclude the argument.

Ms JULIE BISHOP: I refer the Prime Minister to the internal Slater & Gordon memo that confirms the power of attorney was used to secure a mortgage of $150,000, borrowed from Slater & Gordon, in addition to money from the AWU fund to purchase a Fitzroy property. Why won’t the Prime Minister inform the House why she said on 23 August she had no involvement, when this proves that 12 months later she did?

Ms GILLARD (Lalor—Prime Minister) (14:48): I have in fact dealt with these questions on the public record. I stand by those truthful statements, and the construction that the Deputy Leader of the Opposition is trying to put on them is not a fair construction. I refer her to my extensive press conference, where I dealt with all of these issues in a great deal of detail. No amount of muckraking by the Deputy Leader of the Opposition, in contrast to the promise of the Leader of the Opposition—who is out there telling the Australian people he is going to be responsible, and then we have this—

Mr Pyne: Madam Speaker, I rise on a point of order. The point of the question is very clear and it is very straightforward for the Prime Minister to answer, and that is—

The SPEAKER: The Manager of Opposition Business will resume his—

Mr Pyne: No, I have not made my point of—

The SPEAKER: Order! Screeching across the dispatch box by people who are meant to be in charge of the operation of the chamber will not be tolerated.

Ms GILLARD: I had intended to conclude my answer before the shadow minister commenced making his vile and ridiculous statements.

The SPEAKER: The Prime Minister will withdraw.

Ms Gillard: I withdraw.

The SPEAKER: I thank the Prime Minister.

Mr Ciobo interjecting—

The SPEAKER: The member for Moncrieff will withdraw.

Mr Ciobo: I withdraw.

The SPEAKER: I thank the member.

Education Funding

Mr HAYES (Fowler) (14:50): My question is to the Minister for School Education, Early Childhood and Youth. Will the minister outline what the government is doing to make every school a great school, particularly in my home state of New South Wales, and is the minister aware of any alternative policies on investing in our schools?

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (14:50): I thank the member for Fowler. On this side of the House we know how important it is to invest
in our schools across the member for Fowler's and my home state of New South Wales, where we have some 3,000 schools. Those schools have received 369,806 computers; 140 projects in trades training centres, benefiting 317 schools; 7,000 Building the Education Revolution projects; 1,400 classroom improvements; 746 libraries; and 924 multipurpose halls—and about 823 schools have benefited from the Smarter Schools National Partnerships.

That is a proud record of investment. The numbers are important, because it is a proud record of investment by a government that has got its priorities right. It means we have tens of thousands of students learning in the classroom with 21st century technology, students learning a trade while at school, thousands of modern classrooms built for today and hundreds of schools benefiting, including Bonnyrigg Primary School, which is in the member's electorate. That investment is critical. It has delivered results, but we know there is more to do, and that is why the Prime Minister has announced the National Plan for School Improvement—investing in great teachers, focusing on school improvement and giving more power to school principals.

I am asked about alternative policies. I guess I would put it this way to answer that question. The opposition leader thinks that the current level of funding for public schooling is an injustice. The shadow spokesperson for education wants to sack one in seven teachers and bring in larger class sizes. And the shadow Treasurer is on the record: he has not found a schools program that he does not want to cut. He was on ABC radio just the other day boasting about how he would cut the funding for trade-training centres. There is $2.8 billion in cuts already on the slate from those opposite.

Just think about the investment in education in Fowler if this negative Liberal Party opposition had their way. We have put 8,300 computers in schools. They would cut it. We put $2 million worth of investment into two trade-training centres. They would cut it. We have put, into 115 projects, $108 million in Building the Education Revolution. The opposition leader slept through the vote—that would be zero.

Of course, members from New South Wales would not be surprised to know that the song remains the same for their Liberal government as well. There has been $1.7 billion in cuts through raising fees, cutting funding to schools and TAFEs, and sacking staff. A footnote to all of that is that, yesterday, the New South Wales Auditor-General discovered 37 mistakes in the New South Wales Liberal government's budget. They are a billion dollars better off than they were in June. I and those on this side have a message: put that billion dollars into education in New South Wales and follow the lead of this government that supports education and wants to make every school a great school. (Time expired)

Mr HAYES (Fowler) (14:53): Madam Speaker, I ask a supplementary question. The minister has outlined how the government is taking steps to make every school a great school, but can the minister inform the House how this investment is delivering results in my electorate?

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (14:54): I thank the member for the supplementary question. The minister has outlined how the government is taking steps to make every school a great school, but can the minister inform the House how this investment is delivering results in my electorate?
Bonnyrigg Public School, has had a $740,000 investment under the partnership. And now what do we see? We see smaller class sizes so that each child has the opportunity to be a successful learner—the shadow minister should take note—and we see the school implementing targeted policies such as engaging curriculum and assessment specialists, literacy and numeracy consultants, an English as a second language coordinator, strengthening individual learning plans and purchasing resources for literacy and numeracy. Of course it makes a difference.

So at Bonnyrigg Public School they have increased attendance rates, increased student engagement, increased the proportion of students achieving the national minimum standard across all year groups. And in year 3 we have 12 per cent more students reaching the minimum standards in literacy. The proportion of students who achieve the top two bands have increased in year 3 reading by 12 per cent. These are significant improvements for the Bonnyrigg Public School, and they have come about because we have a Labor government that recognises how important investing in education is. It makes a difference to every student and we will continue to make every school a great school.

Union Funds

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (14:55): My question is to the Prime Minister. I refer to her claim on 23 August that she had no involvement in the AWU fund after setting it up in early 1992. I refer to this article by Hedley Thomas which states that the Prime Minister and Bernard Murphy were advising Ralph Blewitt in a defamation action against AWU officials in late 1993. It says:

Mr Blewitt said the defamation action was vital to silence dissenters because if they had succeeded in ousting him the slush fund … would have been exposed …

Given the Prime Minister's involvement in this defamation action don't you agree that—

(Time expired)

Mr Albanese: Madam Speaker, I rise on a point of order. There was no question attached to the statement within the prescribed time.

The SPEAKER: Order! The Deputy Leader of the Opposition ran out of time before she stated the question. If the Deputy Leader of the Opposition could restate the question without as much argument. The Deputy Leader of the Opposition has the call.

Ms JULIE BISHOP: I refer to her claim on 23 August that she had no involvement in the AWU fund after setting it up in early 1992. I refer to this article by Hedley Thomas which states that the Prime Minister and Bernard Murphy were advising Ralph Blewitt in a defamation action. The article said:

Mr Blewitt said the defamation action was vital to silence dissenters because if they had succeeded in ousting him the slush fund … would have been exposed …

The SPEAKER: The Deputy Leader of the Opposition will get to the question.

Ms JULIE BISHOP: Does the Prime Minister agree that this was the purpose of the action?

Ms GILLARD (Lalor—Prime Minister) (14:57): I think the Deputy Leader of the Opposition has a future as a race caller, if nothing else! To the Deputy Leader of the Opposition, I say that I stand by my statement of 23 August. To the opposition in general: I draw their attention to the Leader of the Opposition's statement on 22 August, 'In relation to these matters this is not the
main game for us,'—yet another hypocritical statement from the opposition.

The SPEAKER: The Prime Minister will recall to the question.

Ms GILLARD: On the tenor of this question and the ones that have preceded it, as question time draws to an end at the end of this sitting week, you could not have a clearer choice between a political party with a plan for the future and a party of scare and sleaze and smear. Despite the protestations of the Leader of the Opposition that he was not going to be into this, there they are full of negativity, out of ideas. Scare, sleaze and smear is all they know.

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (14:59): Madam Speaker, I ask a supplementary question. Given the Prime Minister's involvement in the power of attorney in early 1993 and the defamation action in late 1993, how can the Prime Minister continue to—

Mrs Mirabella interjecting—

Mr Albanese: Madam Speaker, on a point of order: I ask the member for Indi to withdraw.

The SPEAKER: The member for Indi will assist the House by withdrawing. I must admit I did not hear what the member for Indi said.

Mrs Mirabella: I withdraw.

The SPEAKER: For the betterment of the House, I thank the member for Indi. The Deputy Leader of the Opposition will commence her question again, but I am being very magnanimous.

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (14:59): Given the Prime Minister's involvement in the power of attorney in early 1993 and in the defamation case in late 1993, how can the Prime Minister continue to claim, as she did to journalists at her press conference on 23 August, that her involvement in the AWU fund ceased in early 1992?

Ms GILLARD (Lalor—Prime Minister) (14:59): I continue to stand by what I said at that press conference. What I said at that press conference was the truth. Can I suggest to the deputy leader of the opposition she does not want to believe everything that she reads in the newspapers. I have also read in some articles in the newspapers that I gave 'an impromptu press conference', which is a reference to one of the longest and most detailed prime ministerial press conferences ever given, where I answered every question that the press gallery had.

Mr Pyne: Madam Speaker, I rise on a point of order on the issue of relevance: the question to the Prime Minister was that at her press conference on 23 August she said one thing, which was untrue and the proof is the power of attorney—

The SPEAKER: The Manager of Opposition Business will resume his seat. The Prime Minister has the call.

Ms GILLARD: Following that interjection and just for the edification of the member who has made a false claim in this parliament, I stand by what I said at the press conference.

Wheat Exports

Ms PARKE (Fremantle) (15:01): My question is to the Minister for Sustainability, Environment, Water, Population and Communities representing the Minister for Agriculture, Fisheries and Forestry. Would the minister update the House on recent developments in the government's plan to deregulate bulk wheat exports? What are the next steps on this?

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (15:01): I thank the member for Fremantle for her
question. She is one of the Western Australian members of parliament who was able to be in the chamber when the vote happened on this issue last night. There are opportunities that have already come as a result of deregulation of wheat that have made an extraordinary benefit for our wheat growers in Australia.

For a long time the beef industry was able to start getting better prices in Asian markets in particular by offering traceability, by allowing the people who were selling to say exactly which farm the meat their customers were buying had come from. Bulk handling and only being able to work through a single exporter had prevented the wheat industry from being able to access this. Yet it is now true that there are wheat growers in Western Australia who have worked on deals where restaurants using noodle wheat in Japan are able to advertise exactly where their wheat is coming from. There is a wheat grower in New South Wales who has webcams that are live in South Korea where people are able to see the product that they wish to purchase being grown. It is way of engaging directly with those Asian markets in a way that only has benefit for those innovative growers. We have a situation where that sort of business innovation is being denied to those growers to go to the final stage of a fully deregulated market by members of the Liberal Party.

There were two great speeches of Liberal Party principles given when this issue was dealt with last night. One of the speeches of Liberal Party principles was given by a member of this House who is no longer a member of the Liberal Party, yet we had a better assessment of Liberal Party free-market principles from the member for Fisher than the changes in policy that we heard from those holding the line of how the Liberal Party has changed under this leader of the opposition. Does anybody actually believe that the Liberal Party of John Howard would have voted against deregulation?

John Howard stood at this dispatch box proclaiming a need for Murray-Darling reform. We still do not know if the party is going to support the Murray-Darling plan notwithstanding that it was foreshadowed in legislation moved by the water minister, who sits as a member of their front bench. We have a party now that is not willing to stand up for something as radical as what you might call free enterprise. You realise very quickly that the Liberal Party, which was able to maintain a true principle of free market under John Howard, under Brendan Nelson, and under the member for Wentworth, has become a very different Liberal Party under this Leader of the Opposition. Every grower that is being told that this opposition wants to be able to tell them who they are allowed to sell to and who they are not knows how much it has changed. (Time expired)

Union Funds

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (15:04): My question is to the Prime Minister. I refer the Prime Minister to a statement on 20 September by former High Court Judge Michael Kirby which said:

… if a person is aware of a serious crime and doesn't report it to the police, that is what we call misprision of a felony; if there is a felony, you have to report it, it is a citizen's duty.

Why did not the Prime Minister herself report the fraud involving the Australian Workers Union Workplace Reform Association that she helped establish?

Ms GILLARD (Lalor—Prime Minister) (15:05): This question has been asked in the past. I refer the Deputy Leader of the Opposition to when I dealt with all of these issues extensively on the public record. By the time the matters she refers to came to my
attention they were already the subject of inquiry and investigation.

Health

Mr MITCHELL (McEwen) (15:05): My question is to the Minister for Health. How is the federal government's investment helping states like Victoria to run their health systems? Are Australians getting the best possible return on this investment from state governments and state health systems?

Ms PLIBERSEK (Sydney—Minister for Health) (15:05): I am so pleased to have such a positive and important question from the member for McEwen; it is a contrast. This side is interested in health, education, the environment and the Murray-Darling—all of the big issues that face us as a nation. We are proud as the Gillard government to be increasing investment in the Victorian health system and across states and territories. The investments we are making in Victoria will make a huge difference to the patients of Victoria in years to come.

The comprehensive cancer centre that we are investing in has research, treatment, teaching and training all in one location so that we can give the very best care to the patients of Victoria. Funding of $77 million has been allocated for a world-leading facility, the world-leading brain injury centre at the Austin Hospital that the member for Jagajaga knows so much about. In rural and regional Victoria—indeed in the member for McEwen's own seat—we have promised $10 million for the Kilmore District Hospital. It is an excellent project to upgrade the very important health facility.

Victorians should be very proud of their health professionals: their doctors, nurses, allied health professionals and clinicians right across the system. They have got many fine facilities in Victoria.

That is why it is so very disappointing to see the Victorian government letting down the patients of Victoria by refusing to take the more than $200 million that is on offer from the federal government—and they can't even cash the cheque! In fact, we have got $130 million for round 3 of the Health and Hospitals Fund that they do not want to cash the cheque for. There are 11 really important and much-needed facilities in rural and regional Victoria—including, Geelong, Albury-Wodonga, Kerang, Echuca, Mildura, Colac, Kyneton, Timboon and Ballarat—and the Victorian government cannot even cash the cheque from the federal government. We have also got $111.1 million for subacute hospital beds. Ted Baillieu was out there during the election campaign promising there would be more beds in Victoria. He cannot point to a single new bed. We want to give them $111.1 million for new subacute beds and existing subacute beds—that would deliver 82 new beds—and, again, they cannot even cash the cheque. This is at the same time, mind you, that they are out there cutting $616 million from the state budget—indeed, I will be tabling that relevant section from the state budget papers—and claiming that the Commonwealth has cut funding to Victoria. Almost $1 billion extra will go into the Victorian health system from the Commonwealth over four years—a 26 per cent increase, from $3.6 billion to $4.5 billion, year on year on year. (Time expired)

Mr MITCHELL (McEwen) (15:08): Madam Speaker, I ask a supplementary question. I thank the minister for that answer. In what further ways have the government's health policies assisted people in my electorate?

Ms PLIBERSEK (Sydney—Minister for Health) (15:09): I thank the member for that question. As well as pointing out these two very important projects where we have seen the state government in Victoria refuse to cash the cheque from the federal government, I have heard it reported today...
that the state government has gone around to all of the locals hospital boards and passed on their $616 million of cuts to those local hospital boards to deliver. This is incredibly disappointing. We know that those local hospital boards need extra funding and that is why, over coming years, the Commonwealth will put $1 billion extra into the Victorian health system—a 26 per cent increase.

What is extraordinary about this is that, as health minister, I have not actually had the experience of a state government saying no to funding. Actually, the Queensland government did reject some funding for mental health beds, but the Health and Hospitals Fund money is money that the Victorian government applied for. They asked for funding and they submitted 11 projects that were so needed in those local communities, and now they do not want to cash the cheque. It is beyond me and so very disappointing, because I know that those patients in Victoria need that care. I think what has happened is that the 'no' from November has translated into— (Time expired)

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

PERSONAL EXPLANATIONS

Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (15:11): Madam Speaker, I wish to make a personal explanation.

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

Mr BOWEN: Yes.

The SPEAKER: Please proceed.

Mr BOWEN: Yesterday the member for Cook said in the chamber that I had engaged in a 'blatant falsehood' by saying that he had said the infrastructure costs on Nauru would be $10 million. I table a document which shows the five separate occasions on which the member for Cook said exactly that publicly.

Mr PYNE (Sturt—Manager of Opposition Business) (15:11): Madam Speaker, I wish to make a personal explanation.

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

Mr PYNE: Yes.

The SPEAKER: Please proceed.

Mr PYNE: The minister for schools continues to claim that I want to sack one in seven teachers. I would point out to the House that the Commonwealth government does not employ any teachers in government or non-government schools—they are employed by the states—so that is a patently false statement.

PRIVILEGE

Mr PYNE (Sturt—Manager of Opposition Business) (15:12): I would also like to raise another breach of privilege relating to a contempt of the parliament. The member for Eden-Monaro, in a speech on Tuesday, 30 October 2012, told a story in the Federation Chamber concerning Australia's victory in its campaign last month for a seat on the UN Security Council. In that speech he recounted a story of meeting Alexander Downer at the DFAT building and Alexander Downer making a statement. The difficulty with the member for Eden-Monaro's statement is that the then foreign minister was in India at the time when he was supposed to be seeing the member for Eden-Monaro in the cafeteria at DFAT.

Mr Albanese: Madam Speaker, on a point of order. Has the member for Eden-Monaro been notified that this issue would be raised? That is normal practice; it is common decency.
The SPEAKER: The Manager of Opposition Business is seeking to raise a matter of privilege—

Mr PYNE: I refer it to you, Madam Speaker, so you can deliberate on whether it is a prima facie case of breach of privilege. And of course because it is question time I had assumed that the member for Eden-Monaro would still be in the chamber at 3.10; that is why I did not raise it with him beforehand. Madam Speaker, the member for Eden-Monaro made this speech this week in which he told an entirely false story about the then Minister for Foreign Affairs making an entirely false statement to him in the cafeteria at DFAT after Australia had lost its first campaign to win a seat on the UN Security Council. The evidence that this statement is false is that, in fact, the then Minister for Foreign Affairs was in India on the date when he was supposed to be seeing the member for Eden-Monaro at DFAT. That is a very serious breach of privilege and the member for Eden-Monaro has form on making these kinds of matters up.

Mr Albanese interjecting—

Mr PYNE: You cannot be in contempt of the parliament by making up stories.

The SPEAKER: Manager of Opposition Business, have you concluded your statement?

Mr PYNE: I table the speech by the member for Eden-Monaro. I also table the speech that the—

Mr Albanese: Madam Speaker, on a point of order: the Manager of Opposition Business has raised a serious charge against the member for Eden-Monaro. He stated that this has occurred in the past. There is no evidence of that being the case. He has not had the courtesy to even notify the member for Eden-Monaro that this is the case.

The SPEAKER: The Manager of Opposition Business will withdraw that statement.

Mr PYNE: I withdraw that statement, and I am about to conclude, if the Leader of the House would let me conclude. I also seek to table the speech that the Minister for Foreign Affairs gave in India on the day that he was supposed to be seeing the member for Eden-Monaro in the cafeteria at DFAT. In fact, he was speaking in New Delhi. I table the speech.

Government members interjecting—

The SPEAKER: Leave is not required to refer a matter of privilege.

PERSONAL EXPLANATIONS

Mr MORRISON (Cook) (15:15): I wish to make a personal explanation.

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

Mr MORRISON: Yes. Just now the Minister for Immigration and Citizenship has tabled five statements where he has claimed that I said it would cost $10 million for the coalition to reopen Nauru. On each of the five occasions that he has referred to in this statement, I was referring to the costs of the Howard government in the previous administration and the costs involved in setting up Nauru on those occasions. So once again the minister has falsely represented my statements.

QUESTIONS TO THE SPEAKER

Questions in Writing

Mr MORRISON (Cook) (15:16): Madam Speaker, in relation to standing order 105(b), replies to questions unanswered have been on the Notice Paper for more than 60 days. I kindly ask that you write to the Minister for Home Affairs and Minister for Justice again, last invoked on 21 August 2012, seeking reasons for the delay in
answering the following questions in writing: 1021, 1023, 1024, 1025, 1027, 1028, 1029, 1030, 1031, 1032, 1033, 1034, 1035, 1036, 1037, 1038, 1039, 1041, 1042, 1043, 1044, 1045, 1046, 1047, 1048, 1049 and 1050.

AUDITOR-GENERAL'S REPORTS

Audit Report No. 9 of 2012-13

The SPEAKER (15:17): I present the Auditor-General's audit report No. 9 of 2012-13 entitled Performance audit—Delivery of bereavement and family support services through the Defence Community Organisation; Department of Defence; Department of Veterans' Affairs.

Ordered that the report be made a parliamentary paper.

DOCUMENTS

Presentation

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:17): Documents are tabled in accordance with the list circulated to honourable members earlier today. Details of the documents will be recorded in the Votes and Proceedings. I move:

That the House take note of the following documents:

- Interim report No. 2—Referral of bills to committees by the House Selection Committee—Government response.

Debate adjourned.

COMMITTEES

Selection Committee

Report

The SPEAKER (15:18): I present report No. 72 of the Selection Committee relating to the consideration of bills.

The report read as follows—

Report relating to the consideration of bills introduced 29 to 31 October 2012

1. The committee met in private session on 31 October 2012.
2. The committee determined that the following referrals of bills to committees be made—

- Standing Committee on Infrastructure and Communications:
  - National Electricity Bill 2012.

REASONS FOR REFERRAL/PRINCIPAL ISSUES FOR CONSIDERATION:

- Detailed analysis of complex issues raised.

Standing Committee on Regional Australia:


REASONS FOR REFERRAL/PRINCIPAL ISSUES FOR CONSIDERATION:

- The bill commits future parliaments to appropriate $1.77 billion. This is an unusual approach which deserves scrutiny by the committee given its impact on the budget.

Standing Committee on Social Policy and Legal Affairs:

REASONS FOR REFERRAL/PRINCIPAL ISSUES FOR CONSIDERATION:

Consideration of the means by which proposed efficiencies will be achieved, effects on the administration of the courts and whether the proposed amendments will improve access to justice.

- Public Interest Disclosure (Whistleblower Protection) Bill 2012; and
- Public Interest Disclosure (Whistleblower Protection) (Consequential Amendments) Bill 2012.

REASONS FOR REFERRAL/PRINCIPAL ISSUES FOR CONSIDERATION:

Requires further examination of detail within the bill and any unintended consequences that may follow.

Membership

The SPEAKER (15:18): I have received advice from the Chief Government Whip and the Chief Opposition Whip that they have nominated members to be members of certain committees.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:18): by leave—I move:

That:

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

(2) Mr Macfarlane be appointed a supplementary member of the Standing Committee on Infrastructure and Communications for the purpose of the committee's inquiry into the National Electricity Bill 2012;

(3) Mr Hunt be appointed a supplementary member of the Standing Committee on Regional Australia for the purpose of the committee's inquiry into the Water Amendment (Water for the Environment Special Account) Bill 2012; and

(4) Mrs B. K. Bishop be appointed a supplementary member of the Standing Committee on Social Policy and Legal Affairs for the purpose of the committee's inquiries into the Public Interest Disclosure (Whistleblower Protection) Bill 2012 and the Public Interest Disclosure (Whistleblower Protection) (Consequential Amendments) Bill 2012.

Question agreed to.

BILLS

Migration Amendment (Reform of Employer Sanctions) Bill 2012

Reference to Federation Chamber

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:20): by leave—I move:

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

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Carbon Pricing

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

The adverse effect of the carbon tax on electricity and gas prices.

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

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

Mr HUNT (Flinders) (15:20): Today we learnt that Woolworths face a 14 per cent increase in their electricity prices as a consequence of the carbon tax. That is not their words and nothing that we present but their written statement. Last week we learnt something more significant even still. We learn that, across Australia, Australian families, Australian small businesses, Australian industrial premises and Australian retail premises are facing not a 14 per cent
but an average 15 per cent price hike for their electricity for one quarter alone. So the first quarter of the carbon tax era brought with it the largest single increase in electricity prices in recorded Australian history—a 15.3 per cent price rise, of which two-thirds is the carbon tax. What does that mean? It means that no matter which state you are in, no matter which part of Australia, whether you are rural, regional or urban, no matter whether you are a small business, a senior, a farmer or a family, you cannot hide from the electricity impacts of the carbon tax.

That is not surprising, because, as the parliamentary secretary comes to the table, he will tell you that that is what the carbon tax is intended to do. It is intended to drive up electricity prices. It is first and foremost an electricity tax. It is also a gas tax, but it was designed and intended—it was constructed—to be a source of driving up prices in electricity.

There is a very simple test for members of the government. Do they want electricity prices to go up or down? Is their policy for electricity prices to go up or down? The reality is that, on their watch, electricity prices over five years have gone up 90 per cent. Of that, 15 per cent came in the last three months alone, the highest rise in Australia's history, precisely because of the carbon tax. The government says, 'Look, a lot of the price pressures were built in beforehand.' This is all about making a bad situation worse. Australian families who are sitting around the kitchen table get their electricity bills and look at their electricity bills. Honourable members will know that each and every person in this place will have had families, seniors or small businesses come to them and say, 'My electricity bill is a source of huge stress.' Low-income families and medium-income families right across this country are facing stress from electricity price rises, because that is what the carbon tax was intended to do.

Lest the government say, 'It's all okay; it's not really the source of the rises'—which it is: two-thirds of the highest price rise in Australian history in the last quarter alone—it is intended to go up each year, every year, forever. Next year the carbon tax goes up to $24.15, then to $25.40, and then it goes up—according to the government's own modelling, released again last week as part of the midyear economic forecasts—to $29 in 2015-16. What does that $29 represent? It represents the carbon tax plus another 25 per cent increase in that carbon tax in its first three years. But then it goes to $37, and then by 2050 it goes to $350. In other words, the carbon tax that comes in now is set to continue to multiply each year, every year, forever, because it is designed to inflict electricity pain. It is intended to inflict electricity pain. And it is inflicting electricity pain. That is how it works. That is how it operates. That is what you can never walk away from.

I ask any member of the government to make a clear answer to this question: is your policy as a member of the government to increase or decrease electricity prices? It is as simple as that. Is their policy to increase or decrease electricity prices? When you go through the facts, when you look at their modelling, when you analyse the real world, the carbon tax is an electricity tax that is driving up electricity prices.

But it does not just stop there. Gas prices went up 14 per cent in the last quarter. Again, the carbon tax is responsible for approximately two-thirds of the gas price rises, and that is also what was intended to happen, what the government wanted to happen. In the real world, when a family gets an electricity bill and a gas bill and they see an increase of 15 per cent in electricity and
14 per cent in gas, and they are already struggling to meet higher costs of living because their health insurance costs have gone up by an astronomical amount under this government, they sit there, they look at the bills and they wonder how they are going to pay. That is the lived experience of the carbon tax for Australians, who in the last month have received the bill. It is the bill that they were told before the election that they would never have to pay. That is the truth and the reality about the carbon tax.

When you go around the states, in New South Wales, contrary to what the government would have you believe, it is the carbon tax which, according to the independent regulator, is responsible for 50 per cent, as a minimum, of price rises for this year coming. When you go to Victoria, the carbon tax is responsible for two-thirds; in Western Australia, 72 per cent; and, in the ACT, 75 per cent. In Western Sydney the carbon tax is responsible for 80 per cent of electricity price rises. And then, when you go to Queensland, where Campbell Newman has frozen the most fundamental of domestic retail tariffs, the carbon tax is responsible for between 80 and 100 per cent of electricity price rises. So it is not the states driving electricity prices in this last quarter; it is the carbon tax, fair, square, centre, undeniably, on the evidence of the ABS, on the evidence of the government's own modelling and on the evidence of the independent regulators, and it is the bills faced by ordinary Australians which are all the evidence that they need. The government likes to pretend that it does not hurt, it is not happening and it is not because of the carbon tax. It does hurt, it is happening and it is absolutely because of the carbon tax. But remember this: each day, every day, as you go forward between now and 2020, the tax is designed to go up and up and up.

The problem, beyond the enormous hurt to individual family budgets and small business budgets, is that it does not even work. It is designed to reduce emissions. As we saw from the ABS and as we saw in the government's own modelling in its latest Kyoto update, our emissions go up, not down. They go up from 578 to 621 million tonnes in Australia between now and 2020, up 43 million tonnes. Instead, we then have to go offshore and buy 94 million tonnes of foreign carbon credits by 2020 at an average of $37, or $3½ billion. Take the carbon tax, and then you add $3½ billion, which private business will have to pay on top of that. That $3½ billion is money which could and should have been invested in Australia, and that $3½ billion grows to $57 billion, again on the government's own modelling, by 2050.

You wonder: what is the context? What is $57 billion? In the context of 2050, it is 1½ per cent of GDP. It comes on top of a carbon tax which is 1½ per cent of GDP. That is the approximate value of our defence budget. So they are going to take a defence budget and spend it on domestic carbon credits, and then they are going to take a second defence budget and spend it on foreign carbon credits. Whether it is Kazakhstan or any other place from which we are going to buy our foreign carbon credits—

Mr Briggs interjecting—

Mr HUNT: or Kenya, because of course we are, as the member for Mayo reminds me, sponsoring the Kenyan carbon accounting system, although it was not approved by former Minister Downer, as the Treasurer and the Leader of the House attempted to say; it was approved last year. What we see is this: $57 billion, 1½ per cent of GDP domestically on carbon credits and 1½ per cent of GDP, or the value of the defence budget, on foreign carbon credits. There is
no way that any government in Australia will sustain that expenditure of public and private money over that period of time, so it is a system designed to fail, because it does not even achieve its job domestically.

Let us then look at the real world and see what we find. We saw from Woolworths not something that was hidden but a presentation given at a major conference. Woolworths' presentation to the Energy Users Association of Australia was absolutely clear. The carbon tax impact was 14 per cent for this year alone. The carbon tax works in this way. It is generally about 2c a kilowatt hour. That is then added to your bill. If you are on a lower tariff than 20c a kilowatt hour, you are going to be paying higher than 10 per cent of your bill. Woolworths obviously had some good purchasing arrangements. For them, their evidence, their statement, their presentation was of a 14 per cent increase in their electricity bill directly attributable to the carbon tax. That means either they absorb the cost and they have to reduce jobs or they pass it on to consumers.

Let us assume for a moment that they absorb the cost. One thing that is absolutely happening is milk suppliers and others are not able to pass on their costs, up the tree, to Woolworths.

I want to give an example, supplied by the member for Paterson, of the Williams Dairy in Vacy—I am very happy to table their electricity bill. The carbon tax component of the Williams Dairy $17,066 bill was $1,749.17. Add $175 for GST and the impact of the carbon tax is $1,925. That represents, against what they would otherwise have paid, a 12.7 per cent increase. That is a small business which is on the edge, a small business which is struggling with already high costs. And what has been said by the proprietor of this business? The proprietor has made it absolutely clear that these additional costs are pushing them out of the dairy industry. These additional costs are the straw that broke the camel's back. These additional costs have to be worn by family small businesses. They cannot be passed through. It is small businesses that are wearing these costs. These carbon tax costs are real, significant and important.

Let me take it to another level. Perilya Mining have released a report noting that they will have a $3 million increase in electricity costs this year. As stated by the managing director of the company, Mr Paul Arndt, 'For Perilya, the carbon tax is the bulk of the increase in electricity charges. The overwhelming bulk of that is as a consequence of the carbon tax—a mining operation being hit by the carbon tax on their electricity prices and that is exactly what it was meant to do.

I want to deal now with one particular argument which the government uses. The government says it is all network prices. Network prices have gone up—let us be absolutely clear about that. We have said that for a long time, but let me also tell you that there is somebody in this House who demanded, in a speech about network expenditure and investment, that network expenditure go up. Who is that person? Let me read you a quote from two years ago in reference to electricity price rises:

The current price rises in a number of states have been principally caused by a sustained period of under-investment. Significant investment is required to replace ageing network infrastructure and deliver energy security.

Any guess who that might have been?

Mr Tudge: Who would have said that?

Mr HUNT: That was the Prime Minister two years and six days ago in a speech to the Australian Industry Group, when the Prime Minister was demanding increased network expenditure. Well there was increased network expenditure. Suddenly, as the carbon tax starts, the Prime Minister decides
to throw in a diversion and to pretend that it is anything but the carbon tax driving up electricity prices. Here is the equation. Prior to the carbon tax, electricity was driven up by network prices. Since the carbon tax, a bad situation has been made dramatically worse. Two-thirds of a 15.3 per cent price rise is related to the electricity costs coming from the carbon tax. At the end of the day the carbon tax is an electricity tax. It is intended to be an electricity tax. It is operating as an electricity tax and Australian families are paying the price. (Time expired)

Mr DREYFUS  (Isaacs—Cabinet Secretary, Parliamentary Secretary for Climate Change and Energy Efficiency and Parliamentary Secretary for Industry and Innovation) (15:35): What we have here today is a scramble to salvage some credibility on the issue of climate change. It is a desperate attempt to maintain the relentless negativity, the schoolyard bully behaviour and the deceit which has been a motivating ideology for those on the other side. It is a pathetic move to maintain the sagging credibility of the Leader of the Opposition on this subject. It seems to me a particularly sad attempt by the member for Flinders to convince himself that he did not sell his soul when he joined the attempt to frighten the Australian people and mislead them about the effects of the carbon price. The member for Flinders seems to have entirely forgotten his previous decade's long commitment to pricing carbon, the purpose of which, as the member for Flinders well knows is to reduce carbon pollution. It is not an electricity tax; it is a price on carbon.

And the member for Flinders and those opposite know that the only reason why they like to use this phrase is because they are engaged in a scare campaign. They are engaged in a campaign of denying the way in which pricing carbon works. They do not want to read what the IMF says about this. They do not want to accept what economists around the world say about this, which is that pricing carbon is the least-cost, most efficient way of reducing carbon pollution and, when put together with a comprehensive package of complementary measures, as our government has done, that is the way in which we should be going about reducing carbon pollution.

We have an opposition here that has spent years chipping away at the confidence of Australians—making them fear for their jobs; seeking to make Australians feel economically insecure; making knowingly false claims about the impact of the carbon price on jobs and on prices. And they should be ashamed of themselves. We should be hearing an apology from the Liberal Party, not this continued bluster and deceit about the carbon price.

Their scare campaign has, of course, had some impact on some people's confidence about the future. It has an impact on how comfortable Australians feel about their place in the world, and that is, of course, what the Liberal Party intends. But this scare campaign is based on untruths. It is a scare campaign that has no basis, and it is a scare campaign that has now been exposed.

We have had a carbon price in force in Australia since 1 July this year. It is now some four months since that happened. It has been long enough for the first quarter of results from the consumer price index and the Australian Bureau of Statistics to come through, and we can now see that this scare campaign is without basis. If the Liberal Party were a business, the ACCC would have hauled them off to court long since for false and misleading conduct.

But of course the Leader of the Opposition has a completely cavalier attitude to just about everything. He has certainly got
a cavalier attitude to the truth, as have his colleagues. He has certainly got a cavalier attitude to economics. And we know, from what the member for New England has told us in this House, that the Leader of the Opposition, when he begged—begged!—for the vote of the member for New England, said he would do anything to become Prime Minister, and we can only assume from this that he will always put himself before the interests of working people, and always put himself before the interests of Australians, no matter what.

We have this opposition making more false claims about the impact of the carbon price on prices and jobs, but the only risk to the jobs of ordinary Australians are the Liberal Party, the opposition leader, the member for North Sydney, Senator Bernardi—the whole ratbag crew of them. Just ask Queenslanders about Campbell Newman—another part of the Liberal Party—and what he has done to jobs and services in that state, or the callous way in which he has gutted the Public Service, destroyed key services, and thrown people on the scrap heap. Or ask Victorians about the supposedly enlightened Liberal moderate Ted Baillieu and his gutting of the TAFE sector, costing jobs and robbing young people of a secure future.

It is extraordinary to see this opposition bring on a debate on the impact of the carbon price on electricity prices today, because only yesterday we had the welcome news, in the latest ABS bulletin, about the actual increase in prices across the board—and I include in that electricity prices—for the year to date. The year-to-date rise in prices for working families across Australia was just one per cent, and that is according to the selected living cost indexes. The most recent CPI figure that we have had was 1.4 per cent in the September quarter and two per cent over the year to September. Those opposite do not like to hear those figures, because they have been running this false campaign that said that prices were going to go up and up and up and up because of the carbon price coming in on 1 July. Well, we have seen that that has not happened.

As to the particular matters that have been raised by the member for Flinders today about electricity prices: of course, it is true, as predicted by the Treasury modelling, that there has been an increase in electricity prices, and that is included in those most recent figures. That is the most recent CPI figure of a 1.4 per cent rise in the September quarter. But when you get to unpick it, you see that higher electricity prices contributed 0.3 percentage points of that 1.4 per cent CPI increase—less than a quarter of the CPI rise. It is wrong—but we should not be surprised, given their conduct over the last couple of years—that the coalition attributes the entire electricity price impact reported in the September quarter CPI to the carbon price. That is not—

Mr Hunt interjecting—

Mr DREYFUS: Well, I am very pleased to hear from the member for Flinders. One could have been forgiven for thinking, from the way he has been talking, that he was seeking to do that, but it is a welcome concession—a welcome and refreshing turn to a bit of accuracy from the member for Flinders—if he says that it is not all to do with the carbon price, because that is the fact. It is the fact that it is not all to do with the carbon price, because that is the fact. It is the fact that it is not all to do with the carbon price. And it was also refreshing—and here is another concession—to hear, in the speech of the member for Flinders that we have just heard, that network costs are in fact responsible for a large part of electricity prices, and not just over the 2½ year period that the member for Flinders was talking about. Over the last five years it has been the network costs: what the
Prime Minister has described as gold plating—these excessive rises in electricity costs, all of them predating the introduction of the carbon price on 1 July. I am talking about the more than 50 per cent rises over the last five years in electricity costs. None of them could possibly have had anything to do with the carbon price, because it only came in on 1 July. This attempt by the opposition to roll into the carbon price an impression of rising prices in electricity needs to be unpicked and needs to be laid bare. Those price rises over the last five years have got nothing to do with the carbon price; they have everything to do with gold plating of our electricity networks by the states and expenditure on poles and wires, on network infrastructure.

The Prime Minister has remarked on electricity prices that have risen dramatically over the last years prior to the introduction of the carbon price. The Prime Minister said this:

At the heart of all this is a simple market design problem: a clear regulatory incentive to overinvest in infrastructure and pass on costs to consumers.

This is not the view just of the Prime Minister. It is not the view just of the government alone. Just last month, on 18 October, the Productivity Commission stated in its draft report on electricity regulatory frameworks:

Spiralling network costs are the main contributor to these increases, partly driven by inefficiencies in the industry and flaws in the regulatory environment.

The Chairman of the ACCC, Rod Sims, has made very similar remarks, and of course he has the experience and expertise to know, because he came into this job having been the chair of IPART, the New South Wales price regulator.

It is also worth noting—and I welcome them—the public statements made today in an opinion piece in the *Daily Telegraph* by the New South Wales Minister for Resources and Energy, Chris Hartcher, who clearly has not read the script the federal Liberal Party is working to. He wrote an opinion piece about electricity price rises. I read this and read it again and I have carefully checked it. Not once does he mention the carbon price in his article. Instead he talks about network costs, gold-plating and investment in poles and wires. He said:

With the cost of poles and wires making up a significant component of power bills, my aim is for power price rises to be limited at, or below, cost of living.

It is refreshing to hear a member of the Liberal Party talk about what the real pressures on electricity prices are rather than the imaginary carbon price scare campaign we have had now for years and years in this place. I will say again: Mr Hartcher, a Liberal who is actually prepared to engage in a real debate about why electricity prices might have risen, said this in his opinion piece today in the *Daily Telegraph*:

Everyone agrees that something has to be done about electricity prices and energy reform is something all levels of government must work together to deliver.

Hear, hear! It is a pity Mr Hartcher is not part of the party sitting opposite here, because then we might hope to have some real debate about why and how electricity prices have risen in the way that they have and how we can get to a situation where, in the interests of Australian consumers, those prices might at least be paused or reduced.

Surprisingly, there are some other Liberals who do not seem to be using the script provided by the Leader of the Opposition and to which the member for Flinders spoke here. In response to the Senate inquiry into electricity prices, released today, coalition
senators have been very measured. The report focuses on the real drivers of and the solutions to electricity price rises. It runs for about 200 pages. The coalition senators have supported this analysis. They have not dissented from the view that electricity price increases are due to factors that include:

... electricity markets and market power, business and investment issues, technical and reliability requirements, and policy and regulatory settings.

One never hears of this from the Leader of the Opposition or from the member for Flinders, but the difference between the modest rises in prices from the carbon price, which of course are compensated for through our household assistance package, and the unsustainable and dramatic rises that have been caused by regulatory failure is absolutely clear. The difference is not only that we have provided household assistance to nine in 10 Australian households; it is that we need the carbon price to reduce our emissions. Before the member for Flinders signed up to the Leader of the Opposition's scare campaign, he too knew that and was prepared to say so.

A carbon price is the most efficient way to cut carbon pollution and it contrasts very dramatically with the fig leaf of a policy of the opposition that was advanced in the first week of February 2010 and has been rolled out intermittently and tokenistically since then. It is called 'direct action', I believe. Not one word of it has been changed since February 2010—not in response to any circumstances that have changed in the world and not in response to anything that might have happened in Australia. It is a plan that will cost households $1,300 per year. It gives taxpayers' money to the largest polluters in the hope—not with any compulsion, but just in the hope—that they might perhaps reduce emissions. I say again: the carbon price is the most effective way to reduce emissions and it is the least costly. It is far more effective than the direct subsidy policies we see from the opposition.

What the opposition needs to realise is that this is the future. This is the way in which the world is headed. By next year, 850 million will be living in a country, state or city with an emissions trading scheme. It includes countries like the United Kingdom, Germany, France, Sweden, Norway, New Zealand, Switzerland, the United States, where it is operating at a subnational level, Canada and Brazil—

Mr Van Manen interjecting—

Mr DREYFUS: We hear this nonsensical distinction being made by those opposite about 'economy wide'. California is the eighth biggest economy in the world. Those opposite do not want to acknowledge that. It has an emissions trading scheme that is going to commence on 1 January next year. It is an emissions trading scheme that is remarkably similar to the scheme that we are introducing here in Australia, complete with a carbon farming initiative offset scheme that is very like ours. Korea's will also commence in 2015, and the details of the Korean scheme are going to be published on the 15th of this month. Countries like Turkey, South Africa, Thailand and Chile are working on developing carbon pricing schemes. (Time expired)

Mr CHESTER (Gippsland) (15:51): It is with a deep sense of sorrow that I join this debate. I feel sorry for the Australian people, who have had this carbon tax imposed on them without any chance at all to vote on the merits of the policy. They have had enormous increases in their electricity and gas bills—nine and 10 per cent imposed on them in the first year alone by a government that gave them no chance whatsoever to decide whether they actually supported the policy. I feel sorry for Australian business owners and farmers, who have incurred the
extra energy costs, making them less competitive with their international trading partners.

You might find this hard to believe, but I also feel sorry for those opposite—those who are the true believers in the Australian Labor Party, the ones who are still committed to standing up for the battlers, the ones who are interested in fiercely representing the interests of the blue-collar workers and are still interested in helping those in the community who are less fortunate.

I feel sorry for those opposite, because their grand old party has been led down a path to political oblivion by a leadership team that lacks judgement and lacks political conviction beyond its own survival. I get the opportunity, as other members on this side do, to move around my electorate a lot. I speak to a lot of blue-collar workers. Many of them have been union members. Many of them are involved in Latrobe Valley power stations. They tell me they feel absolutely abandoned by the Australian Labor Party. Latrobe Valley power station workers have been facing the uncertainty over the last two years of this government's Contract for Closure policy. What they asked me during that whole debate was why this Prime Minister doesn't fight for their jobs like she fights for her own job. That is what they say to me; they ask, 'Why doesn't she fight as hard for my job as she's fought for her own job within her own team?'

So it has been up to me and my colleagues, like the member for Flinders and others in the coalition, to fight to stop the Contract for Closure policy on their behalf. The reason we fought so hard in relation to that policy in particular is that it is about protecting jobs, about protecting blue-collar workers. It is also about reducing the cost of living for all Australian people.

I just have a message for the Prime Minister and her cabinet, and I mean this in all sincerity: I can tell you now that the blue-collar workers who used to support the Australian Labor Party in the Latrobe Valley have had an absolute gutful of being vilified and being called 'big polluters' by this government and the Greens. They have absolutely had a gutful of being told what jobs they can have and what jobs they cannot have, and they have had a gutful of listening to this Greens mantra, which is being preached by inner-city MPs who have absolutely no understanding of life in regional Australia. They are angry; they are still angry. Those opposite might want to console themselves with a Newspoll bounce this week, but let me assure them that they are still out there waiting for you; they are angry and they are waiting for you.

The Contract for Closure policy, as part of the carbon tax policy, was always going to force higher electricity prices and energy prices across the board, and that is what we are seeing. It was always going to force the switch to more expensive forms of power generation, making it tougher for Australian businesses, making it tougher for Australian families and also making it tougher for Australian pensioners and those on low incomes.

This matter of public importance debate today is a critical discussion for the House because it reveals the arrogance of the modern Labor Party. The previous speaker really typified my concerns with the modern Labor Party. This party has become so out of touch. It has no interest in the issues that actually affect regional communities. But those on this side of the House are not surprised by that. We are not surprised that the ALP has no interest in regional issues, because there is not a single member of the Labor cabinet who actually lives in regional Australia. I believe that, to
have a passion for regional Australia—to actually care about the future of regional Australia—you have to live amongst us; you have to live and breathe and work amongst the people of regional Australia. There is not a single cabinet minister who is completely committed to standing up for the interests of regional Australia. So we should not be surprised that we do not have anyone in the Labor cabinet advocating on behalf of regional communities.

One of the great myths of the carbon tax debate has been this claim by those opposite that only the so-called big polluters pay the carbon tax. But what we know now—the lived experience of the carbon tax—is that it has forced up energy prices on every household, on every business, on every factory, on every sporting club, on every hospital and on every aged-care and childcare facility. And every Australian knows it, except those opposite, who are still out here every day parroting the party lines fed to them by their party apparatchiks.

Those opposite also like to claim that somehow our opposition to the carbon tax—our anti-carbon-tax campaign—is running out of puff. I can tell you now that the winds of change are still blowing right across Australia, and every member on this side remains committed to fighting this battle all the way to the next election. Those opposite would like to believe that the community has moved on, that no-one is worried about it anymore. Well, if no-one is worried about it anymore, why not test the theory? If this government is so confident that no-one cares anymore about the carbon tax—

Ms Marino: Go to an election.

Mr CHESTER: Go to an election! That is one way to test the theory. We could go to an election. If the Australian community has really moved on, what is stopping us from going to an election?

Ms Saffin: You're dreaming!

Mr CHESTER: The member for Page says I'm dreaming. I am dreaming—dreaming that anyone in this government would have the decency to actually let the Australian people in on their dirty little secret that they always planned to have a carbon tax. If this Prime Minister is so arrogant and out of touch—if she actually thinks the Australian people do not care anymore about her fundamental breach of trust—then let us test the theory. Let's have the election. It would give the Australian people a chance to finally have their say on whether or not they want to have a carbon tax, which this Prime Minister explicitly ruled out prior to the last election.

I can assure those opposite that no-one in the community has forgotten that fundamental breach of trust. It goes to the core of every bit of anger that is still there in the community, because they know they simply cannot trust this Prime Minister or anything she says. This is the Prime Minister who said boldly before the last election, 'I rule out a carbon tax,' and, 'There will be no carbon tax under the government I lead'. Of course, the Treasurer himself was complicit in this deceit, because he said that the claims about a carbon tax were 'hysterical'. They were perhaps not as hysterical as his claims about returning the budget to surplus this year—but I have digressed.

I said at the outset that I feel sorry for the true believers in the Australian Labor Party, and I do save my greatest sorrow for those who are offended by the deal the Prime Minister did with the Australian Greens. How they must hang their heads in shame in this place knowing that they are in power with the Australian Greens—getting into bed with the Australian Greens for a grubby political deal must tear at the heart and soul
of the true believers in the Australian Labor Party.

Finally, and I suppose in the spirit of the Spring Racing Carnival, I was inspired to review the list of previous Melbourne Cup winners—and I can assure the House that the list of Melbourne Cup winners is a rich treasure trove of metaphors for the Labor cabinet. We had the minister himself—

**Mr Christensen:** The government that stops the nation!

**Mr CHESTER:** The government that stops the nation—I love it! The minister himself reminds us of Comedy King, who won in 1910. As he stood here joking about the carbon tax, he was hoping voters were thinking, 'It's just a carbon tax; What A Nuisance'—the winner in 1985. Then, of course, there is the member for Maribyrnong—or Rising Fast, as he is known; he was the winner in 1954. He displayed his might and power to destroy the member for Griffith. Ominously—

**Mr Hunt:** I am waiting for Light Fingers.

**Mr CHESTER:** Oh, we will get to Light Fingers, don't worry. Ominously, though, the member for Griffith is the Think Big of the Labor Party—ominous because he saluted twice. So perhaps the grey stayer from Griffith has another run in him yet. Of course—and the member for Flinders has been waiting for this—there is the Treasurer, old Light Fingers himself, a winner in 1965. But, with a little bit more research—and in light of his mining tax flop—perhaps he is Subzero. Only this Treasurer could deliver a tax that delivers zero—a winner in 1992 but not such a big success in 2012. I do like that—the government that stops a nation.

But the metaphors are everywhere to describe this dysfunctional government and its carbon tax. I will leave it to others to decide which of those opposite has the title Windbag—the winner in 1925.

**Opposition members interjecting—**

**Mr CHESTER:** Yes, there was Big Red and White Nose, but I am not going there! All I can say is that, when the minister stood in this place and tried to describe our approach to the carbon tax as something akin to the Fine Cotton affair, I was reminded that the Fine Cotton affair looked like a picnic race meeting compared with the carbon tax con, which really is the Melbourne Cup of all deceits. This carbon tax should be sent to the knackery. I thank the minister for his inspiration today.

This is a government that has made a lot of promises to the Australian people. The Prime Minister made a promise before the last election that there would be 'no carbon tax under a government I lead'. This Prime Minister has also made promises in relation to the National Disability Insurance Scheme and the Gonski review, yet we have not had one announcement from the Prime Minister on how she is actually going to pay for any of this. This is a government that is running out of excuses, running out of ideas, and I feel sorry for the Australian people that they will not get their chance, probably until the next Melbourne Cup, to finish their race.

I thank the House for the opportunity, and let me assure those opposite that no-one on this side has run out of puff when it comes to our campaign to destroy the carbon tax.

**Mr KELVIN THOMSON** (Wills) (16:01): Since we have been on racing metaphors this afternoon: the Liberal Party and the Nationals are certainly late entrants when it comes to expressing concern about electricity price rises. This is an issue which I raised in the House two years ago. Let me quote from that speech:

Over the past 10 years, electricity prices have almost doubled across Australia’s eight capital cities. The most populated cities, Melbourne and Sydney, have seen the highest price rises, and
prices have more than doubled in the past 10 years. In real terms, across Australia, electricity prices have increased by over 40 per cent over the 10 years. Melbourne prices have risen by over 50 per cent in real terms—52 per cent. So have Sydney’s—51 per cent. In Brisbane, real electricity prices have gone up by over 38 per cent, and in Adelaide real electricity prices have gone up by over 26 per cent.

All of those things happened over the course of the 10 years well prior to the introduction of the carbon price.

You might think that more people, a growing population, would lead to economies of scale and to lower electricity prices, but you would be wrong. Rising electricity prices do not just show up on the household bills; they show up in the rising cost of electricity per kilowatt hour. Across Australia the average cost of electricity per kilowatt hour rose, in the decade prior to 2010, from 12.69c in 2002-03 to 19.65c in 2009-10, which was a massive jump in just seven years; and Victoria, the most densely populated state, had the highest cost of electricity per kilowatt hour at 22.54c, a rise on 18.72c in 2010 prices back in 2002-03.

So the outlook for electricity prices with that growing population in South-East Queensland is clear: they are heading up. And the opposition seeks to use rising electricity prices for their own agenda, to blame the carbon price, but it is untrue—and mischievously untrue—to assert that rising electricity prices are a consequence of the carbon price. The recent CPI result reflects otherwise.

The modelling published by the government estimated that electricity price rises attributable to the carbon price would be 0.3 percentage points to headline inflation in 2012-13. In the September quarter results, the increase in electricity prices, both from the carbon price and from price increases from state regulators, that are unrelated to carbon pricing, contributed 0.3 percentage points to quarterly inflation, which indicates that the impact of the carbon price was well within the Treasury estimate.

So we conclude from this that the major driver of electricity price rises has been investment—and, let me say, sometimes over-investment—in electricity networks, the poles and wires, much of which benefit state governments through regulated rates of return on their assets. The Productivity Commission stated in its draft report on electricity regulatory frameworks on 18 October, just a few days ago, that 'spiralling
network costs are the main contributor to these increases, partly driven by inefficiencies in the industry and flaws in the regulatory environment.' Those inefficiencies have meant that increases of around 50 per cent have occurred in the last four years—well before the carbon price was introduced on 1 July.

Given that, Mr Deputy Speaker, I welcome recent statements by the Prime Minister on the causes of rising electricity prices and the debate that we are now having about the gold-plating of electricity networks. An example of that occurred in my own electorate at the Brunswick terminal station, where the cost of the upgrade has blown out far beyond what was reasonable or initially possible.

The fact is that pensioners and household consumers foot the bill. The more that power companies spend, the more money the power companies receive. I want to urge the electricity pricing regulatory authorities to consider the hardship that the rises over the past decade have caused and to think about pensioners who are struggling to make ends meet when they consider applications for price rises.

The recent CPI September quarter figures showed a 1.4 per cent increase from the carbon price compared to a 3.8 per cent increase when the coalition's GST came into effect in the September quarter of 2000. That is a much reduced impact compared with the price effects of the GST. The CPI figures confirm Treasury modelling. The Commonwealth Bank economist Michael Blythe said that the CPI figure showed Treasury's modelling may in fact be an overestimate rather than underestimate. All along the government has been upfront about the carbon price and electricity prices. The Treasury modelling was that the carbon price would increase household electricity prices by 10 per cent, $3.30 a week on average. Electricity regulator determinations have confirmed this. In some cases, the carbon impact has been less than Treasury's estimate. To meet this impact, the government has provided $10.10 per week on average to households, so it is not just a question of the impact on electricity prices. We have been up front about that, but there is also the household assistance package, including the trebling the income-tax-free threshold and the like.

It is regrettable that earlier this month the opposition leader made misleading claims about the electricity bill of a Western Australian pensioner. He told the House that there was 'an $800 increase in just one bill, of which 70 per cent is due to the carbon tax'. But when we examined the bill it was clear that the proportion of the increase of the bill due to the carbon price was a fraction of the claimed 70 per cent. Frankly, this treats pensioners disrespectfully as nothing but fodder for a political scare campaign. The Chair of the ACCC has made it clear that the massive increase in electricity costs has been driven by electricity networks and not carbon pricing. He and the Productivity Commission have made it clear that the regulatory framework for controlling the prices on the electricity networks has increased prices by more than should have been the case.

In conclusion, the opposition holds out a series of pipedreams to the Australian people that if elected they will get rid of the carbon price and that they have alternative ways of cutting carbon emissions. They do not. What they really plan to do is to kick the carbon can the road and leave it for future generations to deal with. They want to wish climate change away. Yet just this week we have seen a stark and brutal reminder that we do not have the luxury of sitting on our hands. Hurricane Sandy has caused terrible devastation in the Caribbean and along the
east coast of the United States and loss of life. There has been flooding of coastal communities. New York's subway is out of action. Manhattan and New Jersey have been devastated and brought to a standstill by the worst storm in memory in that part of the world.

Climate scientists are very clear in telling us that this is not a coincidence. They are clear in telling us that if global greenhouse gas emissions continue to rise we will bequeath to our children and our grandchildren a world of Hurricane Katrinas and Hurricane Sandsys, of Cyclone Yasis, of Lockyer Valley floods and Black Saturdays. Those opposite are prepared to take that kind of risk rather than put a price on carbon—a price offset by a household assistance package that has tripled the tax-free threshold and fully compensates the majority of households. (Time expired)

Mr CRAIG KELLY (Hughes) (16:11): Before I start, I would like to acknowledge the members of Sikh community here in the gallery today. I thank you for your interest. I am sure that many of you up there are suffering from the carbon tax that this government has inflicted upon you. Thank you for coming this afternoon.

I would like to add my contribution to today's matter of public importance on the subject of the adverse effect of the carbon tax on electricity and gas prices. What has been the effect of this tax, a tax that our own Prime Minister promised before the last election not to introduce? We must never forget her exact words: 'There will no carbon tax under a government I lead.' And yet here we are debating that carbon tax. Let us not forget, either, what the Treasurer said before the last election. He said: 'No it's not possible that we're bringing in the carbon tax, that is a hysterically inaccurate claim that they would bring it in, according to our Treasurer.

To start with, what has been the effect of this tax? The most recent release of inflation figures issued by the Australian Bureau of Statistics details the largest ever increase in electricity prices since modern records have been kept. That is what has happened in the last quarter. Everyone knows that the majority of that increase is because of the carbon tax; the carbon tax is largely responsible.

Dr Mike Kelly: Rubbish.

Mr CRAIG KELLY: The member for Eden-Monaro very well knows that the carbon tax is largely responsible for that. We would not have had these large electricity increases without it. It is very sad to see this complete and utter denial by members of the government. They come into this chamber and they refuse to acknowledge the harm that their carbon tax is doing to the Australian population.

The other thing that we need to remember is that this carbon tax is just getting started; it is just warming up. It started at $23 a tonne. But this poisonous and toxic tax goes up every year. It will go up to $37. And in fact by the year 2050 the carbon tax will not be $23 but will be $350 a tonne. That is what the tax does: it goes up; it escalates every year. If you want a vision of the future under this Labor government and under their carbon tax, picture a world where your electricity bill goes up every single time you open it up. That is what this carbon tax will do: it will make electricity prices go up forever.

Think about some of the things that previous generations have taken for granted, such as the ability to heat their homes in winter. Under this governments policy, things like that will become a luxury for...
future generations of Australians. They will not be able to heat their homes in winter because of this carbon tax.

We hear members of the government come in and say: 'It's all fine, the carbon tax is going well. Don't worry about it. Everyone close your eyes and go back to sleep. Can you believe that? This is the same government that told us we would never have a carbon tax. Listening to this government you would think they are living in a parallel universe. They simply do not have a clue about the damage they are doing to households and families.

You should be listening to welfare groups, which are warning that some of the poorest people in our society can no longer afford to pay their electricity bill and they can no longer afford to turn their heater on in winter. That is the effect of this carbon tax. I know of aged pensioners who are going to bed in winter at 5 o'clock simply because they cannot afford to heat their house at night. That is what this carbon tax has done, and the problem is only going to get worse.

This government should listen to the words of former New South Wales Labor Premier Kristina Keneally, who said of the Carbon Tax:

"Reducing, lessening the impact, or possibly, revoking, the carbon tax: if she—referring to the Prime Minister—stays, it is the one Act of Contrition she needs to make.

"In doing so, she would tell the people of Australia "I am sorry, and I am listening to you." But we are not hearing sorry from this government; they are just denying it. We are not even hearing that they are listening to the public about the harmful effects of this carbon tax.

There is also the issues of the effects this is having on business in our community. We know those on the other side, completely dominated by the trade unions, have absolutely no idea of the pressures that this tax is putting on business, especially small business. Our global competitors are laughing at us. We are the only nation that is putting on a tax of this extent. It is putting our nation at a competitive disadvantage. While we are in time for Melbourne Cup metaphors, it is putting weight in our saddlebag. It puts us backwards. It makes us less competitive. It reduces our productivity. It is bad for our nation.

But what we have seen is not only a complete denial but a dangerous commercial naivety from those running this government. We saw it only this week with the mining tax, a mining tax that was personally negotiated by none other than the Prime Minister and the Treasurer of this country. They sat down and they were played off a break by the mining companies. It looks like this great mining tax that was supposed to raise $9 billion, then it was $4 billion, and then it was $2 billion. We now know it might not even raise a brass razoo—not even one cent. You can just imagine our Prime Minister and Treasurer, with their commercial naivety, trying to negotiate that with business. It just shows that they do not have a clue.

The commercial naivety of this government was demonstrated by the comments of our Prime Minister about what small business should do when they face these price increases from the carbon tax. This is the message the Prime Minister gave to small business, and I hope they are listening so they see how little idea our Prime Minister has:
… you would be in a position to pass that onto the people who buy services from your business and we have expected that those costs would be passed on …

What dangerous and naive commercial incompetence. Small business cannot pass these costs on, and not only small business but also exporters. How are exporters in Australia meant to pass those costs on when the carbon tax is charged on the goods they produce but their overseas competitors do not pay that carbon tax? It simply puts our the people of our nation that we rely on—the producers, the people that underwrite our prosperity, the people that we need to fund everything in the future—at a competitive disadvantage and brings us all down. But this government simply does not understand.

At least around the world they are starting to wake up. Only this week in the UK John Hayes, the UK government’s new minister for the Department of Energy and Climate Change said:

We can no longer have wind turbines imposed on communities. I can’t single-handedly build a new Jerusalem but I can protect our green and pleasant land.

And he stirringly declared:

I’m saying enough is enough.

And that is right—enough is enough.

The next election will be a referendum on the carbon tax, but it will not only be a referendum on the carbon tax. Everyone that is in the gallery and everyone that is listening today will have two choices at the next election. The first is Labor’s carbon tax, which increases year after year, forever, and then morphs into an ETS. By 2050, under this government's plans, we will be sending $57 billion of the wealth of this nation overseas to foreign carbon traders. What will we get back for that $57 billion? A shiny piece of paper in a nice frame that says, ‘We are permitted to emit carbon dioxide.’ This government were talking today about funding the National Disability Insurance Scheme. They do not have a clue how they are going to fund it. How are we possibly going to fund it in the future if we have to send $57 billion, almost 1.5 per cent our GDP, overseas to foreign carbon traders? This election coming up is most important. It is very clear.

If the coalition wins this next election we will come into this parliament and, as our leader Tony Abbott has promised, on the very first sitting day we will introduce legislation to repeal this carbon tax in its entirety. (Time expired)

Mr HUSIC (Chifley—Government Whip) (16:21): I see in the galleries, proudly, a number of representatives of Sikh Australians, drawn here from all over the country Waheguru ji ka Khalsa, Waheguru ji ki Fateh. It is very good to see you all here. We reached a milestone this week. for a while I have been grateful to receive bulletins from the Minister for Climate Change and Energy Efficiency helpfully correcting a number of inaccuracies that are being peddled in reference to the introduction of the carbon price.

Last Sunday, the 40th edition of this appropriately named bulletin, Abbott’s absurdities exposed, was issues by the Minister for Climate Change and Energy Efficiency. It is not hard to see how we could reach 40 bulletins in such a short time. We have had all sorts of claims made about the impact of the carbon price: that it would lead to job losses; that it would lead to the absolute wiping out of towns; that assistance for small business would be impacted; that the strength of the economy would be crippled; and that the future cost of lamb roasts would skyrocket to $100. I love a lamb roast on a Sunday night but here we have those opposite suggesting that it is
going to cost over $100 for a lamb roast. Unimaginable increases and impacts were being proposed by those opposite and more of the same have come from them during this debate.

The 40th bulletin was a special because the mover of this MPI occupied a special place in the Abbott's absurdities exposed bulletin. He had come up with a pearler. He had said, 'Every time you turn on the kettle, open the fridge, turn on the light, switch on the TV, you will be paying the carbon tax.' As usual he was going way over the top about what the impact would actually be. We have been upfront about the impact of the carbon price on electricity prices. Treasury modelling actually found that the carbon price would increase household electricity prices by 10 per cent. We have said that that would equate to about $3.30 a week, on average. The fact of the matter is that the determinations of the electricity regulators have exactly confirmed this. In some cases the carbon impact has been less than the Treasury forecast. So bear in mind that there has been an average increase of $3.30, and to meet the impact we provided $10.10 a week to average households.

Not content with that, the opposition claimed that the carbon price is driving up CPI—wrong again. In fact, higher electricity prices only contributed 0.3 percentage points of the 1.4 per cent CPI increase that was recently recorded: less than one quarter of the CPI rise. The fact of the matter is that rising network prices contributed to the increased electricity price rise so that not all of the 0.3 percentage points is due to the carbon price rise. There was a 1.4 per cent CPI increase in the September quarter figures and that compares to 3.8 per cent when the coalition's GST came into effect in the September quarter of 2000. The CPI figures basically confirm what Treasury said would happen. So we need to bear in mind that despite all the scaremongering it is always useful to go back to see what is happening in reality.

I have spoken broadly about what happened in relation to price impacts and inflationary impacts. What happened to larger and smaller business energy users? The Treasury said, as I have said, that electricity prices would go up by 10 per cent. That has been confirmed. Recent analysis by Big Switch Projects of larger business users demonstrated an average of 11 per cent due to the carbon price and they found that the impact of the carbon price for most businesses is at, or just over, 2c per kilowatt hour—again, smack in line with what Treasury was saying would happen.

What has also been happening with larger businesses is that many of the network companies have been increasing demand charges—by as much as 75 per cent—resulting in an overall bill increase of up to 53 per cent. Not one bit of these increases are caused by the carbon price. It is time those opposite recognise that the big thing that is driving price rises is the network prices. The network costs underneath—the way that has been structured—is what is driving those increases. We have been upfront about the impact. Those opposite have tried to turn a blind eye to the real driver of those increases.

People have talked a lot in this debate about the investment that is being made by transmission companies and distributors. This investment went way back into the last decade, where transmission agencies' distributors were saying that they had a 1960s and 1970s network that was trying to deal with modern power demand from households and businesses. If you compare most households now to households when the networks were rolled out, you would see that households now have air conditioners,
plasma TVs, heat pumps for pools and hot water systems. Those things have transformed the way that energy is used in homes.

As much as they have had to update their network, the reality is that in greenfield sites those costs are instantly paid for by households and new homeowners when they move in. This is really about brownfields investment. That investment has occurred for ages, and the continued demand by distributors and transmission agencies to keep investing is rightly being called into question, because it is having a big impact on prices.

The other thing that has happened is that we have needed to address peak demand. There are a number of times in the year when electricity demand skyrockets because temperatures are over 40 degrees and households have air conditioners running for extending periods. That is driving demand through the roof. So we need to invest in alternative supply measures like gas fired power stations that can be brought on line quickly and then shut off, which costs money. Again, we need to find a way to change the nature of supply and find better ways to manage demand. And that is what our price on carbon is designed to encourage; it is not designed—as is the claim made by those opposite—just to drive down demand through increases in power prices. That is simply not the case.

To way to stop increases in power prices, if people opposite are concerned about it, is to turn to the state owned corporations managed by governments in New South Wales and Queensland and stop in their tracks any claims for increased power prices. If those opposite are concerned about power price increases they can do just that. Barry O'Farrell was elected in New South Wales off a promise to rein in cost of living rises. We have seen power price increases, water price increases and he has done nothing to stop those in their tracks.

To put all this into perspective, whereas network costs make up about $51 of every $100 you pay, the carbon price only equates to $9. I draw the House's attention to the Sydney Morning Herald back on 22 October. Saul Eslake, chief economist on Australia and New Zealand for Bank of America Merrill Lynch had cut his forecast for the headline CPI to 1.1 per cent for the September quarter with an annual rate of 1.6 per cent. He said:

I think the economy has absorbed the introduction of a carbon tax relatively easily, with less disruptive than the introduction of the GST. The latter—the GST—truly was the great big new tax and he is absolutely right. If you compare the two, it is comparing apples with oranges. Stephen Walters, the chief economist with JP Morgan, expects the carbon price will exceed Treasury's percentage point increase but he reckons the worst has already passed. He points to the fact that electricity prices increased but the increase included network and other charges unrelated to the carbon tax. (Time expired)

Debate interrupted.

**ADJOURNMENT**

_The SPEAKER_ (16:30): Order! It being 4.30 pm, I propose the question:

That the House do now adjourn

**Petition: Sikh Community**

_Mr ENTSCH_ (Leichhardt—Chief Opposition Whip) (16:30): I rise this evening to acknowledge the members of the Australian Sikh community, who have made great efforts to be here to witness the presentation of this historic petition. I am pleased to present this petition.

_The petition read as follows—_

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CHAMBER
To the Honourable The Speaker and Members of the House of Representatives

This petition of concerned citizens of Australia draws the attention of the House to the following:

WHEREAS, the Sikh community in Australia has been a vibrant part of the Australian cultural mosaic since 1897;

WHEREAS, the Sikh community in Australia is amongst one of the largest religious groups within the Indo-Australian community;

WHEREAS, members of the Australian Sikh Community have become an integral part of Australia’s culture as they continue to contribute significantly to the national economy;

AND WHEREAS, there was an organized campaign of Genocide against the members of the Sikh Community in India in November of 1984, resulting in the deaths of thousands of innocent Persons;

we call on the House of Representatives to:

1. Recognize that an organized campaign of violence, rapes and killings took place in India in November of 1984, against the Sikh community, resulting in the deaths of thousands.

2. Formally recognize that these organized killings were “Genocide” as per the UN Convention on the Prevention and Punishment of the Crime of Genocide.

3. Urge the government of India to take all reasonable measures to bring all persons responsible for this organized campaign of violence to justice. This includes criminal prosecutions against the responsible persons following due process of law.

from 4,429 citizens

Petition received.

In fact, we have had members of the Sikh community travel from all over Australia and even from as far away as Canada to be here.

I will not go into much background on the events of November 1984 as the members present have been briefed and the Sikh community is, of course, very well aware. But it is important to note that today, 1 November, is 28 years to the day that these attacks took place. And as long as they continue to be referred to as 'anti-Sikh riots' there can be no closure for the Sikh community.

Discussions around mass violence and genocide will always be controversial but the continued denial of such historical injustices can only encourage modern-day crimes against humanity. It was 1939 when Hitler justified the persecution of Jews by referring to the killing of 1.5 million Armenians by the Turks in 1915. Those few simple words he uttered to the leaders of Poland, 'Who, after all, speaks today of the annihilation of the Armenians?' led to the deaths of six million Jews. Almost 100 years on, the Armenians are still fighting for recognition. But their cause was helped last year when seven members of this parliament called for Australian recognition of crimes against humanity in the Armenian, Greek and Assyrian genocides.

More recently, in March, this House formally recognised the killing of 7,000 Bosnian Muslims in Srebrenica in 1995 as an act of genocide. It was this event that cemented my commitment to this cause today. If the killing of 7,000 people could be recognised so quickly by world leaders, why has the Sikh community had to struggle for so long? I am aware that the Prime Minister of India has asked the victims to ‘forgive and forget’. But it seems clear to me that the events of 1984 onwards—and the lack of justice—has left lasting wounds on the Sikh psyche.

The old saying 'a crime unpunished is a crime encouraged' is illustrated by the fact that those responsible for this violence—the police, the 'death squads' and those who authorised their actions—have never faced criminal prosecution. In many cases they have actually been promoted. I am aware that numerous mass graves from 1984 have
been discovered recently in Haryana and other states, with these deaths—totalling thousands—outside of official figures. There is also proof that tens of thousands of people have gone missing since 1984—imprisoned and executed without trial outside the judicial system. I am told that people still cannot speak openly due to pressure from the state security forces. And it was just three years ago that Indian MPs were first allowed to discuss the events of 1984 in their own parliament.

To close, I would like to emphasise that this is not an attack on any particular element of Indian society. It is well known that many Sikh lives were saved through the courageous actions of Hindus, and we must pay tribute to them. This petition is asking the Australian government to recognise that these killings fit the United Nations' definition of 'genocide' and to urge the Indian government to take the proper legal action against those responsible.

This is something I am pursuing because I personally feel it is the right thing to do. I made a commitment to my dear friend Mr Daljit Singh, who, through our friendship educated me about Sikh culture, tradition and religion, and made me aware of this horrific event. That is why I commenced this journey two years ago and I hope our aims will be taken in that context. I know as well that we cannot turn back the clock, but this is part of the healing process. There are many in the Sikh community who will never forget the harrowing images in their minds, and who want to see justice in their lifetime. It is now over to the Sikh community to use the awareness raised here today to build momentum, to lobby their local MPs and to encourage public debate and discussion. I wish them well for their journey and I commit absolutely to working with them to achieve a just outcome.
opportunity to hear directly from the police, the council and other community leaders about the work being done to improve community safety. This forum will also allow local residents to share their views on possible initiatives relating to addressing violence against women—CCTV cameras, late-night bars and clubs, police visibility, street lighting, taxi services, public transport—and what actions we need to take to make our community a safer place. The Brunswick community has been deeply shocked by the death of Jill Meagher. Building on the tremendous public displays of grief and solidarity, this forum will be an avenue for concerns and ideas to be aired and giving clear feedback for actions required.

I am one of the male parliamentarians for the elimination of violence against women who has taken the white ribbon pledge not to commit, not to condone and not to stay silent about violence against women. One of the things we have committed to do is raise awareness of the issue, and I want to do something about discharging that obligation today. There is much that men can do to help stop sexual assault, domestic violence and other forms of violence. Violence against women will only stop when men join with women to put an end to it. Men have much to gain from ending violence. In our relations with women, instead of experiencing distrust and disconnection, we may find closeness and connection. The girls and women we love will lead safer, freer lives. No longer will men be viewed with fear or suspicion because of the threat posed by a minority.

Our hearts go out to Jill Meagher's family at this terrible time, and in particular to her husband Thomas. We can only glimpse the pain, grief, sorrow and anger he must be going through. I also extend my condolences and sympathies to Jill's work colleagues at the ABC. I want to congratulate Victoria Police for their mighty efforts in the days after Jill Meagher went missing and I thank Brunswick Police for the most co-operative way in which they responded to requests for information from Jane Garrett and me. With Jill Meagher's death we are left to reflect on the cruel and capricious nature of life and fate. Why this young woman? And, in asking this question, I am reminded of this from John Donne: 'No man is an island, entire of itself. Each is a piece of the continent, a part of the main … Each man's death diminishes me, for I am involved in mankind … Therefore, send not to know for whom the bell tolls, it tolls for thee.'

Business Ethics

Mr COULTON (Parkes—The Nationals Chief Whip) (16:40): I rise to speak on a matter that is of great importance to the people of regional Australia. Sadly it seems that the long-established way we conduct business in rural areas, where a handshake and a person's word is legally binding, may be a thing of the past. Recently there have been a few notable circumstances where companies in rural Australia have been operating with a certain level of deceit, which is severely impacting businesses and individuals in my electorate.
Issues surrounding the cotton farm 'Benegerang', near Moree, owned by the company Medgun, have resulted in local businesses being owed more than $500,000, and it appears they will not see the money at all. Medgun is owned by Kepper Family Trust Investments and Andrew and Anna Bullard. It is understood that Kepper Family Trust Investments put the company into administration in January this year as they suspected fraud within the company.

Local businesses in Moree were informed, and practically guaranteed, by a consultant for the administrator Loewe Lippmann that they would receive payment for outstanding accounts. On the strength of this, several local businesses continued trading with Medgun under the understanding that they would receive payment for their goods and services. However, in August, Medgun was placed into administration, and then extended administration, and then finally liquidation. There was no deed of company arrangement; so, under corporations law, unsecured creditors would be unlikely to receive any payment. It is expected that the property Benegerang will be sold for a substantial sum of money but it appears very unlikely that these creditors will receive any of this.

Another example of this type of business practice is the case of the grain business Aust Asia Milling, in Young, which entered administration in July with a $9 million debt, owing one farmer in my electorate, Iain Tyack, of Condobolin, more than $180,000. The actions of this company are questionable. I would like to know whether Aust Asia Milling purchased grain knowing they would not be able to pay for it.

Actions like those conducted by these companies are not welcome anywhere, particularly not in the bush. Unfortunately, businesses in rural areas will have to be more careful and give due consideration when conducting their business because of the actions of the companies mentioned above.

Fowler Electorate: Homelessness

Mr HAYES (Fowler) (16:43): Homelessness is an issue that touches many lives, and it is a sad fact that thousands of people are on our streets each night. There are too many people who do not have a place to call home. Homelessness occurs for a number of reasons, including a shortage of affordable housing, long-term unemployment, mental health issues, domestic violence, substance abuse and family and relationship breakdowns. Youth homelessness is one of the major problems facing our communities, with statistics showing that almost half of homeless people are less than 24 years of age. This is concerning given the susceptibility of this age group to such things as alcohol and drug abuse, violence and gambling.

Today I would like to speak about two organisations in my electorate that have made it their job to do something positive about the plight of the homeless in our community. I have the privilege of witnessing firsthand the work of the Liverpool Community Kitchen and Hub and the Liverpool Youth Accommodation Assistance Company. The Liverpool Community Kitchen was officially launched in August this year and provides breakfast and lunch to approximately 70 people per day, three days a week. It offers cooked and continental breakfasts, lunches and desserts.

This centre is a joint partnership of Anglicare Liverpool, Cabramatta Community Centre, Inspire Community Services, the Liverpool City Council, Liverpool Uniting Church, Mission Australia and Parramatta Mission. The centre not only provides a decent meal but also acts as a referral centre for such things as drug and
alcohol abuse, emergency housing, clothing and other areas of concern to people. Each week approximately 200 people visit the Liverpool Community Kitchen and the centre relies heavily on local donations. The Liverpool community kitchen also hosts work placement students, providing them with much-needed experience as they go about their task of seeking jobs. This is another truly good thing occurring within our community.

Very early on, the CEO of Inspire Community Services, Mike Meyer, recognised the need for this form of local service and the kitchen is affectionately known as his baby. For his foresight and persistence I certainly congratulate him. The team of workers from Anglicare, the Cabramatta Community Centre, the council, the Uniting Church, Mission Australia and Parramatta Mission should also be congratulated, as well as the army of volunteers who freely give of their time each week to help others. It would be remiss of me not to also mention the work and dedication of the centre's manager, Steve Lytton, who truly makes the kitchen and the hub run very efficiently. I congratulate him and his team.

At another organisation I recently visited Elizabeth Milinkovic, a living skills worker at the Liverpool Youth Accommodation Assistance Company, who has brought my attention to the number of young people who are homeless in our region. LYAAC is a non-profit public company that provides accommodation and support for people between the ages of 16 and 25 who are either homeless or at risk of being homeless. The company was formed back in 1984 and it is currently managed by a board of six volunteer directors, accommodating up to 40 young people and their dependent children. They have been working alongside young people to assist them in making changes in their lives by running intensive casework, social and educational workshops. LYAAC provides access to health professionals, tutoring, employment coaching and mentoring projects and helps encourage social interactions and increase job readiness and job opportunities for these young people.

LYAAC's core funding is provided through the Specialist Homelessness Services program and through other charitable organisations including the Sydney Women's Fund and Clubs New South Wales. I would particularly like to mention the good work and contribution to this wonderful organisation made by Mounties. I would like to take the opportunity to thank Ms Milinkovic and Mr Derek Tweed for their efforts in giving homeless youths another chance in our community. We need to understand more about homelessness and the resources available. We know that homelessness is not just an issue of finance. There are many things that we need to do. On behalf of a grateful community, I thank both of these organisations. (Time expired)

Banksia Securities

Dr STONE (Murray) (16:48): There is a very sad and shocking situation playing out mostly in the electorate of Murray but extending to other parts of northern Victoria, and that is the failure of the Banksia Financial Group. It is a group that takes deposits and lends out money. Banksia was established in the 1960s in the small town of Kyabram. It was a home-grown enterprise that people felt proud of. Their own town had its own bank-like agency.

There were many thousands of investors—over 3,000—mostly farmers, small business people, self-funded retirees, sporting clubs and some local churches. Many pensioners had their welfare payments go directly from Centrelink straight into
Banksia. You might wonder why people were investing in their own home-grown, non-banking, very minimally regulated investment vehicle. Well, it is what you do in country towns. You support your own businesses. You look after your own local population. People who worked in Banksia and the various branches were local people, known to the locals and trusted by the locals. You can imagine the shock when last Thursday, after a review by the newly appointed CEO, Mr Warren Shaw, they found that the business was in such a shaky financial situation that receivers were called in. There are over 3,000 clients who together are owed over $660 million.

This is, of course, an extraordinary situation because right now all of those 3,000 clients’ funds are frozen. One of the features of the deposits in Banksia is that people typically had all of their savings or all of the funds that they had received from selling their farm or their water in this one agency. So at the moment there are thousands of families, individuals and older people who literally have no cash to buy food. Their funds are all frozen. Those who had Centrelink payments diverted into Banksia are the lucky few, particularly those on a full pension, because at least they can open a different account in a bank. But for those who had a very small part pension or who were not pensioners at all are in this extremely parlous situation.

In their latest prospectus, Banksia Financial Group reported an equity to total liabilities ratio of 3.6 per cent at the end of the 2011 financial year—that is, the end of June last year. This was well below the minimum equity ratio benchmark of eight per cent recommended by ASIC. You might ask: what did ASIC do about that? Did they ring bells, ask for an urgent addressing of the situation? It appears that nothing was done by ASIC because, they argue, they do not have much business when it comes to sanctions, demands, curtailments or anything else other than a requirement that such a liability ratio is actually published in the prospectus. Clearly this is a serious problem, and I am very pleased that this government has now urgently set up an internal ASIC inquiry into how we should better regulate this non-banking sector given that there are so many such groups in Australia and, sadly, they have a record of underperformance or collapse.

I quote here a special reference to what has happened to Banksia in an article just written by Matthew Drummond in the *Australian Financial Review*:

The Banksia collapse has returned the spotlight to the wide regulatory gap between banks, which are closely supervised by APRA, and companies who issue unrated, unlisted debentures and invest the proceeds in risky construction and property loans.

He goes on to say:

Such companies receive comparatively no oversight despite many collapses. For the past five years, following the $300 million Westpoint collapse, they have been required to disclose whether they hold suggested minimum amounts of capital and face no sanctions if they do not.

I am most concerned that in fact we look harder at the regulation of this particular non-banking sector, given that there are a lot of people who are not familiar with how to interpret what can be a complicated prospectus.

In the case of Banksia, there were people who were into the second generation of trusting what they called their local bank. This agency also sponsored local sporting clubs. It was beloved by its community. This is a shock for them. I am grateful to Centrelink for trying to help them right now. More needs to be done in that regard. The process is still being sorted. I have to mourn, with my community, the loss of this bank and hope that people get some cash soon,
literally to put food on the table. *(Time expired)*

**Petition: Sikh Community**

Ms ROWLAND (Greenway) (16:53): I rise to associate myself with the words of the member for Leichhardt and also acknowledge that we have had a large number of Sikh people in the gallery this afternoon and visiting Parliament House, associated with the presentation of his petition. I also want to thank the member for Leichhardt not only for taking the initiative on this occasion but for doing so in a true spirit of bipartisanship. In doing so I recognise that the electorate of Greenway, which I represent, in fact has a larger number of Sikh people as a percentage of electorate than anywhere else in Australia, at 3.05 per cent, according to the Australian Bureau of Statistics. Indeed, I often like to say that, when you look in the *White Pages* for my area, the most common surname in the Blacktown local government area is not Smith or Jones; it is Singh, which says a lot about the excellent decision that many people of Sikh faith have made to live in the great city of Blacktown.

I have been fortunate to have been welcomed into the Sikh community for many years, both locally—down the road from where I live in Glenwood is the Parklea gurdwara and the home of the Australian Sikh Association—and in the gurdwaras in the communities of Austral and Turramurra. My long association with the Sikh community has enabled me to have a very sound appreciation of their very strong values, which I think are aligned to some of the excellent Australian values that we often like to discuss. Some of those are a belief in one source, that God is the creator of the universe; in equality, that all humans are created equal; that human life is precious above all other life; and in the importance of defending against injustice. It is for this reason that I am very pleased to stand in this chamber today, support the words of the member for Leichhardt and add my own words of support for the sentiment that is in the petition presented today.

The member for Leichhardt has provided some great detail about the matters that form the subject of the petition. I would like to just quote briefly from an article put together by Human Rights Watch, which says:

Angry mobs, instigated by leaders of the then-governing Congress Party, committed countless acts of retribution, killing and wounding thousands of Sikhs and destroying their property and businesses. During ensuing government counterinsurgency operations in Punjab State, from 1984 to 1995, Indian security forces committed serious human rights violations and killed, forcibly disappeared, and tortured thousands of Sikhs.

Importantly:

None of the architects of this counterinsurgency strategy have been brought to justice.

That is the very nature of the petition and the issue that the member for Leichhardt has sought to highlight today, and I think he has done that very effectively.

I had a great opportunity to meet yesterday with representatives of Sikhs for Justice, along with other groups such as the Australian Sikh Association and Sikh Youth Australia. I have been exposed to and enabled to gain a strong understanding of these events and the way they have impacted on Sikh people. It was only barely a decade ago that it was explained to me at an open day at the Parklea gurdwara that these events occurred. It is not something that is routinely taught in schools, despite the fact that it obviously impacts on a very large segment of our community.

I believe that, in bringing forward this petition, we are saying that wrongs need to be righted. In this parliament and in state
parliaments, we have in the last couple of years, in a very bipartisan way across parliaments, recognised things that have happened in history. Although we cannot fully make them right in many cases, we can acknowledge that they occurred—things like the acknowledgement of the stolen generation and things such as the acknowledgement of the number of babies that were removed from their families, not only those of Indigenous background. I think that this issue is one that stands up alongside those issues, which this parliament has seen to be so important.

When one greets Sikh people, one says, of course, 'Waheguru Ji Ka Khalso, Waheguru Ji Ki Fateh.' I say that with the greatest respect to those here, and I wish you a very happy Diwali for 13 November. All the best to you and your families.

Riverina Electorate: Barnabas House

Mr McCormack (Riverina) (16:58): I was privileged to open Barnabas House at Griffith on Saturday. Run by Baptist Community Services, the centre can cater for up to 48 people, offering short- to medium-term shelter, counselling and acute mental health facilities for the western Riverina's most vulnerable. It was the vision of the late Val Rowe, a wonderful woman, whose daughter Melissa Barton gave a moving address to the 100-plus crowd. Barnabas House was made a reality by the passion of Reverend Kevin Webb and the hard work of many volunteers. The generosity of the Griffith business community, particularly Paul Pierotti, was praised at the ceremony.

Lou Revelant fittingly opened the Griffith Foodbarn, a division of Foodbank, which provides food for the needy. We heard from Foodbank NSW business development manager Tony Gatt that Griffith district farmers in the past 12 months have donated 600,000 kilograms of fresh fruit and vegetables to those who could not afford it. Who is going to provide that sort of generosity if the government does not allow our local farmers to do what they do best—grow food to feed a hungry nation? Anyway, well done to all concerned at Griffith. It was a fantastic occasion and shows what community spirit and goodwill can achieve.

Question agreed to.

House adjourned at 17:00
The DEPUTY SPEAKER (Hon. BC Scott) took the chair at 09:30.

CONSTITUENCY STATEMENTS

Calare Electorate: Thales Small Arms Factory

Mr JOHN COBB (Calare) (09:30): I rise today to speak about some highs and lows in the defence industry in Calare. Last week I attended celebrations to mark the 100th anniversary of operations at Thales Small Arms Factory in Lithgow. There are not many members in the House who can boast a factory in their electorates which has produced arms for our troops posted around the world. But in Calare we can be proud that our part of the world is home to a factory that has produced one million weapons to equip our men and women on the front line for a century.

The Thales Small Arms Factory was opened in 1912 in Lithgow due to its proximity to a steel mill and its distance from the coast and potential enemy attacks. The factory's first job was an order to build 20,000 303 rifles for our Defence Force, and in every conflict Australia has been in since soldiers have carried weapons made in Lithgow. Lithgow Thales now employs 140 people, around 12 per cent of the local workforce, and is currently producing the Steyr being used by the Australian Defence Force today. It is incredible to have an industry like Thales in my electorate and I congratulate all involved on a fantastic 100 years for what started off as the Lithgow Small Arms Factory.

It was very disappointing that, following the high of this event, a bitter disappointment for local veterans and their families was brought to my attention. I was contacted by local veterans organisations angry at news they would not have reservists attend their Remembrance Day service. They had been advised that Army reservists would not attend commemorations in an official capacity due to ‘challenging fiscal times'. That was terrible news for such an important event. Due to these funding restrictions, I am told, training days for Army reservists have been slashed by 27 per cent. Without any shadow of a doubt, those opposite are to blame—not the Defence Force, whose obvious priorities clearly must lie with the training and equipping of troops on the front line. But this government is spending $20 million advertising a failing National Broadband Network scheme. It makes it pretty hard to swallow when they can fund that but they cannot fund reservists on the 11th of the 11th.

Isaacs Electorate: Keysborough Primary School

Mr DREYFUS (Isaacs—Cabinet Secretary, Parliamentary Secretary for Climate Change and Energy Efficiency and Parliamentary Secretary for Industry and Innovation) (09:33): Last Friday I joined the Keysborough Primary School community to officially open their new $5.68 million classrooms and buildings funded under the Labor government's Building the Education Revolution program.

The school has been on an amazing journey. After the merger of the Keysborough Park Primary and Coomoora Primary schools and this year's relocation of the merged school to
Keysborough Secondary College's old site, Friday's opening marked a new and exciting development for the school. The $5.68 million Commonwealth government investment includes three new classroom complexes, a canteen and building refurbishments. Like so many other BER announcements across the country and in my electorate, Keysborough Primary's facilities offer first-class, open-plan learning spaces, allowing for a change in the way our children are taught. Old, standard square classrooms have been replaced with flexible open areas that allow for interactive, communal and individual learning. Over $100 million has been invested in schools in my electorate under the BER program. Principal of Keysborough Primary School, Margaret McKenzie, could not have summed it up better when she said:

Our BER project and the wonderful facilities we now offer help ensure students in the local area will have access to a high-quality sustainable educational future in buildings appropriate to 21st-century learning.

Investing in education and our children's future is a hallmark of our Labor government. That is why we have established the schoolkids bonus and that is why our government is committed to improving school education through the National Plan for School Improvement. I would like to congratulate Margaret McKenzie, students, parents and teachers for ensuring this project was a resounding success.

On 18 November car and truck traffic on one of Melbourne's most important roads, EastLink, will stop as thousands of cyclists ride in Hanover ConnectEast Ride for Home. The ride will help raise funds to get homeless kids back to school and help their parents find safe and sustainable housing, education and employment opportunities. I will again be participating in this year's 75-kilometre ride. Last year more than 7,000 riders came together to raise a record $318,000, and this year Hanover has set an ambitious but achievable target of $450,000.

Recently the Minister for Housing and Minister for Homelessness, Brendan O'Connor, and Hanover Chief Executive Officer Tony Keenan joined me to launch this fundraising campaign and to hear how donations will support the excellent work that Hanover does.

Our government is committed to supporting those most in need. Since Labor came to government an unprecedented $5 billion has been invested to challenge homelessness along with $15 billion in housing programs.

Finally, on 9 November I will be holding a National Disability Insurance Scheme forum in Chelsea with the Parliamentary Secretary for Disabilities and Carers, Senator Jan McLucas.

(Time expired)

Dunkley Electorate: Proudly Frankston Campaign

Mr BILLSON (Dunkley) (09:36): Last week I was proud to be involved with the launch of the Proudly Frankston Campaign. This community collaboration celebrates all that is terrific about the greater Frankston community and also identifies some key priorities for the future. Put simply: with Frankston, there is lots to love. Whenever anyone wants to have a crack at the community that runs through my veins, I just remind them there is lots to love about this great city.

It goes to some of the issues that we have achieved in recent years. We well remember the Scoresby Freeway campaign. I was pleased to be dubbed 'Mr Scoresby' by former Prime
Minister Howard. I know the work we put in for years and years to try and get Labor interested in a project that I described in February 2004 as 'no other single endeavour that would support the vitality, the viability and liveability of our community'. It has proven to be true. We have got a feeway rather than a freeway, but that crucial piece of infrastructure is there.

It was almost deja vu: we had the same battle with the Frankston Bypass. Again, the state Labor government refused to engage on the crucial need to make sure that the Mornington area and the southern peninsula could connect to the infrastructure to our city, to places of work, to where we learn, and to make sure our community had livelihood opportunities reasonably within reach. It was a grand battle to get the state Labor government interested in that—$150 million needed to be put on the table by the coalition to get the state Labor government to be interested. Now that project is well advanced and will be supporting our community.

South East Water is coming to our city as their headquarters, consolidating their operations in Heatherton, Dandenong South and Lynbrook. We are seeing that vision of an Australian Technical College get moulded and shaped to Labor's liking, but still we are making progress on that issue. So there are many things going on—lots to love in our city. I thank the member for Isaacs, a notorious passenger on these issues, and you can always count on him to turn up for the glory pic when everyone else has done the hard work.

We have got more opportunities ahead of us but more challenges—the infrastructure challenges we need to continue to focus on; and extending the Frankston rail line, so we get a proper park-and-ride service in and around Baxter to work with the Frankston Bypass. The reality that a steel coil will now be imported by rail from Port Kembla into Hastings is going to put further pressure on the Frankston rail line. I think we need more sections of third rail where commuter trains can work their way around those industrial and those commercial freight trains—important in both respects—but we need to find a way to make sure it is quick and attractive to travel between the city and our satellite city.

Finally, the green army—what a crucial contribution they make to the natural attributes that are part of this 'lots to love about greater Frankston and Mornington Peninsula'. The coalition has made some commitments in that area. We can partner with the local community that loves our natural environment, and the green army will support that endeavour.

Franklin Electorate: MoneySmart Week and Saver Plus Program

Ms COLLINS (Franklin—Minister for Community Services, Minister for the Status of Women and Minister for Indigenous Employment and Economic Development) (09:39): I want to talk about a visit to my local primary school, Rokeby Primary School, in my electorate during MoneySmart Week in September of this year. For many people MoneySmart Week is a week when we have a close look at our everyday expenses and learn about simple steps which can make a big difference to finances. My visit to this school also gave me the chance to hear about some of the work the Smith Family is doing in and around Hobart and its suburbs, particularly through the Saver Plus program. For those people that do not know, the Saver Plus program is run by the Brotherhood of St Laurence, the ANZ and of course the federal government. It offers eligible people a chance to meet their savings goal. So if they manage to save $500, it will be matched through this scheme. It allows them—for eligible purchases—to be able to assist with some of the costs, for instance, of a particular
holiday or a laptop for their child to go to school. It is a really great program. The important thing is that their priorities are their own in terms of what they save for. It was a great time for mums, dads and the kids to actually talk about what are the priorities. They had mums and dads there running workshops as well.

I had the opportunity to play some games—financial literacy games—with the students and of course talk to the students about how many of them are saving and what are they saving for. It was a great day indeed. They responded with things about saving for a family holiday, saving for an electronic game—of course, that was very popular—but it goes to show that children in our schools right across the country and out and about in my electorate are aware of the importance of saving for important things.

The Saver Plus scheme for their parents is also a good way in which we can help them achieve their savings goals. We offer a range of services. The Smith Family offers—funded also by the government—emergency relief, financial counselling and money management, and also the no-interest loan scheme by Good Shepherd Microfinance, which the government funds with the National Australia Bank. It is also an important scheme to help low-income earners, and those loans are an average $800 to $1,200. The government is funding a range of programs to help vulnerable and low-income Australians, and MoneySmart Week was a great opportunity to actually highlight some of those.

I particularly want to thank Verity and Alison from the Smith Family for running the games and the workshops on the day in MoneySmart Week, particularly for the work they do right across the state of Tasmania with their Saver Plus program, working together with the ANZ Bank. I also want to thank Tracey Johnston, the principal of Rokeby Primary School, for hosting us that day, and to the wonderful students that were able to play the games and talk about some of the important decisions that they are making every day about their finances and to give them an understanding of the decisions that their parents make.

Forrest Electorate: Cancer Council Relay for Life

Ms MARINO (Forrest—Opposition Whip) (09:42): This weekend the Cancer Council's Relay for Life in Bunbury in the south west will celebrate its 10th anniversary and will almost certainly pass the $2.2 million mark for total funds raised in the past decade. It is an extraordinary feat for a regional community and one that brings the community together. Everyone that is involved in this really should be applauded.

It is quite clear the relay has been embraced by thousands of people. It is truly something special and it is all for the fight against cancer—a cause which sadly touches all of us. More than 2,500 people will be at the opening ceremony on Saturday to begin what is really the biggest 24-hour party to conclude a year of fundraising. The teams will have themes, and I cannot wait to see some of those.

The Bunbury event is the second-longest running relay in WA and has been the state's second biggest in terms of fundraising in the past four years. It has grown because of the hard work of the volunteer committee, a core group of about 30 teams and of course very generous support from the community.

Some of the proudest people at the 10th birthday celebrations will be former Cancer Council members Wendy Maslin and Margaret-Anne Canet-Senior, who were fierce in their commitment to establish the Relay for Life in Bunbury. In the second year, Wendy recruited
team coordinator Jo Trench and catering coordinator Michael Bell, who are still with relay
today. Kym Ashby kept momentum growing during her three years as chairperson. Her
successor, Russell Donovan, has been involved for nine years now with the Summit Stars
Team entered by Summit Realty Southwest. This team alone has raised $450,000 for relay by
this weekend—a truly remarkable effort. All funds raised by the relay stays in WA to help
regional areas.

The Cancer Council has a very proud history of community involvement and reducing the
incidence and impact of cancer. Each year more than 2,000 new cases—that is why we need
this—of cancer are diagnosed in regional areas of Western Australia. I want the Relay for Life
to continue to grow and to capture the community's imagination and passion, and at the very
east actually make a real difference to people's lives for many more years to come. I know that
there has been some very innovative fundraising. There has been a masquerade wedding dress
ball, and this weekend we are going to see blokes 'rocking their frocks' at the Relay for Life.
Hands Oval will be the epicentre of the Relay for Life this weekend. I am looking forward to
it and I know the community will support it, as they have done to date.

Vietnam: Human Rights

Mr RIPOLL (Oxley—Parliamentary Secretary to the Treasurer) (09:45): My electorate of
Oxley is distinguished by a range of fantastic communities. In particular, it has a large and
very important Vietnamese community which spans the western suburbs of Brisbane. Like
many people in Australia, they are passionate about human rights and concerned about the
wellbeing of others. In particular, as you would expect, the Vietnamese community are
concerned about human rights back in their country, so I regularly take the opportunity to lend
my support and my voice to that cause. I have spoken on these matters a number of times and
written to either the embassy here in Canberra or the Prime Minister of Vietnam highlighting
the cases of dissidents, democracy activists, freedom-of-speech activists and even musicians
and artists who have been jailed for pursuing their right to have a voice.

Again, unfortunately, I need to come into this House and raise these issues to bring them to
the attention of the Australian community, the parliament and the Vietnamese government.
Two activists and musicians, Vo Minh Tri, better known as Viet Khang, and Tran Vu Anh
Binh, were convicted and received jail sentences for composing songs critical of the
Vietnamese regime. The songs the men penned were critical of China's territorial claims in
the South China Sea and the response of the Vietnamese government to the Chinese claims.
Both men were arrested and detained in late 2011. Vo Minh Tri was sentenced to four years
jail and two years under surveillance. Tran Vu Anh Binh received six years jail and two years
under surveillance. This decision has been described by an Amnesty International
representative as part of a 'very disturbing trend of repression against those who peacefully
voice opinions the Vietnamese authorities do not like'. Vo Minh Tri had uploaded his songs to
YouTube and they went viral, showing that the regime is struggling to control the new
medium of social media. It meant they had raised too much concern.

It seems almost incredible to us here in Australia that anyone could be arrested and jailed
for doing something as simple as writing a song or voicing their view—a right that we
 treasure in this democracy and this parliament. Whether it is in Vietnam, in China or in any
other part of the world, people ought to have that most basic of human rights—to be able to
express their own view in a peaceful, non-violent manner. The reality for the people who live
in Vietnam is that these things are a daily occurrence. I very much understand and sympathise with the views of the Vietnamese community in my electorate when they want people here to speak up on their behalf and on behalf of their families back home. (Time expired)

**Maranoa Electorate: Resources Sector**

Mr BRUCE SCOTT (Maranoa—Second Deputy Speaker) (09:48): I want to talk about the development of the resources sector in my electorate, particularly in the Surat Basin, and the new job opportunities that is bringing into the communities, particularly for young people, who in the past have been our greatest export from western Queensland to the cities, where they go in search of jobs. We now have an opportunity for young people to get jobs that pay well so that they can remain in our communities of western Queensland, close to their families.

With the growth, of course, come great challenges. I will give you a snapshot of the sort of growth that we are seeing in the Surat Basin with the development of the coal seam gas industry and the coal industry to follow. My own home town of Roma three years ago would have had 10 flights into the town a week. We are now getting 55 flights a week, largely with the fly-in fly-out people servicing the development and the growth in the construction phase of the coal seam methane gas industry. But this growth is going to continue, because there will be people permanently located in these communities once the construction phase ramps down. There will still be significant numbers of people remaining—subcontractors and the people who continue to develop and manage the resource areas in the Surat Basin.

The Western Downs Regional Council—in a town of 1,700 people—recently had to release 1,200 housing blocks. Those towns have not seen growth like that ever. They have got to build 500 houses per year for the next four years in one community alone to cater for this extraordinary growth, creating job opportunities and of course wealth for this great nation as well.

There has been a failure to plan for this growth in the past. I refer now to the Warrego Highway and the corridors that are needed for this expansion that is just unprecedented in our communities. We have got to see a four-lane highway constructed from Toowoomba right through to Chinchilla. The Warrego Highway goes through the town of Dalby and it is not unusual to see 50, 60 or 70 trucks lined up at the lights going through the centre of Dalby, mixing with the local traffic and children returning from school to their homes. Tragically, in the last three weeks on the Warrego Highway, we have seen two people lose their lives—because of this extraordinary growth. I want to see my LNP government in Queensland and the minister responsible to start the planning for an alternate route through Dalby and upgrade not only the highway immediately between Dalby and Oakey to four lanes, and passing lanes at least, east and west of Dalby through to Chinchilla. It is a frustration, I am sure, that adds to people's anxiety from time to time. I am calling on the government to plan for future growth— (Time expired)

**Calwell Electorate: Bhutanese Community**

Ms VAMVAKINOU (Calwell) (09:51): I represent a very diverse and very rich multicultural electorate. Like most members—and some have spoken here today—I am very familiar with the challenges migrant communities face when they first settle, certainly in the suburbs of the federal seat of Calwell. Successful integration into the broader Australian
community and successfully carving out a better life for themselves and for their families is very much the narrative of the Australian migrant story. It is for this reason that I want to speak about the Bhutanese community, which is one of several emerging refugee communities in my own electorate of Calwell.

Over the period of time since settling in our local community, the Bhutanese community has adjusted I would say successfully to the Australian way of life. Their participation in our community has progressed now to such an extent that they are themselves in a position to begin making their own unique contribution to the broader community in which they live in and they very happily call home.

Very recently, I wrote a letter of support for the Bhutanese Organisation of Australia to receive funding for their annual festival, called 'Celebrating Multicultural Victoria in Harmony'. I am very pleased to inform the House that my community has received a $5,000 grant and that this coming Saturday I am going to have the great honour of being their guest at this very wonderful and newly emerging festival in the federal seat of Calwell.

When one takes into consideration that the Bhutanese community are, as I said, an emerging refugee community, one has to say that they have come a very long way. They have done so despite many of them having spent many, many years in UNHCR refugee camps. They have been victims of torture since their eviction from Bhutan, especially from 1990 onwards. They are people who have come to this country with a whole experience of hardship and difficulty—stuck in camps, as the member for Chifley rightly says. Many of them have settled here under our humanitarian program.

The festival that I will be attending on the weekend is their contribution—a contribution they are very proud to be making—to the Australian community. It is a festival about harmony and about sharing. One thing that I want to say about the Bhutanese community is that they are the most gentle of people and, unlike other communities, they are not very aggressive in their pursuit of grants. They feel very, very privileged to be receiving assistance from us. Our aim is to teach them how to lobby effectively. I am very proud to be involved in that process. I look forward to attending the festival on Saturday. (Time expired)

**Gippsland Electorate: Mardan Hall Centenary Celebration**

Mr BROADBENT (McMillan) (09:54): Jane Ross, a craftswoman of great ability who writes so beautifully, wrote about the Mardan Hall centenary celebration:

In its glory days, 400 people would dance the night away at balls at the Mardan hall.

Sometimes there were two orchestras, one at either end of the room—

I know, Deputy Speaker, you are identifying with everything I am saying at the moment, because you know country communities like I do. She continued:

When the first took a break, the other band would start up providing continuous music. At 3.00 a.m., revellers would retrieve their horse and cart and travel home … this could be many miles away.

This little country hall has retained its place at the heart of the Mardan community, and on 27 October it celebrated its 100th birthday. I was there as one of the participants.

Built in 1912, the hall was used for meetings and celebrations such as weddings and birthdays, but during the war years the hall had a more sober duty. During those years, it was the place to farewell and welcome home local soldiers. Since then it has been used as a public library and for indoor bowls. The grand old hall, the cornerstone of a proud community stands
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as a testament to all those who have come before—the people who through wars, depressions, droughts and Gippsland's long, cold wet winters saw the potential of the fertile farming land in the area in which the hall is built.

Mr Mackey MP, a member of the state government at the time, was meant to open the hall on the day in 1912, but government business kept him in Melbourne. In his place, he sent his wife to open the hall. Mrs Mackey was apparently very, very impressed with the country hospitality and the spread laid out—which I might say was just as good last weekend. The ladies of the Red Cross catered—and put some weight on me! Ms Ross went on to say:

When the hall was opened a bevvy of white-clad women served a sumptuous banquet. Timed for 5.00 p.m. and peppered with many toasts, it was all cleared away by 8 for a night of dancing. Congratulations to Committee President Robert Gray, who emceed and spoke at the end of the night, and Faye Marshman and Karen Anton, who did an enormous amount of work, along with the rest of the community.

My lovely staff member writes here, 'Oh, if those hall walls could speak.' Well, something wonderful happened. There was a singer to sing our national anthem, and he had bemoaned to me the fact that we were not singing God Save the Queen. When the piano accordionist came up, I whispered in his ear, 'After we finish the national anthem, we're going to sing God Save the Queen as a surprise to the singer.' The hall shook and trembled as we began to sing, 'God save our gracious Queen,' and everybody felt it was just like that moment in 1912!

**Stroke**

Mr ZAPPIA (Makin) (09:58): On Tuesday this week I met with Kevin and Pat Sleeman, who had come to Canberra to participate in a stroke forum. Kevin is a stroke victim and Pat, although having a full-time job, is Kevin's wife and carer. They were in Canberra because, like so many other people throughout Australia, they understand the daily struggles of stroke victims and their families and wanted to contribute to the national forum. Kevin and Pat believe much more could be done to lessen those hardships.

Stroke can affect any person at any time. On average, in Australia, there is a stroke every 10 minutes. One in three people die within a year of having a stroke. Almost one in five people who experience a stroke are under the age of 55. Strokes are responsible for one in 10 deaths in Australia. When a stroke occurs, steps can be taken which will make a huge difference to their residual effects. Most importantly, there needs to be much greater awareness that, when a stroke occurs, every minute is critical to the level of recovery. Every minute of delay before medical assistance is provided causes more damage. We need to create greater awareness of risk factors and how to immediately recognise the signs of stroke so that medical assistance is not delayed. There needs to be the right medical treatment at the hospital and opportunities for appropriate rehabilitation programs afterwards. And there needs to be more at-home support and easier-to-access information about support services that may be available. This was a point that Pat and Kevin stressed to me: finding out what help is available and where to get it is very difficult. The effects of stroke are inevitably life changing for both the victim and the victim's family. Stroke victims are often left with a disability, but they are not disabled. Many of them continue to work or volunteer their time, as does Kevin Sleeman. However, most require support from family members. That in turn places additional demands and stresses on home life. Over the years I have interacted with stroke victim support groups throughout my community. I am familiar with the barriers and difficulties
victims and their families are confronted with. I understand the difficulties they have not only in their mobility and getting around the community but also in getting to the services that they quite often require. I understand very well the huge demands that places on family members who are in most cases left to care for them because they love them dearly and because they are the ones that are closest to them. That in turn totally changes their way of life.

We have indeed come a long way over the years in responding to strokes, but there is still much more that we can do in terms of both medical treatment and research into the kinds of treatments that might be available and the services that can be provided. I will bring those concerns, on behalf of the Sleemans and so many other people that have suffered a stroke, to the attention of this parliament.

The DEPUTY SPEAKER (Hon. BC Scott): In accordance with standing order 193, the time for members' constituency statements has concluded.

MINISTERIAL STATEMENTS

Afghanistan

Debate resumed on the motion:
That the House take note of the document.

Dr MIKE KELLY (Eden-Monaro—Parliamentary Secretary for Defence) (10:01): It is a pleasure to expand upon the Prime Minister's comments and the further information that was provided by the Minister for Defence in relation to our deployment and our mission in Afghanistan. We understand that this has been a long haul for the Australian people, who always remain curious—as they should be—and interrogative about our mission, our objectives, and the likelihood of success of our investment of blood and treasure in Afghanistan. I know of course that you, Mr Deputy Speaker Scott, will be very interested in these issues because of your commitment to the Australian Defence Force and your proud record of supporting and serving our men and women in uniform during your time in government.

It is wonderful to be able to relate the progress that has been made by our people in Afghanistan. I have talked before about some aspects of that, but I want to emphasise today that people should not misunderstand what this process involves at the moment. Although it is called transition, people should not assume that it is a retreat or that we are running for the exit and abandoning Afghanistan, and there will therefore be the risk that all of the good work that our people, and indeed many other colleagues in uniform from around the world, have done will be undone. That is not the case. We have certainly learned a lot of lessons in this country over a history of quite often being given responsibility in provinces such as Phuoc Tuy and in the Bai province where I was in Somalia, in Al Muthanna in Iraq and of course now in Uruzgan in Afghanistan.

We are seeing an overall international or national situation deteriorate around us after all our good effort but we are determined—and I am very proud and pleased to say of course that the coalition is also determined—to make sure that that effort does not fall into the same category. We are committed. This transition is about the mission objectives in the first place. The mission for Australian security forces—whether it be the AFP or the ADF—in Afghanistan is to make ourselves redundant. We do not want to build dependency. The
mission is entirely about ensuring that the Afghans could take control and take responsibility for their own destiny. That is what we have been aiming for.

In my various trips to Afghanistan and the briefings that I have had both in Australia and in Washington recently I have been pleased at the progress that certainly we have made in relation to 4th Brigade in Uruzgan, but I have also been very pleased to see the progress that has been made by the Afghan National Army in general throughout Afghanistan. One of the most important things to understand about our mission is that we must build an attitude within the Afghan people themselves about taking control of their destiny and the confidence that they will have in their own security forces and institutions. A very detailed study by the Asia Foundation—the most detailed analysis yet done in Afghanistan—has been produced recently. I was fortunate to receive a briefing by David Arnold, President of the Asia Foundation, in Washington recently at the Pentagon. The statistics were extremely revealing. The overwhelming majority now of Afghans do not support armed resistance to the Afghan government. There is very strong support of course—around 83 per cent—for continuing efforts in reconciliation for those elements that are opposed to us or who engage in conflict with us who are not of the extreme ideological variety with whom there is an unlikely negotiated outcome. Effectively, the challenge there will morph into a counter-terrorism type of regime and response requirement. We have greatly degraded over time the ability of the forces we oppose to conduct subunit level attacks and assaults, and so the ability of the Afghan security sector in the future will mostly be reacting and responding to terrorist-like incidents.

The progress of the Afghan National Army has been recognised by the Afghans themselves in the study that I mentioned—93 per cent of Afghans said that they felt the Afghan National Army was honest, fair and improving in its competency, although they acknowledged that some level of international support was still required, which was also a good thing. But their attitudes to confidence in the delivery of services by the government was increasing dramatically in relation to education and water. Improvement in their faith in the rule of law is pleasing to see. There is still great concern in relation to issues of corruption, unemployment and some aspects of the delivery of electricity, but their confidence in the central government and at provincial level was high, although there are still some concerns at the municipal level.

It was also pleasing to see what the study revealed about their attitudes to gender issues and the status of women in Afghanistan, which I know we are all greatly concerned about. In that respect, they indicated that they were overwhelmingly in favour of women getting educated, participate in the political process and being able to vote. The one area where there is obviously room for improvement is their attitudes to women in employment, and that can partly be seen as a factor of the high levels of unemployment in Afghanistan, which is still an issue. Overall, the attitudes are along the right track and greatly improved and a good outcome of the investment of all of our efforts in Afghanistan.

In particular, I know a lot of people are focused on women's issues, and our effort has been unstinting in that respect. We will recall that women suffered greatly under the Taliban—thousands of sex slaves, 70 per cent of the teachers in the education system were women and were all thrown out of the system, which effectively destroyed it. They were not able to be educated. They were not able to be employed. They were subject to brutal punishments such as stonings where a hole would be dug and filled up to restrain them to the shoulder and head.
level. It was very prescriptive in the way they would be dispatched in that they could not be executed quickly. The stoning had to be drawn out so that a maximum amount of suffering would be imposed before a coup de grace was delivered. We have also seen that attitude illustrated in the recent horrific incident of the attempt to kill Malala Yousa afzai, an incredibly brave young schoolgirl, which has focused our attention on exactly what this is all about. It is great to see the moderate Muslim world uniting in one voice against these medieval attitudes, which are quite often based on traditional attitudes and completely fly in the face of the Koran. I think it is going to galvanise the international effort to continue to oppose these extreme ideologies.

In Uruzgan province, Australia has helped construct 227 schools, including 39 girls' schools, and I was privileged to visit the Mala Lia Girls School, which is doing great things—320 girls have been engaged in community education. We have helped 500 women participate in literacy groups. We have helped 80 per cent of women in Uruzgan receive at least one antenatal visit—and this is really important in the context of the high level of deaths in childbirth. We have trained 30 female master teachers, and these trainers are training a new generation of Afghan women teachers who will be vital role models and mentors for girls in the future. We have committed $17.7 million to tackle violence against women and invested heavily in training midwives, including 44 female health workers in Uruzgan and 25 women who have been involved in new midwifery schools as well. This is really pleasing to see. I know this is an issue of great concern to Australians. In relation to the completion of our security task in Afghanistan, the reorientation now is—as those who understand the military environment will know and the member for Fadden, who is here with us today, will appreciate this—we have been through a phase where we had an urgent security, on-the-ground threat that needed to be tackled, getting boots and guns out there to tackle a high-level threat. But the ultimate objective is to build the structures that sustain a security force: the key enablers, the key command and control, the logistics and support environment and the training regimes that will support the growth of an effective and professional security force into the future.

Our focus now reorients to build that regime, that structure and those enablers. We will be putting a lot of effort into the training of the command and control capacities of the 4th Brigade, the 205 Corps, and we will also be looking to assist in the continual improvement of the two Kandaks that relate to combat support and combat services support. For those who are uninitiated in those, the combat support area will deliver intelligence, communications and combat engineering capabilities; and combat services support will be the key logistics enablers of transport, maintenance, servicing, health services and the like. These are the things that give a force capability and confidence, and enhance and amplify their ability to operate and grow into a professional force.

That will be our focus from this point forward, which means that our people will be less exposed as they pull in from patrol bases and forward operating bases back to the more secure and safe facilities of Tarin Kot. That does not mean that they will be completely free from threat—unfortunately, Private Sher was one of those victims of indirect fire. There will always be that risk, and any movement always comes under threat of improvised explosive device activities and actions. They will not be completely free from threat, but the threat will be slightly diminished.

FEDERATION CHAMBER
We have flagged that we will be pursuing engagement with Afghanistan in relation to their special force needs. It is reassuring to see the professionalism that their own special forces are achieving—the Wakunesh, the NDS. We had very good reports on their capabilities when I was last in Afghanistan so that is encouraging. The international community has been willing and enthusiastic to provide ongoing special forces support, notwithstanding that conventional support is being withdrawn or is transitioning. The capability and the support will be there to provide our Afghan partners with the confidence that we are not abandoning them.

In addition to that, as people who understand counterinsurgency know—and I have spent my entire military career immersed in counterinsurgency, written much about it, and one of the reasons I got into politics in the first place was the establish the Australian Civil Military Centre to enhance our approach to counterinsurgency—the equation is usually a 20 per cent security challenge and an 80 per cent social-political-economic challenge. As we move forward, with the Afghan forces taking the lead role, our investment and engagement will reflect that. So $100 million for three years for the security sector, but we are building to a $250 million a year commitment in that social-economic-political space.

It is absolutely critical that the 2014 elections go well, but we also want to make sure that we are investing in governance, rule of law, education and the economy. One of the best areas you can invest in, in that respect, is in the building of roads, because this enhances people's ability to get to health services, their economic activity and security response times. It generates employment and it is harder to disguise and embed IEDs and the like—that is obviously going to be a valuable area. We will have to put a lot of work into making sure that our road dollars are landing effectively and well—there is no doubt about that—and there remain ongoing risks and threats to success through levels of corruption, bedding down better governance and getting the political infrastructure and regime ethos to grow and mature properly in the way that we would like.

As has often been said, we are not looking to transplant a Westminster or Jeffersonian democracy. What we want is a stable government that is on a maturing track towards a better and more acceptable political polity and social and economic environment. Our engagement in that sphere will be for decades to come but, hopefully, our security task is nearing the end of its most intense involvement. Also, of course, from my personal point of view, now that we have equipped them to conduct straight military operations and exercise military skills, I am now looking, as we are moving into more of a Defence Cooperation Program type relationship, to also start addressing issues to do with their ethos and levels of own conflict—their human rights training—across the security sector spectrum. We cannot just relax in that respect as they conduct independent operations. It will be important for us to have confidence, for the Australian people to have confidence, that we are engaging with security forces that respect the rule of law, that respect the code-of-ethics approach that modern professional warriors must always have when they take to the field. That is to sustain both domestic support to win that hearts and minds battle on the ground in Afghanistan and to give the international community confidence that they can support these security sector forces.

I am very confident that we are on the right track, but there are no guarantees. For a success it means we must stay committed and engaged, and I welcome the fact that we have that unity across the parliament in respect of this great challenge. It is in our national interest but it is also just the right thing to do.
Mr ROBERT (Fadden) (10:16): It is my great pleasure to follow my friend and colleague, the member for Eden-Monaro, Mike Kelly, in providing a response to the Prime Minister's statement on Afghanistan. Having just returned from my fourth time into the Middle East and my fourth operations brief in the J3 at Al Minhad, it is a great pleasure to provide comments on this.

We are now in what I call phase 7 of combat operations in Afghanistan. For the sake of history, it is important. The post 9-11 phase 1 of our operations commenced in October 2001, when we sent a combat operations group to defeat the Taliban and government, ending in 2002. Phase 2 was what I call 'the hiatus', from January 2003 to July 2005, where literally we had two uniformed officers in Afghanistan—two men—rotating through the United Nations and land mine clearing operations.

Phase 3 was a Special Operations Task Group phase from August 2005 to June 2006. Australia re-entered the conflict. The government announced that, at the request of the Afghan government, the US and allies, we would deploy a force of approximately 150 personnel for 12 months to undertake security tasks similar to what we did from October 2001 to the end of 2002. Special Operations Task Group, based primarily around the Special Air Service Regiment, was deployed on 24 August 2005 and, of course, in March 2006 an Army CH-47 was deployed.

From July 2006 the task would change again—mission phase 4, the Reconstruction Task Force, the RTF. On 8 May 2006 the 1st Australian RTF for Afghanistan was announced—about 240 personnel. On 9 August the government announced an additional 150 people would be deployed to augment the 1st RTF. It quickly began a whole range of 'backyard blitz' projects to build faith and demonstrate effectiveness. A major redevelopment of the Tarin Kot hospital occurred, as did an all-weather causeway. Trade training schools were put in place, likewise airstrips at Tarin Kot were built. On 10 April 2007 Prime Minister Howard announced further special force troop rotations, and by mid-2007 to the end of 2007, phase 4 with the Reconstruction Task Force numbered about 1,000 personnel. At the end of 2007, of course, the Rudd government came and we entered phase 5. The Reconstruction Task Force mission changed to the Mentoring and Reconstruction Task Force. On 19 February 2008 the new defence minister, Joel Fitzgibbon—that is three defence ministers ago—announced the government would maintain its current commitment but would place a new emphasis on training the Afghan National Army. US President Obama's election victory further reinforced that mission change from an open-ended US commitment of troops to a mission of training Afghan forces and leaving the country when they were ready. On 29 April 2009 Prime Minister Kevin Rudd announced that MRTF1, Mentoring Reconstruction Task Force 1, would increase from 1,100 to 1,550. Incidentally, though, that increase included no extra bayonets—no combat troops on the ground.

Phase 6 of our mission began when the Dutch withdrew after the collapse of their parliament regarding their Afghanistan involvement. On 23 June 2010 the then new defence minister announced that there would be a new structure for the US-led mission in Uruzgan province, which was the Combined Team-Uruzgan approach.

Now we enter phase 7. Not only are we commanding the Combined Team-Uruzgan, but, as the Prime Minister said yesterday, our task of mentoring has now changed to advising. Lieutenant-Colonel Trent 'Wobbler' Scott, who is the commanding officer of the 3rd Battalion...

FEDERATION CHAMBER
of the Royal Australian Regiment will soon take his men and women out of combat operations in the coming weeks and hand over to the 7th Battalion. 'Wobbler' took in 750 men as part of the 3RAR Task Group which was to mentor the Afghan forces. His job was to ensure that their mentoring was complete and they were ready for independent combat operations. Accordingly, yesterday, 'Wobbler' handed over the third-last forward operating base and by the end of November he will have handed over the last two operating bases.

7RAR will have 300-odd fewer soldiers—about 450 in total—and their job is to advise. They will not be living out in the badlands outside the wire of TK in forward operating bases. Within the next three weeks we will have abandoned every one of our forward operating bases. Only the Afghan forces will man those 30-odd forward patrol bases, forward operating bases, out in the various valleys of Chura, Mirabad, Baluchi and so on in Uruzgan province. Those 450-odd men of the advising force of the 7RAR Task Group will be behind the wire in Tarin Kot, advising the Afghan 4th Brigade on the conduct of independent operations.

It is interesting to reflect that since June 2010 government ministers have made 54 statements, including yesterday, dealing with the time line for withdrawal from Afghanistan. The past and the current Chief of Defence Force have made eight statements. From 2010 to early 2012 all of these statements set out a path to 2014 as the eventual withdrawal date. This changed in February this year, when Minister Smith spoke of a withdrawal date of 2013. He backed this up with his comments on 9 February, 24 May, 31 May, 17 July, 16 August, 9 October, 11 October and yesterday. Of the current Prime Minister's 15 statements on a withdrawal date, they all framed 2014, except for her comments on 23 May, when 2013 was set as the date—backed up yesterday. Likewise, the current CDF, General Hurley, has made four comments that have all set 2014 as the withdrawal date, except for his comments on 28 May, where he used the same time line as the Prime Minister had used five days earlier of 12 to 18 months, representing a drawdown of our forces on May-November 2013.

That drawdown has commenced because, by the end of November, the 7RAR Task Group, whose mission is to advise, will not be engaging in sustained combat operations in partnership with Afghan forces as the 3rd Battalion or the 3RAR Task Group, which leaves in a few weeks time, was. The only force disposition outside the wire effecting a kinetic impact upon our enemy will be the men of the Special Operations Task Group. This change in time line to a withdrawal date of May-November 2013 is now being reflected by that force disposition on the ground.

We will also see, of course, a further up tempo logistics effort. As we wind down now from combat operations and partnering with Afghan forces in the badlands and move towards an advisory role for independent operations, we will ramp up our logistics effort as we seek to bring home something like $3 billion worth of equipment from a country that is literally landlocked. This will require extensive movements by air and extensive movements by land, which will of course necessitate the opening of the Pakistan-Afghan border to effect that quickly. This will be one of the greatest logistics exercises we have done since Vietnam or, indeed, since World War II. We are entering the time now of the 'loggies'.

The Special Operations Task Group, made up of men and women of the SAS regiment and the 2nd Commando Regiment, with augmentation from the 1st Commando Regiment, will be the prime force disposition to engage kinetically with the insurgent forces we face, to disrupt and dismantle their enemy command, control, communications and IED networks. This
number will generally reduce over the non-fighting season but will increase again across the fighting season. On a separate note, 60 to 70 RAAF Air Defence Guards are being sent to Tarin Kot as we speak to bolster the security of Tarin Kot and replace the existing Slovak forces that have been providing this capability. The government has indicated that, from the withdrawal of our combat troops in 2013, there will be a fourth disposition that will remain, of which it enjoys the full support of the opposition. An SOTG element will establish or remain until 2014 and depend upon the command structures being envisaged under NATO has the propensity for longer engagement.

The government has agreed to assist the Brits in the Afghan officer training institution that the Brits call 'Sandhurst in the Sand'—which I think is a misnomer: it should be 'Duntroon in the Desert'—which we think is a fabulous idea in terms of continually supporting and training their officers.

I would encourage the government to continue to keep the command of the Afghan National Army Artillery School in Kabul under Australian command. We currently have something like 200 embedded officers at US command levels at either the ISAF joint command level or the ISAF level. The coalition's view is that a range of those embedded officers should continue until such time as those US headquarters draw down, and post 2014, if there is a NATO headquarters replacement, we should continue to engage strongly in that headquarters as well as keep a current two-star level J5 appointment, which is a Plans appointments, where we currently have a two-star as the J5 on the ISAF IJC. For those reading this, if you are not up on your military acronyms, that is the Head of Plans for the three-star corps level headquarters, which is actually running the operation, which is the ISAF Joint Command Headquarters.

I would also encourage the government to maintain our air liaison officers for the US in Qatar. We have a ship in the frigate on its 29th rotation. We have had that ship there since 1991. I would encourage the government to maintain that ship as part of the counterpiracy work that is being done there, working in concert with our allied forces. Of course, we have logistics and headquarters staff in Dubai at our forward mounting base at Al Minhad. Again, I would say to the government that it is our strong contention that we do not—now or ever in the foreseeable future—abandon our forward mounting base in Dubai, Al Minhad.

We need an administrative footprint on the ground from which to sustain and maintain our operations in Afghanistan and the littoral region. Our relationship with the government of the UAE, and especially with Dubai, is exceptional. It is a strong working relationship. We exist on that base in concert with other nations as part of the coalition of the willing, and the government should do everything that it can to ensure that we retain that footprint as our forward mounting base.

As always, the government enjoys a very strong bipartisan support from the coalition—a support we have been very strongly committed to ever since the government changed in 2007. The government can expect a very strong bipartisan commitment from the coalition. I thank the government for its continual support. The point I have made continually as the senior shadow for Defence in the House of Representatives is that bipartisanship is not a blank cheque. It requires strong engagement by the government, high levels of trust, and high levels of access—all of which the government has provided—signified by the joint visit to the Middle East last week by the Minister for Defence Personnel and me, where all of the
briefings were joint, including the current ops brief at a classified level, and I thank the government for that.

Mr HUNT (Flinders) (10:28): I want to begin this reflection on the Australian contribution to the mission in Afghanistan in a different place. I want to begin in East Timor on 29 August of this year. Along with Senator David Bushby, I was in East Timor as part of the parliamentary engagement with Australia's military forces. We were posted as part of the Australian mission for a period of days. On 29 August, we were at the forward operating training facility where Australian forces, along with New Zealand and American forces, were training the East Timorese military. They were teaching young Timorese soldiers critical physical skills in terms of engineering, road works, maintenance works, machinery works. They were also teaching young Timorese soldiers and the officer corps about broader soldiering skills relating to peacekeeping, interaction with civilian communities, the laws of war. During the course of that morning, a Kiwi officer came in and gave his commiserations. He was the first to pass on the message that three Australian soldiers had been killed due to an insider attack in Afghanistan. The deaths of Lance Corporal Stjepan Milosevic, Private Robert Poate and Sapper James Martin were sadly added to on the same day when subsequent news came through of the deaths of Private Nathanael Galagher and Lance Corporal Mervyn McDonald, who were killed in a helicopter crash.

That day turned out to be a very bleak day for Australia, for the Australian forces and, most particularly, of course, for the friends and family of these five magnificent young Australian soldiers. When this news came through, the room I was in contained a number of Australian enlisted soldiers and officer corps members. Many of them had served in Afghanistan. One was an extraordinary warrant officer who had recently been cross-posted back from forward operations in Afghanistan to East Timor. This gentleman was not only one of the most impressive Australian soldiers I have ever met but one of the most impressive Australians I have ever met. He had served in many of the most difficult front-line operations in Afghanistan. We did not know the names of those who were lost at that time, but, because they had been doing exactly what he had been doing in Afghanistan, he knew that it was highly likely that at least one, if not all of the three, would have been known to him.

This warrant officer, who was described by a senior officer as one of the 'princes' of the Army, looked at Senator Bushby and me, and said: 'Gentlemen, we know the risks of what we do. We understand the dangers, but we believe in the mission intensely, passionately and deeply and it is our choice to do these things. Please take back the message to the Australian parliament that this terrible loss should not be the basis for retreat.' At this moment, I am in small measure giving honour to his words. He was speaking on behalf of the Australian enlisted soldiers not just in East Timor but also in Afghanistan. It was a profoundly important moment, because, at that moment of tragedy, one of those who had been at the absolute front line still expressed his deep, profound belief in the mission. I have no doubt that that warrant officer was speaking on behalf of the overwhelming majority—I presume virtually all—of the Australian soldiers posted abroad at this moment. He had a sense of deep, personal commitment to the mission on the basis of having been part of the mission, having seen what is being achieved and understanding the deep strategic context.

I now want to turn to a second experience. That was five years ago, on 12 October 2007, in the lead-up to the election. As the Parliamentary Secretary to the Minister for Foreign Affairs,
I had the sad but extremely profound honour of representing the Australian government at the fifth anniversary of the Bali tragedy. I was in Bali with the Australian families. Five years on, the grief of those families—and my understanding is that 202 people died, including 88 Australians, as a consequence of the first Bali bombing—was still raw, their emotion was still high and their resolution to attempt, to the limits of human endeavour, to ensure that the events of Bali were never repeated remained firm. The commitment I made and the commitment the Australian government made—and it did not, and I mean this in the best sense, matter whether it was a Liberal or Labor government; the commitment was made on behalf of both sides—was to continue the push to ensure, to the extent of our ability, that Australian citizens are safe no matter where they are.

That brings me to the three points I want to make about the Afghanistan mission. I want to speak at the strategic level, I want to speak about the progress which has been made and then I want to speak about the future. I have referred to my recollections from five years ago of the event I attended marking the Bali bombings 10 years ago. We also recently marked the 11th anniversary of the 11 September 2001 attacks in New York. The strategic context of these events is a push by al-Qaeda and its affiliates and those within the Wahhabist movement for an Islamic caliphate. They are deeply unrepresentative of the great Islamic faith around the world. Indeed, many would argue that they are antipathetic to the broader movement—even heretical. It is offensive for anyone to presume that theirs is a representative view. Nevertheless, from that sliver, the push is for a caliphate. That means the political goal is to take, in the medium term, one of the great Islamic states—Saudi Arabia, Egypt, Pakistan or Indonesia. The mechanism for doing that is to destabilise and to assume control of part or all of Afghanistan. That was the status of the Taliban and its relationship with al-Qaeda prior to 11 September 2001 and subsequent coalition operations.

Since that time, the strategic underpinning of al-Qaeda has been progressively undermined. It has been eroded both through public activities and through the close quarters work undertaken in Afghanistan. It is has come at a terrible price to the coalition as a whole and to Australia in particular. The 39 Australian soldiers who have lost their lives, five of whom I have referred to in particular today, have paid the ultimate price and their families are the true victims of this defence of Australia. But, 10 years ago, who would have imagined that the US homeland would have remained effectively free of any further attacks? In the context of September 11, you would have thought that the United States was almost certain, over the following 10 years, to have suffered other major terrorist attacks or a dirty bomb. The same could have been presumed for Australia. We did see Madrid and London. They were early additional activities by al-Qaeda and they were indicators of a much grander design.

But the constant activity in Afghanistan, in Iraq and through homeland security in Australia, the United States and across the Western world—as well as activities in states such as Indonesia, where there has been tremendous co-operation—has largely undermined the capacity of al-Qaeda for forward operations. It is not gone; the threat remains. But the threat is significantly less than it was and it is certainly dramatically less than it might have been had we not engaged in these activities. That is the grand strategic context.

The human side of this, which is the progress, is that in Afghanistan today what we see, to quote the Prime Minister, is that ‘all of the provincial capitals and 75 per cent of the country’s population are in areas now where the Afghan National Security Forces lead on security’. So
they lead on more than 80 per cent of security operations and make up more than three-quarters of all uniformed personnel in the country. That transition is what we are engaged in now. That is the security success, and the security success has led to human success.

In Uruzgan province, where the Australians have primary responsibility, we have seen a six-fold increase in the number of schools operating—again, to use the Prime Minister’s facts—and a tripling in the number of active health facilities. That is real. Health and education and security are dramatically better. There will be difficult days in Afghanistan once the coalition draws down and there will be a continuing role over many years, but our primary security operation will pass over the next 18 months and we will have small support operation but we will have effectively drawn down. That is the right thing to do. But it is this process of transitioning the whole of the country and then knowing it will be an imperfect time. That then takes me to the forward side of things.

Over the coming five years, it will be the progressive draw down. Firstly, in the next 18 months, will be the maintenance of backup in terms of a special operations provision to assist with particular crises. No group of Australians has done more on the front line than our special operations forces, who have literally been the best of Australia that we could hope to present. Then we will have the development role of encouraging and supporting the Afghan National Army and the police force. There will be internal difficulties, but those difficulties are part of the process of giving them the best chance of being the most independent and the most stable and secure that they can be. It will be a long and imperfect process over 20 and 30 years. But, going forwards, that is the only way that the country can aspire to a degree of internal stability, which will allow the health, the education and the personal opportunities resulting from the dramatic and radical transformation of much of the country, which was under the thrall of almost medieval leadership in the Taliban, into a modern state which will be going through a long period of development.

We look to the way in which Indonesia has been a beacon to the world in managing democracy and a range of religions but in a situation where it is, essentially, a successful Islamic state. I praise Indonesia for their cooperation. I set that out as a model in terms of the long-term direction for Afghanistan. Above all else, I thank our soldiers for the extraordinary commitment that they and their families have made and I extend my bipartisan support to the mission and those views as to the long term.

Mrs PRENTICE (Ryan) (10:43): I rise to support the Prime Minister’s statement on Afghanistan. I welcome the opportunity to acknowledge another year of military operations in Afghanistan and to honour the difficult and dangerous job that Australian forces are undertaking there. I thank the Prime Minister for updating the House on the many aspects of Australia’s successful contribution to Afghanistan’s progress to transition, particularly in the Uruzgan province, where transition began this year on 17 July. Australia’s 4th Brigade has been taking the lead on security operations in that area, and more recently Australia assumed command, on 18 October, of Combined Team—Uruzgan.

In 2010, the countries in the North Atlantic Treaty Organisation and the International Security Assistance Force, in conjunction with the government of Afghanistan, came to the agreement for Afghanistan to become solely responsible for its security by the end of 2014. In terms of Australia’s withdrawal from the region, I understand that the Prime Minister expects that transition should take between 12 to 18 months to occur, after which the vast majority of
Australian troops will return home. Now after three months since the commencement of the transition period this expectation remains the case.

I echo the comments of the Leader of the Opposition, who noted that: Australia went to Afghanistan with our allies and we will leave with our allies.

By committing to leave Afghanistan by the end of 2014, we are not abandoning them but we will leave knowing that our training, anti-terror role and capacity-building projects made a difference for Afghanistan and its people. A worrying development is the continuing increase in green-on-blue attacks by Afghan soldiers and police when conducting joint operations. Regretfully, Australians have been the victims of this ruthless tactic by the Taliban which aims to reduce the effectiveness of Australia's relationship with the Afghan military. As a result, NATO has suspended joint operations with Afghan military personnel, and I understand that NATO is continuing to vet personnel and monitor the situation more broadly. These attacks do not, however, affect Australia's commitment to a safe and secure Afghanistan.

In August, I was fortunate to be involved with the Australian Defence Force Parliamentary Program to visit Afghanistan and experience the conditions firsthand. When Australia does leave Afghanistan, our Defence forces will leave with their heads held high. I point to the many key contributions Australia is undertaking in Oruzgan province, including the construction and opening of many infrastructure projects: roads, schools, health and education facilities, and river crossings. These projects greatly improve the lives of, and capability for, the local people and assist in the delivery of the Afghanistan International Security Assistance Force's counterinsurgency strategy.

I have spoken on many occasions in this place about the enormous contribution our servicemen and women make, from my maiden speech to the many condolence motions—sadly, far too many—to the simple recognition of the debt and obligation that we as a nation owe to so many brave Australians. I speak as someone with strong personal connections and commitment to our Defence forces. Most importantly, I speak as the federal member for the electorate of Ryan, which includes Gallipoli Barracks at Enoggera which recently welcomed home another 300 soldiers from the 7th Brigade on 24 October and previously welcomed home around 1,000 soldiers from Afghanistan, including the 7th Brigade. I was honoured to acknowledge our troops at both of these welcome home parades, most recently with the Chief of Army, Lieutenant General David Morrison AO, and Brigadier Greg Bilton CSC ADC, Commander of the 7th Brigade.

On 25 September, I was also honoured to represent the shadow minister for defence, Senator the Hon. David Johnston, at the farewell parade hosted by the 1st Brigade at Robertson Barracks in Darwin. On that day, we farewelled 400 personnel from 1st Brigade, including my son, who were deployed to Afghanistan on Operation Slipper. This marked an important opportunity for family, friends and the wider community to formally farewell their troops.

We welcome those days when our troops return to Australia alive and well. However, we have also observed in this place the deaths of the 39 Australians who have lost their lives during Australia's fight in Afghanistan and, importantly, the many who have suffered physical and mental injuries. An obligation to these fine Australians and their families is an enduring
one. They must know that when they go into battle on behalf of our nation we are with them, and our support thereafter will be steadfast and strong. It is the least our nation can do.

Most recently, fallen combat engineer Corporal Scott James Smith returned home to his family and comrades in Australia—another proud Australian who the Chief of Army, Lieutenant General David Morrison, recognised as, 'a fine young man and a great soldier' and who recognised his sacrifice in serving his country.

If we take a step back from Afghanistan, as we look both to the present and future of the Defence Force, and particularly the domestic Defence Force industry, we see many worrying signs. Over the weekend, the Australian government released the Asia white paper, which stated that:
The effective management of a number of regional flashpoints will become increasingly urgent …

Managing competing maritime and territorial claims will be particularly important

In that context, I worry that we are not funding the Defence Force appropriately to deal with future security challenges in the Asia-Pacific region and beyond. This year alone the government cut $5.5 billion and, since coming to government, has cut $25 billion from the Defence budget. The government's cuts mean that Defence spending is at its lowest level since 1938—at 1.56 per cent of gross domestic product—and next year it will drop even further to 1.49 per cent. These are shameful figures from this government. If we look at the present situation, those in the military have taken the very rare move of speaking directly to the public about what those defence cuts mean. Recently, the Chief of Army, Lieutenant General David Morrison AO said:

We are approaching a point where doing more with less risks becoming a cavalier disregard for the ability of forces to survive against credible peer competition.

We do not want to send our troops on operations if they are not properly equipped and supported by the Australian government to do the job. I remind the House that these cuts will have an impact not just today but in 30 years time. Prior to the 1999 East Timor crisis, Australia realised that Defence had been seriously neglected and required a substantial increase in investment. Today, however, there is no doubt that recent cuts will have serious ramifications for the future readiness of our military forces and that the cuts are creating a growing capability gap.

One of the primary reasons why we must look long term is because procurement projects can take decades from first consideration to final delivery. As Lieutenant General Morrison noted, the capability of the army:

… can be relinquished disturbingly rapidly if it is not carefully developed and sustained …

At the same time, when we discuss the cost of procurement for submarines to the tune of $40 billion—or $16 billion for the Joint Strike Fighter—we are only talking in terms of delivery, not including the ongoing costs of maintenance. In many instances, the initial outlay might cover only one third of a project's cost over its lifetime.

When I talk to those within the Defence industry, they tell me that they are extremely worried about what the future might hold. Already 5,000 Australian jobs have been lost in the Defence industry. They are fully aware that during recent Senate estimates the Defence minister admitted that out of $230 billion outlined in the 2009 Defence White Paper, $200
billion of that total is still unfunded. As a result, in three years time, there could be a complete shutdown of naval ship building to name just one area of Defence industry. There is no surprise at the anxiety that exists within the industry as a result of this government's lack of commitment to Defence. It is therefore incumbent upon any future Australian government to recommit to Defence, and I continue to make that commitment.

To conclude, I say to the families and friends of Defence personnel serving in Afghanistan, Iraq, Solomon Islands and elsewhere in the world that they have every reason to be incredibly proud of the outstanding commitment to their mission of defending the security of Australia and the globe. Afghanistan has a complicated past, but I know that all Australians hope for a successful future in that nation and I commend Australia's ongoing contribution to that goal.

Finally, let me say this: any cabinet that fails to properly equip our troops at war must accept, as a cabinet and individually, the cost of that failure. I do not say that is the situation today, but the failure to properly fund our Defence forces today must resonate in the immediate future and must inevitably increase the risks and challenges that our troops will then face.

**Mr McCormack** (Riverina) (10:53): Under Taliban rule, terrorists once—not that many years ago—trained freely in Afghanistan. As we tragically found out, the objective of that training was to kill Australians; and to unleash its worst against our allies, the United States of America. The transition has begun, thankfully, and by the end of 2014 we are told that the transition plan is for Afghanistan to take charge of its own security.

The process of transition is on course: it began on 17 July 2012. Our Special Operations Task Group will continue to operate and do its work well against the insurgency. Our advisory taskforce will retain a combat-ready capability, and this is the course that is taking place in Oruzgan.

The Australian Federal Police has undertaken extremely important work training the Afghan National Police at the police training centre in Tarin Kot. As the transition continues, our future efforts will focus on leadership training and strategic advisory support at a national level. This will help the Afghan National Police manage its own transition from paramilitary activity as part of the important counterinsurgency to a constabulary force performing what police are supposed to do—that is, regular police work, civilian policing roles.

We heard our Prime Minister yesterday say that our development aid effort will continue. Australian aid, the Prime Minister said, is making a real difference to the lives of Afghan people. That is certainly so. It is helping the Afghan nation on the path to development and peace which is of course so important. We heard the Prime Minister say that in Uruzgan, the Australian-led provincial reconstruction team does great work, contributing to a six-fold increase in the number of schools operating, tripling the number of active health facilities and enabling a stronger provincial administration. As transition proceeds in Uruzgan, the Prime Minister said that our aid workers and diplomats will continue their important task. Of course, her words were backed up by the opposition leader, Tony Abbott. Across the political divide, this has bipartisan support. Our important work, our ongoing efforts in Afghanistan, which began in 2001, have cross-party political support, as they should have. Our troops on the ground, our Navy, and our air men and women need all the support they can get. They need to know that we, as parliamentarians, who have the responsibility for sending them there, are right behind them—and we are.
Yet there are challenges. There are huge challenges to our ongoing efforts in Afghanistan. The Iraq war became known as the conflict which bought the horror of improvised explosive devices to global infamy, and, sadly, the Afghanistan conflict is becoming the face of a new and even more hideous form of deadly violence—the insider attack. The Prime Minister referred to that yesterday. Known in the North Atlantic Treaty Organisation as 'green on blue'—green representing friendly national forces and blue representing international forces—these attacks have increased dramatically in 2012. Last year, 31 troops died in these insider attacks, and that figure is significantly and dramatically and tragically higher this year. The numbers are so high that some military analysts have claimed that they may represent the highest incidence of intentional friendly-fire attacks in recorded military history.

In response, the Commander of the International Security Assistance Force, United States General John Allen, ordered that all coalition soldiers carry loaded weapons, even at the larger secure bases, inside buildings and even at meetings. The Afghan President, Hamid Karzai, blamed the recent surge of green on blue attacks on foreign countries—a reference to Pakistan and Iran—infiltrating the Afghan National Army and brain-washing vulnerable or disenchanted soldiers. The Pakistan based spiritual leader of the Taliban, Mullah Mohammed Omar, said that his fighters had been instructed to infiltrate the Afghan National Army and coerce Afghan soldiers to assist attacking coalition troops. He said: 'Thanks to the infiltration of the mujaheddin, they are able to safely enter bases, offices and intelligence centres of the enemy. Then, they easily carry out decisive and coordinated attacks, inflicting heavy losses on the enemy both in life and support.' Terrorism knows no bounds. It is gutless. That is another reason why we need to continue every effort to keep our soldiers safe and certainly to continue our efforts in Afghanistan, because the Afghan people need to know that our support is with them. They need—as everybody does—to have a free country.

We need to leave our troops in Afghanistan. Progress is being made on our goal to help stabilise the country, but there is a lot of work to do, obviously. Unfortunately, there are many people in Australia who do not understand the progress being made. Media programs often show a negative side of war. Of course, it is important that they do show those tragic ramp ceremonies, when our diggers have unfortunately made the ultimate sacrifice. Quite often the media do not represent good things being achieved in Afghanistan. We heard the Prime Minister speak yesterday about the great strides that the coalition has helped to make for education, for minorities and certainly for women, and about the good work we are doing to ensure that there is no safe haven for terrorist activity in Afghanistan. That is not always reflected as much as the tragedy of soldiers being killed on the battlefield and certainly in green on blue attacks.

The soldiers believe that what they are doing is making a difference—and they should know; they are right there in the trenches, in the camps and in the streets of Afghanistan doing good work. If they get pulled out now, they believe the 39 fallen will have died in vain. Certainly those 39 who have lost their lives in Afghanistan are the bravest of the brave; the best of the best. Afghanistan is our war. Everyone deserves freedom—Afghans too. If we leave too soon the country will turn back to the chaotic situation it has been in for the past 30 years. It has been a terrible situation for decades.

The soldiers know the risks; they also know the job at hand and they will know when it is finished. As we heard the Prime Minister say yesterday, the end is nigh but certainly we need
to stay there until we get the job done. Until democracy and the rule of law is brought to failed states, we need to continue to play our part. The coalition has achieved so much with so few casualties—though sadly we have had 39 killed and more than 240 injured. Those 39 fallen have paid the ultimate sacrifice, but all in all our soldiers and our Navy and our Air Force since 2001 have done mighty things. The people of Afghanistan are depending on us to continue the work we have done. We cannot leave them with warring tribes, terrorist schools and mediaeval treatment for women and minorities. We must see out a tough fight; we must see out a just fight.

Defence lobbyist Neil James, who served in the Army for more than 31 years and who still serves in the reserves, has commented that some Australian soldiers were undertaking too many deployments as a result of budget cuts to the Department of Defence. Mr James is Executive Director of the Australia Defence Association. As the ADA official spokesman, he is also responsible for the association's contributions to day-to-day public debate and for helping maintain the long-term and informed perspectives the Australia Defence Association has long brought to such discourse. Mr James's military experience over almost four decades has spanned a wide range of regimental, intelligence, liaison, teaching, operational planning and operational research positions. He said:

One of the reasons that people are having to do … too many tours, is there aren't enough of them and the reason there aren't enough of them is that the defence budget is too small.

Unfortunately the defence budget was cut by $5½ billion in the May budget. Mr James went on:

The people of Australia refuse to vote for politicians who will invest sufficiently in defence to give us strategic alternatives.

He said the price was being paid by 'a very small part of the national family who are doing most of the country's war fighting.' He is right. The budget cuts were extremely tough, and they will continue to be tough on our military. I know the working accommodation that was planned for the Kapooka army base at Wagga Wagga, where all recruits for the Regular Army are turned out, has been put on hold because of these cuts.

When we are on the battlefield the job of the Army is always to bring the troops in. Of course if they are injured they are brought in but if they have sadly fallen and died they have to be brought in and then looked after with the greatest respect when they get back to Australia. I plead for the government, and I implore our own side, to ensure fair indexation for military pensions and superannuation into the future. I know that times are tough and I realise that sometimes cuts need to be made. But these people signed up to fight wars to promote freedom and to help our country and other peoples, and when they come home they need to be looked after with respect by the parliament which sends them to wars.

This morning a brave Australian soldier is going to be awarded the Victoria Cross. I do not know his name yet; it may well have been announced since I started speaking. At any rate, the Governor-General and the Prime Minister will make an announcement this morning that another Australian soldier is going to be a recipient of the highest honour for valour in the field. That is a tremendous thing. We know what great things Ben Roberts-Smith, our last Australian VC recipient, did to earn that remarkable honour for courage, and the latest recipient will join the long line of khaki heroes to receive a VC. The first Victoria Cross was awarded in the Boer War and, since that conflict—through Gallipoli and all the other
struggles that Australia has been involved in—men have reached the highest point of valour by putting life and limb on the line in a way that is beyond what most mere mortals would even contemplate. It is a great to think that today another VC recipient will join the other military heroes which Australia has turned out.

The war in Afghanistan on Australia's part needs to continue. We are doing great work. We have built airstrips and schools and we have helped many women to rise up from the medieval state that they were in. Afghanistan is no longer a safe haven for terrorists thanks to the great work that Australia has done as part of the coalition. That is to be acknowledged, and it should continue. I acknowledge the Prime Minister for her words in the House of Representatives yesterday during debate on Afghanistan. Our efforts need to continue until the job is finished.

The DEPUTY SPEAKER (Mrs D'Ath): I think it would be accurate to say on behalf of all those in the chamber that we congratulate the soldier who will be receiving the Victoria Cross today.

Debate adjourned.

ADJOURNMENT

Mr HAYES (Fowler) (11:08): I move:

That the Federation Chamber do now adjourn.

Chifley Electorate: No School No Play Initiative

Mr HUSIC (Chifley—Government Whip) (11:08): I have said before in this place that I represent a young electorate. About 15 per cent of people in the Blacktown local government area are under 30 and, in the electorate I am proud to represent, about a third of people are under the age of 19. This means that preparing young people for life after school is a big focus for many families, parents, schools and community organisations. In consideration of this, it was a delight to be able to kick off the No School No Play program in the Chifley electorate. This year we ran it again.

No School No Play is a federal government program involving various sporting codes and I was delighted that we could join up with Basketball Australia this year. Basketball Australia was funded to roll this program out at three other sites around the country and they agreed to run the program with us in Chifley. They would run the program as long as we could find local support to fund it, so we teamed up with some sponsors. For their support I thank Steve Holmes from Woolworths in Plumpton and Natalie Samia from Woolies corporate; Rob Ewin and Marcus James from Westpac; and Walter Kmet from WentWest, the new partner that runs the Western Sydney Medicare local. There are 120 students and six schools: Chifley College and its Bidwill, Mount Druitt and Shalvey campuses; Evans High School; Plumpton High School; and St Clair High School. The students were put through their paces in coaching clinics led by Western Sydney boy Ben Knight. He has played basketball here and overseas and is a former Sydney Kings captain. He was just tremendous. I really valued his input. Teachers and students welcomed the care and diligence that he committed to this program, along with 'Mr Basketball, Bob Turner, NBL Hall-of-Famer and coach extraordinaire. He now heads up the Sydney Blue Sox in the Australian Baseball League—a true gentleman I have spoken about in the House.
The message was: professional athletes do not just turn up on a playing field or a court; they have to work at their skills. Linking the power of sport to motivating students to engage in school and build their personal bank of skills to give them more options later in life was the big aim of this program. Ben Knight said to the Mt Druitt and St Mary staff that, 'It is not about winning or losing. The program is about fuelling bodies, building teamwork and improving school attendance.'

The local paper and also the Blacktown Advocate have been fantastic in putting a positive light on the achievements of local youth. Ben Knight, as I said, mentioned fuelling bodies. I was delighted that our new partner in this program, WentWest, supported our work by sending along nutritionists who gave insights into how healthy eating can help in daily life.

After the gruelling six-week coaching clinics, we held a terrific carnival and graduating ceremony, with Opals and Canberra Capitals coach Carrie Graf present, along with Mr Magic, NBL legend and Sydney Kings senior vice-president, Steve Carefino, who joined BA's CEO, Kristina Keneally, Ben Knight and Bob Turner. We presented every student with a certificate and a Spalding basketball. I want to thank Russell Sports's Anita Kradzins for her help. The kids were just over the moon about receiving these certificates and balls.

I want to read some evaluations. One is from Sarah Hamad from the Shalvey at Chifley College. She said, 'My principal was very happy with the outcomes of the program and pleased to see our school, Chifley College Shalvey, in the media in such a positive light. Students are still talking about it. I even heard one the other day talking about eating wholemeal bread instead of white bread because it was better for them.' Amazing!

Evans High principal Kay Smith—and thank you for hosting the graduation, Evans High—said, 'We identified a number of students who were perhaps on the edge of their attendance and we thought, "Let's engage them," and it has been very successful.'

I just want to thank: Sarah Hamad from Chifley College, Shalvey; Marilyn Hill, the Aboriginal education officer, and Tanya McEwen, the teacher who attended the carnival from Chifley College, Bidwill; Karen Attard from Chifley College, Mt Druitt; Plumpoton High's Claire Lehn; St Clare's Catholic High's Brian Pestano and Robert Portelli; and, from Evans High, Michael Hoareau. Thank you to all of them.

I want to pay tribute to the leadership of Kristina Keneally and Basketball Australia, who understand the value of basketball in building community links to help deliver valuable life lessons. I also wanted to acknowledge Basketball Australia's school engagement officer, Elyshia O'Neil—cool, calm, collected but, importantly, committed. She went above and beyond and is a tremendous asset to BA and this program. Schools exceptionally value her work.

Finally, I want to make an important recognition of every single student who participated in the program. You are all an asset to our area and to your families, and I look forward to you all evolving into our own local legends. Everyone associated with the program wishes every student the best possible success in their lives.

Riverina Electorate: Citrus Growers

Mr McCORMACK (Riverina) (11:13): Australia grows 500,000 tonnes of citrus. We import, depending on our season, between 500,000 and 600,000 in equivalent tonnes of
concentrate orange juice. In an average year, with a favourable dollar, we have been able to export up to 130,000 tonnes of citrus mainly to America and Asia.

The real troubles for our growers began when Brazil began dumping its concentrate orange juice into Australia because it was being rejected by other countries. According to Griffith navel and Valencia grower Louis Sartor, Brazil has been doing this in earnest for 20 years and this has absolutely hit our industry in the past two years. Our growers have also been hard hit by our dollar hitting parity.

Shed hands in fruit-packing houses working in California are paid $8 an hour. In Griffith, it is $18 an hour, plus on-costs such as superannuation et cetera, making it about $25 an hour. Picking a bin in California costs the orchardist $7.50 plus delivery of $1.50 a bin. So that is $9 to get the fruit from the tree to the packing house. In Griffith, in the Riverina, it is $33 to pick a bin and $5 in freight per bin to get it to the packing house. In South Africa, they can pick it for $2 a bin. Our efficiency is way ahead—world's best practice—but costs are killing our growers. We saw last week on A Current Affair how tragic the situation is, with fruit growers right throughout the Riverina pulling out trees, dumping oranges into paddocks and then churning them into the ground. We run the largest orchards with the fewest people.

Mr Sartor is also gravely concerned about what he terms ‘our ridiculous labelling laws’. He said:

Three years ago the Labor government conducted the Blewett report and have not implemented any of the recommendations in that report.

Therefore consumers are finding it difficult to make purchases of Australian product and the Labor government should be absolutely ashamed of itself for denigrating the Australian farmer to the point where the Australian farmer's product is not able to be recognised on the Australian supermarket shelf.

It should be implemented immediately—

that is the Blewett report—

and on fresh fruit and in particular on fruit drink and fruit juice products.

On 23 October 2009, the ministerial council announced that former Australian health minister, Dr Neal Blewett, would head up the panel to undertake a comprehensive examination of food-labelling law and policy. Dr Blewett was a pioneer of Australia's universal Medicare health system and is a strong advocate for the rights of consumers. The review panel completed two rounds of public consultation and received more than 6,000 submissions. I also acknowledge the work of Senator John Williams of the Nationals in the area of proper labelling. On 28 January 2011, the review panel officially presented its final report, Labelling Logic. It was publicly released on the same day.

Another Riverina grower, Bart Brighenti, said:

The glut is the symptom not the cause, the cause is the cost of doing business in Australia (regulated labour and conditions, deregulated growing industry, domestic supermarket duopoly, government policy like carbon tax not applied to imports and labelling).

… We keep pulling trees out till there is nothing left here.

Deregulation and free trade is destroying Agriculture and for WHAT benefit? We are net importers of fruit/vegetables/juice and fish (aren't we surrounded by ocean?) and this has delivered the consumer in Australia with the fastest increasing food prices in the Organisation for Economic Cooperation and Development.
Choice is either we do business in Australia or not.

I recently wrote to the Minister for Agriculture, Fisheries and Forestry, Senator Joe Ludwig, raising these concerns:
1. A ten-fold increase of Federal Government charges associated with registering a facility for export
2. Lack of drive and support for opening and maintaining export market access
3. Failure to impose the same quality restrictions on imported goods as Australian produced goods.

My letter continued:
Orchardists recently received a notice from the Department of Agriculture, Fisheries and Forestry advising new fees and charges to be imposed to register sheds for packing oranges for exports. The new annual charge for registered charge for registered establishments under Tier 3, protocol markets, increases from $550 per annum to—

wait for it—

$8,530. This is a significant increase which orchardists have no way of recouping.

It took almost two months, but I got the standard response back from the minister— which provided no comfort or relief whatsoever to orchardists within the Riverina area.

The Riverina is of course already beset not just with the carbon tax, like everywhere else in this country, but also with deep and worrying concerns about water availability and security into the future. I implore this government to implement a decent Murray-Darling Basin plan.

(Time expired)

Disability Services

Mr LYONS (Bass) (11:18): I recently had the pleasure of attending the Celebrating Support Workers Conference and awards evening put on by National Disability Services Tasmania in Launceston in my electorate of Bass. We know that disability support workers are committed to achieving dignity and equality for people with disability and for their families and carers. The awards highlighted the commendable work of people who are striving to make a difference in the lives of people with a disability. They recognise the remarkable dedication and commitment support workers demonstrate in their professional lives. The conference was a fantastic opportunity to recognise individuals who assist the most vulnerable people in our community. There was some excellent discussion on various issues of importance to people with disabilities and to those who help them and care for them.

Disability support workers are on the front line, supporting people with disability to reach their full potential. They support people with disability to achieve their goals and aspirations and they help to create a more inclusive and accessible society for people of all abilities. We recognise the invaluable contribution they make to the lives of Australians with a disability, helping them to meet the needs of daily life. I am proud to show my support for these remarkable individuals who are making a difference in the disability sector. I would like to take this opportunity to congratulate the award winners at the conference and dinner. The HACSU Support Worker of the Year finalists were: Soheil Yagenah of Optia Incorporated, Elizabeth Boon of St Michaels Association and Adele Doyle of the St Michaels Association. The winner was Elizabeth Boon, who was with St Michaels for the last five years, beginning as a cleaner and being recognised for her caring and nurturing attitude.
The HESTA Long-term Service Award finalists were: Maxine Stewart of Veranto Lifestyle Assistance, Max Richards of St Michaels Association and Lynne Swan of Star Tasmania. The winner was Lyn Swan, who joined the Star Tasmania group—then known for supporting housing—16 years ago and has been recognised as a leader among the staff, providing services that are personnel-centred and supportive of people she works and lives with today.

Finally, the ME Bank Outstanding Achievement Award finalists were: Debbie Haines of Life Without Barriers, Mathew Adams of Optia and David Watts of the St Michaels Association. The winner was Debbie Haines, who has worked with Life Without Barriers for many years. She has been recognised for the development of a variety of programs that have enhanced social inclusion for participants and her demonstrated commitment to the disability sector through continuous learning and development.

I congratulate all of the finalists and award winners. This is a fitting recognition for the wonderful work that they do. Our government knows that the continued commitment of carers and trainers is fundamental to the success of the National Disability Insurance Scheme and this government is committed to supporting people with a disability, their families and carers. We will support the disability sector, its workforce, its carers and people with a disability as we implement those changes.

As the Productivity Commission reported, people with a disability are often faced with a system that is unfair, unfunded, fragmented and inefficient. The Gillard government is committed to delivering the biggest reform in this country since Medicare. Through the National Disability Insurance Scheme we will deliver a system that supports people with a disability no matter where they live, no matter how they acquired their disability.

The success of this historic reform will be determined by the integration of care and the coordination of services, which will remove unfairness, fragmentation and inefficiency. The NDIS will mean that people with a disability will receive a care and support package that is individually tailored to their needs and that the people with a disability have a greater opportunity for decision making and power about their care and support.

The National Disability Insurance Scheme will give people with a disability the kind of care and support that we expect, and we will give all Australians the confidence of that. If they acquire a disability, or a child or a grandson is born with a disability, they will get the care and support that they need. It will deliver quality care and support, and provide opportunities for the people with a disability and their families and carers.

In conclusion, I would like to again thank and congratulate those individuals who are selflessly assisting those in need in our community. The conference that I attended in Tasmania was a terrific way to thank those people, and I thank them from the bottom of my heart.

Wild Dogs

Mr CHESTER (Gippsland) (11:23): I rise to condemn the Labor-Greens alliance in this place that pretends to care about the environment but does absolutely nothing to protect native wildlife and farming stock from the impact of wild dogs in regional Australia.

I do not have much time this morning, Deputy Speaker, so I will keep my message very simple—so simple that perhaps even the minister and his greenie mates will understand what I am talking about. You have blood on your hands. Minister, while you sit in this place and
hide behind your department's advice, wild dogs are killing stock and native animals in my electorate every day of the year. For the people on the ground who have to clean up this mess, it is devastating, it is traumatic and it is soul-destroying. The minister and the Greens pretend to care about the environment, they pretend to care about animal welfare issues but they allow wild dogs to kill native species and rip the guts out of livestock in my electorate and right throughout regional Australia every day of the year.

I say to the Greens, those animal rights activists that we often hear about on television, and I say to the minister for the environment: you are hypocrites of the highest order. If any of these people who pretend to care about the environment and pretend to care about animal welfare issues actually gave a damn, they would support all measures to control wild dogs in Australia—including aerial baiting in Victoria. My local community and the Victorian state government are doing their best to control wild dogs, and the federal government is actually obstructing their efforts. The federal government is obstructing the efforts of the Victorian government to control wild dogs. The Victorian government has sought Commonwealth approval for a trial of aerial baiting to complement its increased funding for other measures like trapping, ground baiting, fencing and the newly introduced bounty on foxes and wild dogs. For its part, the Commonwealth department has demanded additional research, leaving Victorians with a choice. They can fund additional research—waste their money that was going to be used for wild dog control on research—or they can spend that money on actually killing dogs. I am right to say 'waste'—and I am not against research; don't get me wrong there—because the research has actually been done.

I urge the minister to read the New South Wales department of environment fact sheet on wild dogs, which I have here with me. It reports on the research it undertook in relation to aerial baiting of wild dogs and the impact on native species like quolls. Keep in mind that New South Wales has been aerial baiting for more than 30 years, and the research found that aerial baiting had a minimal impact on the quoll populations: While individual quolls may die from 1080 baits, this research suggests that aerial baiting is unlikely to have an impact on quoll populations as a whole. In fact, aerial baiting which suppresses local fox and dog populations may benefit quolls in an area.

Wild dogs are destroying the native environment and tearing at the fabric of communities in regional Australia, where farmers are being left virtually on their own to battle without significant support from the federal government. I acknowledge that aerial baiting is not the panacea; it is not going to solve this problem. But it will help. The Victorian government should have every tool at its disposal to help it reduce the impact of this menace, and the families in my community are rightfully demanding more assistance.

In closing, I would like to quote from a letter which was sent to me by the daughter of a farmer who had invited the environment minister to actually visit their property, near Omeo. It is a formal invitation. The lady writes: 'I would like you to join my father every day for a week as he goes out every morning to pick up dead and dying sheep that have been mauled, some eaten alive, some still running around with their innards half hanging out. Help him put these sheep down. You can then partake in the task of picking up the bodies and piling them up to burn. Come and join him in this task and see how it affects him. Come back with him to his house and sit down with him to poke your food around on your plate because you cannot eat as you feel so overwhelmed by the feeling of helplessness.' The letter goes on: 'After this
fun-filled week—when you may be able to experience some of the desolation and heartache felt by this man—sit down and explain to him why he has to wait while more studies are carried out before anything more proactive will be done. Explain to him why he has to watch his beloved animals that he has tended for most of his life be murdered. Explain to him why his income has been cut so drastically. Explain to him that all the meetings he has attended over the years, all the letters he has written and all the people that he has lobbied have all been a waste of time. Explain to him why the animals he used to marvel at as he rode through the bush are no longer there. Explain to him why he has to keep going. Explain to him why he does not get stress leave. Explain to us—his family—why we have to watch him slowly shrink from a vibrant, energetic man to a beaten, heartbroken shell.'

I accepted that offer and attended in Omeo last week. I urge the minister to take up the same offer. Walk a mile in the boots of these people, who have to attend to this tragedy every day of the week. I challenge the minister to stop hiding behind his department staff and actually do his job. On behalf of farmers in regional Victoria, I urge the minister to simply intervene in this matter. His department is off on a green-tape frolic of its own that is unsupported by the research and is harming the economy, the environment and the social fabric of regional Victoria. Every day that we stop this aerial baiting in Victoria is another day that wild dogs feast on native wildlife and kill livestock. I seek leave to table the letter from Sonia Lawlor, from Omeo, to the minister for the environment. I also seek leave to table the fact sheet on wild dogs from the New South Wales government.

Leave granted.

**Whitehorse Primary School**

Mr SYMON (Deakin) (11:28): On 12 October, I attended the official opening of Whitehorse Primary School—a new school in my electorate at Deakin, formed by the merger of the former Springview and Nunawading Primary Schools. With funding from both the federal government, through the BER Primary Schools for the 21st Century program, and from the Victorian government, through the schools regeneration and VST programs, this was a much bigger project than the previous 34 BER openings that I have attended in the electorate of Deakin.

It was great to see the results and to be able to recognise some of the people who helped ensure that the project got off the ground. The Victorian Minister for Education, Martin Dixon, and both the former state member for Mitcham, Tony Robinson, and the current member for Mitcham, Dee Ryall, were there for the opening. I especially thank Tony Robinson for his hard work in 2009 and 2010 as the state member for Mitcham. I would also like to thank the school captains, Jessica Arandall and Duncan McLeod, who assisted with the formalities on the day. As good as Whitehorse Primary looks today, I think everyone who has been involved in a project such as this soon finds out that it does not just happen overnight and it can take a lot of time to get things right. The merging of two schools into one is difficult for the parents, teachers and students, and also the wider community. However, if it is done properly, the transformation can be a real plus for the whole community—both inside the school gate and outside. By combining P21 funding of $3.2 million from the federal government and $4.78 million from the Victorian government—a total of $7.986 million—the results are there for all to see. The $4.78 million of state funding was committed to the project
by the previous state Labor government and the project was completed by the current state Liberal government.

It was back on 3 February 2009 that the federal Labor government announced the schools building program known as the Building the Education Revolution program. The Primary Schools for the 21st Century component of this program applied to all primary schools and the National School Pride funding applied to every single school Australia-wide. One month later, on 3 March 2009, I visited Anne Kettle, Principal of Springview Primary School, to talk about the opportunities for the school under the federal government's Building the Education Revolution and National School Pride programs.

I had a similar conversation with Kerry Wood, the principal of Nunawading Primary School, a couple of weeks later, on 23 March 2009. Both schools really did need the money. In Springview's case, the buildings and grounds were slowly falling apart, and in Nunawading's case the buildings were also in poor condition to the extent that they had cracks in the walls so big I could put my hand in them. The original Tunstall Primary School building, which was the former name of the suburb of Nunawading, renamed in 1945, is a historic building but it was also well in need of a makeover. Putting the Primary Schools for the 21st Century funding to the best use was a challenge that eventually became a part of the solution to the joining of the schools.

The merging of both schools could not have happened without the assistance of the principals, Kerry Wood from Nunawading—and now, of course, Whitehorse—and Anne Kettle from Springview, and the teaching staff, the school councils, the parents associations and the school communities. The difficulties in deciding the best way forward were resolved over many long months of negotiations between the school councils, the principals and the department, resulting in the decision to merge both schools and rebuild a brand new school at the Springview Primary site on Junction Road.

People such as Tony Clark, the Whitehorse School Council President and formerly from Nunawading, spent countless long hours building support amongst the school communities to gain support for the merger. Geoff Allan and Rod Williamson from the Victorian DEECD, whose expertise helped facilitate the department's involvement through extended consultations, negotiations and planning, also need to be congratulated. I should also like to thank the builders, Daniel and Matthew Boje from WP Contracting, who used a modified Maroondah template design for the school's new hall to get the best value for money in the building of this great new educational facility.

For two years, Whitehorse Primary School was based at the Nunawading Primary School site on Springvale Road, whilst the old Springview Primary buildings were demolished and the new Whitehorse Primary School was built. Whitehorse Primary School is now the newest primary school in the federal electorate of Deakin, which contains 50 different school communities. The facilities that have been provided are the envy of many other local schools and show the benefits of combining state and federal government funding for the benefit of our community.

In additional to the National School Pride funding of $200,000, $3.2 million from the Primary Schools for the 21st Century program was invested in the construction of the school's new indoor gym that is also used by the local community after hours for basketball. It is also used by referral services and there are many paraprofessionals who come and visit the school.
for various programs—a great improvement for what was a very rundown and under-used facility.

I commend the opening of Whitehorse Primary School as an excellent example of how the federal Labor government's BER program has provided a great new education infrastructure for our local community.

**Jewish Community**

Dr JENSEN (Tangney) (11:33): I bring the attention of the House to the inestimably worthy, selfless works of the Jewish community leadership in my electorate and across the nation. Recently I held a security breakfast forum with leaders from the Jewish community in the civil and business spheres. On that morning, in my office in Willetton, there were leaders from the Jewish Women's Council, the Jewish Community Council, the Zionist Council in Australia and the Israel Chamber of Commerce, amongst others.

I take this opportunity to reassert my unwavering support for the Jewish community, for Israel and for those who live and love democracy and freedom across the world. I say this not because Israeli Ambassador Rotem is a friend, though he is, but because it is right and fitting and required of all free people. Let there be no doubt that our country can do more, and should do more—it is in our own self-interest. This self-interest in Middle Eastern geopolitics stems from security and economic facts. Israel is the only true democracy in the region; and there are innumerable opportunities for Australian capital in Israeli high-tech start-up companies.

It is time that our national polity stopped the navel gazing, got a backbone and stood shoulder to shoulder with every other liberal democracy. There is nothing inevitable about democracy, nor is there anything to say that once free always free. The price of freedom is vigilance. Principles need to underpin politics. Liberal democratic principles are offended by the reality of two out of five Israeli children living in poverty. Without absolute principles and red lines, there is only an aggressive atrophic relativism. Where are the red lines on Iran?

As I said to Ambassador Rotem, why are there not principles we are unwilling to bend on? We must stand with Israel with forces of the free—principles before politics, as people before profit, as substance before spin. The magnanimity of the Jewish people today is a beacon to all. Fortunes have been won and taken, lives broken and rebuilt and rebuilt and rebuilt. This rebuilding was a phoenix from a fiery belief in education. That belief too is a principle, one that is entrenched in the heart of the Jewish community and Liberal democracies around the world.

This is not opinion but a fact spoken to me by Rabbi David Freilich, a past president of the Organisation of Rabbis of Australasia. When I read that only 7.5 per cent of schools in South Africa had any books at all, my principles were offended. I was offended. I know, as the Jewish leaders at the breakfast forum knew, that the only way out of poverty and the only way to embed democratic principles is through education. Improving education at home and abroad is one of my core principles, because it facilitates our being free.

It is incumbent on free people everywhere to have values and principles in their politics—to mean what they say and do what they say. Democracy is a good and noble path. No person or party can change that. Anything other than democracy is alien and a bastard of the natural rights of mankind. So, I say to our community leaders: know that I am a conviction politician,
a person of principles. That is why I will never cut a single cent from an education sector that is delivering results. That is why I am touring my electorate of Tangney with a timely presentation on cyberbullying. That is why I am reading to school kids as part of the National School Literacy Week initiative. My principles have me out listening to businesses like Costa Farms in Willetton, under pressure due to a no-think carbon tax policy resulting from Labor group think. That is why I was not surprised when Mr Akef Sahi from Syria came to my office requesting advice on how he could secure more teachers for that country. Amidst all the preventable evil, education is still valued and recognised as the only real escape. That is what having principles is about. You know what they are; you stand by them. I stand by the Jewish community, I stand by Israel; I stand forever for education and Liberal democracy.

Environment

Ms HALL (Shortland—Government Whip) (11:38): Recently the Hawke review of the Environment Protection and Biodiversity Conservation Act tabled its final report. Comments relating to the review were generally very supportive of the EPBC Act. The review looked at the way the act could be reformed to make it operate better. It talked about many of the positive features of the act that should be retained, including clear specification of matters of national environmental significance, the environment minister's role as decision maker, public participation provisions, explicit consideration of social and economic issues, statutory advisory mechanisms and a strong compliance and enforcement regime. I am a little bit concerned that the legislation that may be introduced may weaken the way the EPBC Act operates. I have been contacted by a number of environmental organisations. Particularly in my role as a member of the Standing Committee on Climate Change, Environment and the Arts, I have become concerned that there may be a watering down of the EPBC Act, and that could impact on the Commonwealth's role. In particular, the aspect I am really concerned about is handing over approval to the states. As a former local government representative and a former state member, I know the types of issues and the factors that influence local governments and state governments when they are considering planning and development proposals. I think the fact that we have a strong role for the Commonwealth set out in the EPBC Act is a safeguard. I would hate to see that safeguard watered down in any way.

In my own area, I know there have been particular issues that have been referred to the environment minister. He looked at the issues he could and that he had responsibility for and made a decision based on that. You could feel comfortable that it had been examined and looked at in that light. It is really important that the authority that is seeking approval is not going to be the authority that grants the approval. With the states having the ability to make approvals—without the Commonwealth having the role currently prescribed by the EPBC Act—that could happen in some cases.

I am very, very supportive of cutting red tape. To allow the smooth functioning of our economy, I think we should keep red tape to a minimum. But—and this is the important factor—if the cutting of the red tape creates problems then that red tape, those regulations or laws, should stay in place.

I will just give a couple of examples of where the EPBC Act stepped in. One occasion was in 2007. The federal government refused an application to release water from Lake Crescent in Tasmania for irrigation purposes. The release would have impacted on the Ramsar site and the globally endangered golden galaxias fish. The Tasmanian government was supportive of
that. Great Keppel Island as well as Jervis Bay are areas where the EPBC Act has been used in the past. I implore the parliament not to throw the baby out with the bathwater. There is a role for the Commonwealth, and we need to have that role for monitoring requirements as part of the EPBC Act.

**Fishing Industry**

Mr O’DOWD (Flynn) (11:43): Today I would like to speak about the Australian fishing industry. Gladstone was described as a fishing village long before a wide range of industries made their homes in the Port Curtis region. In fact, this applies right up and down the Central Queensland coast, including to towns like Bundaberg and Agnes Water. Fishing fleets, charter boats, local anglers and processing plants have long been a part of the scene on the Central Queensland coast, and in this respect it is similar to many other regions around Australia's vast coastline. We are an island nation—we cannot forget that.

More than 100 regional communities and many more businesses rely on the fishing industry for their livelihoods. The Australian fishing zone is the third largest in the world. Despite this, wild catch production in Australia represents just 0.002 per cent of wild catch production. Fisheries are the sixth largest food-producing primary industry in Australia. Seafood is the fifth most valuable source of protein. We export $1.5 billion and import $2.5 billion worth of product, which makes Australia a net importer of fish products. Australian seafood only makes up 30 per cent of domestic supply.

Our fishers operate to world's best practice. Imports from three countries make up the bulk of the 70 per cent of imported product: Thailand 26 per cent, China 14 per cent and Vietnam 12 per cent. In 2009 an estimation of adherence to the UN code of conduct put Australia fourth out of 53 countries, with Vietnam ranked 45th, Thailand ranked 42nd and China ranked 22nd. This is a major concern for the future. How will we feed our growing population both in Australia and worldwide? Australia is and will continue to be an important player in this regard.

Queensland already has a massive area of its waters under protection, which in itself is not a bad thing. However, there are no species of fish under threat in these waters, so it stands to reason that any increase in these protections must be based on scientific evidence. Current proposals are to lock up or extend our current 'no go zones'. Before these proposals are implemented, we must research the whole matter fully and any decision must be backed by solid scientific evidence.

The other major concern is: how do we police the extended protected areas? We do not have the resources to protect our current marine parks, so how will we patrol and police another 1.3 million square kilometres of protected waters in the Coral Sea? NORFORCE in Northern Australia is already overstretched in protecting Australia's fishing grounds. With cutbacks to our Defence budget, the situation has to be of growing concern for our defence forces in Northern Australia. Our Army Reserve is feeling the cuts, and our ability to increase surveillance of our marine parks is being severely undermined. The proposed marine reserves would take the overall size of the Commonwealth marine reserves network to 3.1 million square kilometres. That is an area bigger than Western Australia and Victoria combined and would mean by far the largest representative network of marine protected areas in the world.
We have to be smarter about issues such as this. Importing 70 per cent of our seafood makes no sense if we are serious about food security. We cannot forget that Australians are good at fishing sustainably and responsibly. We have to look after this industry. Anything we do must be clearly thought out. Common sense appears to be a rare commodity in the government these days. I urge the government to think very carefully about decimating our fishing industry.

Public Service

Mr ZAPPIA (Makin) (11:49): In recent times Public Service bashing seems to have become commonplace among some politicians and media commentators. Public servants are considered easy targets and expendable by those who seem to have little appreciation of the role public servants play within our society. Those same people offer their one-sided opinions in the full knowledge that the public servants whom they are attacking cannot retaliate. Ironically, those that are often the first to criticise the Public Service are also the first to criticise poor service when government departments are inadequately staffed because of funding cuts. The reality is that we live in a society where governments deliver many of the mainstream and essential services that we rely on—for example, health, education, policing, environmental protection, housing, national security, social welfare, unemployment services and so on; the list is endless. They are services we rely on daily. Those services, however, are delivered by people whom we refer to as public servants. Again, there seems a strange contradiction in that on one hand the demand for government services continues to grow, while simultaneously we hear calls to cut public service numbers.

Of course there are always opportunities for improvement, to provide services more efficiently or to scale down services. However, to make sweeping, ill-informed statements portraying all of those people working within the public service in a demeaning way is totally unwarranted and irresponsible. The attacks are even more irresponsible when they come from governments and political parties, who are not only seen as community leaders but are expected to have a better understanding of the role of public servants. Yet that is what we are seeing from the conservative side of politics throughout Australia today.

The federal opposition leader believes there are 20,000 jobs too many in the Public Service. In Queensland, the Newman government has announced major cuts to government health programs and other government services, with about 14,000 jobs in the firing line. In New South Wales, the O'Farrell government has ripped $1.7 billion out of the state's education budget and, in Victoria, TAFE funding has been cut by $300 million. In South Australia, opposition leader Isobel Redmond has said that, if elected as Premier, she will cut 25,000 jobs from the South Australian public service. There is no consideration of the stress or the effects on morale such a statement causes to South Australia's state public servants and no consideration of the impact on service delivery that those cuts will have. For South Australia, 25,000 jobs is three per cent of the state's workforce so, presumably, unemployment would go up by three per cent. Under pressure, Ms Redmond has subsequently retracted the statement. Her retraction, however, was hardly reassuring, because Ms Redmond simply handballed the proposed cuts to an audit committee.

Given what the conservative governments are doing in the eastern states, it is clear that they all have a similar agenda. Of course, there are potential ways of making cuts without making any real savings. The most commonly used trick is to outsource public service jobs so
that government employee numbers are reduced. However, what inevitably happens is that the
cost to governments remain about the same, and sometimes actually increase, or service levels
deteriorate. To add to the woes, we end up with services delivered by organisations that
sometimes do not have the expertise or experience available through the public service.

There is another reason the public service is so often the target of attack from the
conservative side of politics. Smart business operators see a business opportunity in services
being transferred from government to the private sector, either through subcontracting out
services or through direct sale of government instrumentalities, and they run campaigns about
how governments are not well placed to deliver those services. When there is a fee for service
provided, it may even be a further incentive for governments, because by not being
responsible for the service governments can distance themselves from any price increases that
may be coming. It is clever politics.

Public service cuts do hurt. They hurt the community, they hurt public servants and they
hurt their families. Public servants around the country are understandably concerned about the
cuts that they are seeing or that are proposed. I understand that governments have to work
within their budgets and that, at times, difficult decisions have to be made. But to treat public
servants as easy pickings when budgets need to be balanced shows a total lack of regard and
respect for them by politicians who have probably never met them and probably never will.
Our public servants deserve to be treated better than that, and their work needs to be valued.

SwanCare Group

Mr IRONS (Swan) (11:53): Madam Deputy Speaker, SwanCare Group is a provider of
accommodation for older Western Australians in my electorate of Swan. Before I go on to
update you on some of the events happening in my electorate, I would like to welcome to
the Federation Chamber Mrs Rebekah Faith, who is here on a Lachlan Macquarie internship and
being hosted by the member for Macquarie. I hope you have enjoyed your week so far, Rebekah, and I welcome you to the Federation Chamber.

On Saturday my wife and I attended the Bentley Park art and craft fair. Bentley Park is
operated by SwanCare, the largest aged-care provider in the electorate. The fair was organised
by a committee of seniors, led capably by Beryl, who has organised it for seven years. She
announced on Saturday during the awards that she is retiring and handing over the mantle of
the committee leadership to a younger member of the aged-care group. Beryl has done a
fantastic job, and it was a delight to attend the art and craft fair. As we arrived, they had the
usual sausage sizzle and were handing out food out to people who were arriving. I did not
partake; I am trying to make sure that I do get to an aged-care facility, so I keep away from
fatty sausages and similar foods. We were also accosted and sold some raffle tickets. I do not
think that you can go to any aged-care fair in the country without having to buy some raffle
tickets! My wife and I were given a voucher for a Devonshire tea, and we shared the scones
and coffee with a couple of ladies from the SwanCare facility. They were an absolute delight
to spend some time with. We enjoyed their company, and they explained how much they
enjoyed living in the SwanCare facility at Bentley Park.

The fair included the categories of pottery, painting and floral arrangements. One of the
floral arrangements was named 'Sunrise' and it had a little sticker on it that said 'Kiss me
Ketut?' I guess that most of us know of the 'Kiss me Ketut!' advertising around Australia; the
lady in the advertisement came from Western Australia. We had to donate the raffle tickets.
They were not drawing the raffle until the next day, so we gave the raffle tickets to a couple of people there.

Within Beverley Park, residents have access to cafes, an op shop, a medical centre, a hair and beauty salon, outdoor and indoor bowling greens, an auditorium, computer facilities, a library, a supermarket and a number of transfer services which stop at Bentley Park every 10 minutes and which help the residents keep in touch with the broader community. Also visiting on the day was Trevor Vaughan, who is the mayor of the town of Victoria Park, and helping with the presentation of the record number of entries on account of the record number of categories this year was Graham Francis, the CEO of the SwanCare Bentley Park facility. I congratulate all the winners of the trophies and prizes on the day, and I am sure that next year, headed by a new committee chair, they will go on and improve and continue the great SwanCare fête.

This weekend in my electorate is the 2012 show of the Canning Agricultural, Horticultural & Recreational Society. It runs from Friday at 5 pm to Saturday at 10 pm. I am encouraging everyone in my electorate to go down and visit. Last year there were over 11,000 visitors to the show, even though there is no longer much agriculture, horticulture and recreation going on within the Canning area. I acknowledge that the member for Banks is getting everyone ready for a division, but I will quickly quote a couple of words from the welcome written by the President of the Canning Agricultural, Horticultural & Recreational Society. He said:

On behalf of the Canning Agricultural Horticultural and Recreational Society, welcome to the 2012 Canning show.

This year we are celebrating the Magic of the Show. We will be conjuring in the kitchen, charming the vegetables, fruit and flowers and enchanting the young and the young at heart. The Society has secured top class entertainment for the 2012 programme, the centre stage will be filled with music, dance and of course—magic.

Once again our exhibition halls are a showpiece, receiving entries from regular participants and first timers.

Canning may no longer have agricultural lands, but we continue the connection with rural life in a lot of ways. This show continues to do so. (Time expired)

Media Ownership

Mr CRAIG THOMSON (Dobell) (11:58): I think this speech is jinxed! I was meant to speak during the adjournment last night and it got cancelled, so I am not sure how far I will get.

Australia's media operates under the very solid principle of free speech, and that principle should never be compromised. But clearly free speech is only truly free if there is diversity in media ownership. Having more than two-thirds of the country's media outlets owned by one person, family or conglomerate is certainly not an example of diversity. In the past we have too hastily allowed diversity to practically disappear. Both sides of politics have allowed this to happen. In the UK recently, where this has also been allowed to happen, we have seen some of the worst examples of media behaviour.

In Australia we had the Finkelstein recommendations, and the government has to respond to them in the coming weeks. There are some recommendations in particular that I think the government should be adopting. I support the recommendation of the establishment of a news
media council. The council as proposed in the report would set journalistic standards for the news media—not only the traditional print, radio and television media but also the online media. The establishment of such a council—a statutory body whose links with government would be the strictly limited to the council's secure funding from the government—would not be about imposing a form of sanction but would be about making the news media more accountable.

In an age of rapid technological change and less time to digest the detail of news media, it is even more important to get the facts right, because more often than not the public have only read the headlines and/or the first few lines of a story. The fast turnover of news cycles understandably puts increasing pressure on accuracy, but the importance of accuracy in reporting is therefore, in my view, even more fundamental. With accuracy comes balance. I have had a fair bit of experience in this area in recent times.

Another of Mr Finkelstein's recommendations says that an important change to the status quo would be that, in appropriate cases, the news media council had:

… power to require a news media outlet to publish an apology, correction or retraction, or afford a person a right to reply.

Mr Finkelstein goes on to say:

This is in line with the ideals contained in existing ethical codes but in practice often difficult to obtain.

In this country the only regulation, other than voluntary regulation, of media outlets occurs through the use of defamation. In my experience, a real news story is something new to report. On the issues I have been involved in, there have probably been only five or six occasions when there has been new news to report; but, if you were to do a search of the news stories on the issues that I have been involved in, you would find thousands and thousands of stories. Often these stories are regurgitated, recycled news which occupy vast archives; they are not real, new news stories.

We often hear, from journalists in particular, the phrase 'the court of public opinion'. If the court of public opinion is dictated to by unbalanced news reporting which not only sets the agenda but also—using the analogy of a court—prosecutes and finds people guilty, then we are in a very sorry state. We need to ensure that the recommendations in the Finkelstein report go through so that the court of public opinion at least has the opportunity to hear balanced reporting from both sides of a given story.

I am disturbed, not just for myself in the matter that I am involved but also for a whole range of other people, by trends in the media of late on the presumption of innocence. I read recently in a News Limited article a position being put by very senior journalist that, while this country has the presumption of innocence, it really does not matter for politicians. I found it quite astounding and disturbing that such an idea would be put into writing by a senior journalist in this country. I also find disturbing reports on a matter to do with the HSU according to which a person claimed to have no fear about legal proceedings on defamation because they had been promised by a media outlet that it would pay their legal costs. The Finkelstein report is important, and we should adopt it. (Time expired)

**Superannuation Funds**

**Mr FLETCHER** (Bradfield) (12:03): I rise to address the matter of the governance of superannuation funds. In the early 1990s, when the existing superannuation system was set up
by the Keating government, the government took care to ensure that its friends in the union movement were entrenched at the very centre of the governance system of industry superannuation funds. Indeed, if you look at the boards of industry super funds, you see that union bosses such as AWU boss Paul Howes, Queensland ALP heavyweight and AWU strongman Bill Ludwig, TWU secretary Tony Sheldon and—until recently—Health Services Union officials Kathy Jackson and Michael Williamson are or have been on the boards of industry or public sector superannuation funds. These arrangements give the union movement a degree of control over superannuation which goes far beyond what the small and shrinking share of the workforce who are union members would seem to entitle them.

Today, around 18 per cent of the public sector workforce are union members, and around 12 per cent of the private sector workforce are union members.

Debate interrupted.

Question agreed to.

Federation Chamber adjourned at 12:05
QUESTIONS IN WRITING

Australian Conservation Foundation
(Question No. 1173)

Mr Briggs asked the Minister for Sustainability, Environment, Water, Population and Communities, in writing, on 21 August 2012:

For (a) 2007-08, (b) 2008-09, (c) 2009-10, (d) 2010-11, and (e) 2011-12, what grants were provided to the Australian Conservation Foundation, including the amount, purpose, and program each was delivered under.

Mr Burke: The answer to the honourable member's question is as follows:

Under my portfolio of Sustainability, Environment, Water, Population and Communities, there have been two grants awarded to the Australian Conservation Foundation since 2007-08; details as follows:

2010-2011
$20,000 (GST exclusive) under the Caring for our Country (Natural Heritage Trust) program for support to the Tasmanian Forests Statement of Principles Signatories.

2011-2012
$20,000 (GST exclusive) as a one-off (non-program) grant to support ongoing involvement in the Tasmanian Forests negotiations under the Tasmanian Forests Intergovernmental Agreement.

Commonwealth Grants
(Question No. 1238)

Mr Briggs asked the Prime Minister, in writing, on 18 September 2012:

(1) For (a) 2008-09, (b) 2009-10, (c) 2010-11, and (d) 2011-12, how many Commonwealth grants were approved by the Ministers department, and at what total cost.

(2) For 2012-13 (to date), how many Commonwealth grants were approved by the Ministers department and at what total cost, and of these, how many have (a) signed funding agreements, and at what total cost, and (b) been paid to the approved recipients, and at what total cost.

Ms Gillard: I am advised that the answer to the honourable member's question is as follows:

In accordance with Finance Circular No. 2009/04 and the Commonwealth Grant Guidelines, information on all grants for the 2008-09, 2009-10, 2010-11 and 2011-12 financial years and the current 2012-13 financial year to date is published on the Department's website, including details of the recipients, intended use and locations.

The full listing can be found at http://www.dpmc.gov.au/accountability/grants/index.cfm

National Broadband Network
(Question No. 1285)

Mrs Markus asked the Minister for Broadband, Communications and the Digital Economy, in writing, on 11 October 2012:

(1) Is the National Broadband Network (NBN) on schedule to be rollout out by 2015.

(2) Is the Blue Mountains region (including the townships of Springwood, Katoomba and Mount Victoria) being considered for the NBN rollout; if so, when will the rollout in this region commence; if not, why not.
Mr Albanese: The Minister for Broadband, Communications and the Digital Economy has provided the following answer to the honourable member's question:

(1) Yes. NBN Co Limited's (NBN Co) Corporate Plan of 2012 – 2015 (the Plan) indicates the rollout to communities announced in the three year rollout plan on 29 March 2012 are on track (page 36 refers). The Plan also states the entire fixed wireless and satellite networks are expected to be completed nationwide in 2015 (page 39 refers).

(2) Yes. The NBN will be rolled out to 100 per cent of Australian premises, including those in the Blue Mountains region.

I am aware that the Blue Mountains region has not yet been included in NBN Co's first three year rollout plan. The three year rollout plan will be updated in March each year with new locations and rollout information.

On 20 December 2010, I announced a list of regional towns across Australia that will be receiving the high-speed fibre network. Four towns in the Blue Mountains local government area, Mount Victoria, Blackheath, Yellow Rock and Medlow Bath, were included on this list.

Less densely populated areas are likely to be served by next-generation fixed wireless or satellite technologies, which will be completed in 2015. The precise optic fibre footprints will only be known when NBN Co completes detailed suburb-by-suburb, region-by-region network designs.