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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

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

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

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

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

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

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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
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Tuesday, 18 September 2012

The DEPUTY SPEAKER (Ms AE Burke) took the chair at 12:00, made an acknowledgement of country and read prayers.

**BILLS**

**Australian Charities and Not-for-profits Commission Bill 2012**

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

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Mr BRIGGS (Mayo) (12:01): I rise to join with colleagues on this side of the House firstly to acknowledge the tremendous contribution the not-for-profit and charity sector make in all our communities around the country, making the fabric of society so strong, and secondly, in large part because of that, to oppose what the government is doing with these bills. We believe fundamentally that the government's approach is wrong. There is a big difference between the approach of the coalition and the approach of the Labor-Greens alliance. We believe in people and in trusting people to manage themselves in an appropriate manner, not overregulating where it is unnecessary; whereas the approach of this Labor-Greens alliance is so often to intervene, handing more power to government to overregulate, in many cases inappropriately, increasing red tape and treating the sector and individual charities and organisations in the community with a lack of trust and hindering their work.

We know that communities and organisations that are from communities know what their community wants. For example, our policy is to pursue self-management of schools—which my colleague the member for Aston argues for so passionately and well—because we know that if you give school communities more power to look after their own arrangements then the schools will be better and stronger. We know that from the evidence in Western Australia, where that program is working just so well in the public system. We know that from the private system, where private schools are managed by principals who have autonomy and can make decisions about their own schools and their future.

We know the same applies for charitable and not-for-profit organisations. I grew up in a family with a father who is a legatee and who has been the treasurer of the Mildura Legacy Club for probably as long as the club has been going. We saw when we were growing up how important these organisations are to local communities. The communities know how important they are because that is why they are there in the first place. They are formed, as Legacy was, by people who wanted to look after their own community well back following the First World War, and they have been strong contributors to the community for that period of time. They do not need a great big new regulator to tell them how to do their job, and that is why we are opposed to this bill.

Equally, the Returned and Services League of Australia, another organisation representing people who have returned from serving our country, do such a terrific job in the community of looking after returned servicemen and their families—servicepeople and their families, I should say. They have small branches in regional electorates like mine, where you have lots of towns and lots of RSLs. You have lots of small clubs, small charities and small organisations which do so much in those smaller communities. My electorate has so
many wonderful RSLs, whether on Kangaroo Island, in Victor Harbor or in Yankalilla. There are the Strathalbyn and Goolwa RSLs, of course. There are RSLs in Mount Barker and Lobethal and through the northern parts of the electorate, including Stirling, Nairne and other places. They do a terrific job of representing those people. One in particular I am associated with is the Macclesfield RSL, which is run by a small group of dedicated people who continually not only build and work hard to put on their public display of support on Anzac Day every year—on the Sunday evening immediately prior to Anzac Day they have a public service, which is always extremely well attended for a small community—but also do a lot of work below the surface raising money to help veterans and veterans' families in the area. It is such important work, which in many cases cannot be done by governments.

This legislation will impact on them. Again, we know that not because the shadow minister—who is doing a terrific job in prosecuting why this is bad legislation—has said that but because that is what these organisations themselves are saying. Just on 7 September, a couple of weeks ago, I received a letter from the SA branch president, Brigadier Tim Hanna AM. He is the state president of the RSL's South Australia, Northern Territory and Broken Hill branch. In that letter he raised very real concerns about this legislation. He said:

RSL-SA has significant concerns about the proposed new legislation as follows:

- It is not clear as to whether the ACNC's role will expand to include the regulation of NFP entities.
- Greater detail is needed on the outcomes of the Commonwealth's work to "reduce duplication" how is this going to be achieved and what are the timelines for reductions—because, of course, we know that several states have their own arrangements when it comes to managing charitable organisations as it is—

- The RSL supports the concept of a national "Charity Passport" as a first step towards a "one stop shop" reporting however more information is required as to how all levels of government are going to implement this and manage the process.
- Transitional arrangements are not clear.
- It is not clear how the diverse requirements of the various Government bodies that regulate different facets of work undertaken by NFP, for example, aged care, are going to be managed to avoid increasing already cumbersome governance practices.
- As most of our Sub-Branches are separately incorporated, small and often part-time enterprises, the cost and effort required to generate the necessary financial reporting is very difficult to justify, will consume a lot of the Sub-Branches' time and will be challenging for those Sub-Branches which comprise older members—and that point particularly relates to my electorate, with a lot of smaller RSL branches which do such important work with an older group of members, as you would understand—

- Given that many of our smaller Sub-Branches do not have computer access or that the volunteers that manage these smaller Sub-Branches do not have the necessary computer skills, we have significant concerns about the adoption of the online processes, including the purchase of compatible computer equipment given that Government funding … has been significantly reduced.
- It is unclear how entities will move between reporting tiers.

They are pretty substantial concerns from the South Australian RSL branch, representing all the branches in South Australia. Particularly relating to my electorate are the last two of those issues and the regulatory
burden impact this will have on smaller sub-branches. It is just one example from the charitable sector. This will be consistent throughout the charity and not-for-profit sector. Many of my colleagues have referred in their speeches to comments that have come to us from such broad representatives as Australian Baptist Ministries, the Catholic Bishops Conference and even the ACF, of all organisations, who have complained about the regulatory burden, the uncertainty and the direction of this legislation. Many of those organisations have urged us to oppose this legislation because it is bad legislation.

Like in so many policy areas, we believe that we have got a better way. The shadow minister, the member for Menzies, has been talking about the important commitment that we have to our civil society to ensure that the not-for-profit sector and the charity sector are well regulated and well managed. He has said, and he has committed, that the coalition will implement one contract with the department for each agency, instead of multiple contracts, reducing red tape. Senator Sinodinos and his group has been set that task by our leader, to reduce a billion dollars of red tape requirements from the economy each year.

The coalition will require the department to negotiate the content of the contracts with the agencies instead of simply imposing it on them. We will simplify the auditing process to require one financial report from each agency annually. We will replace the current system of rolling audits with an initial benchmarking audit that has a period of five years, with spot audits to be undertaken if the Commonwealth is made aware of any adverse conduct on behalf of the agency. We will simplify reporting requirements for governance arrangements, with registration as a company or unincorporated associations sufficing as evidence of appropriate governance arrangements. We will require all agencies to lodge a one-page annual governance return by the chairperson of the board or governing council, indicating that the agency is governed properly. We will replace the current time-consuming, costly system of data collection with a requirement that each agency file a quarterly report indicating the number of clients seen by the agency, according to the program area, and postcode of the client. We will require each agency to publish on its website its annual financial return and an annual governance statement. We will replace the current system of data collection with a series of cross-sector evaluations of efficiency and effectiveness of various programs. We will work with the sector to ensure adequate and known whistleblower provisions are in place.

These are commitments that reduce red tape. These are commitments that will make it easier for the charity sector and the not-for-profit sector to get on and do what they do so well, which is represent their communities and work on behalf of their communities. It is about trusting those organisations to do the right thing, trusting the RSLs in my electorate—across South Australia and across the country, for that matter—to do the right thing, trusting legacy organisations and trusting aged-care homes. It is about trusting all those charitable organisations that work not for their profit, not for their own personal gain but for the benefit of the community. We know that in our country we have got such a great social fabric, such a commitment to each other through these organisations, that we should not be putting in place legislation that makes it much harder for these organisations to do what we want them to do in the first place. This is also legislation which discourages involvement in our civil society—in that very fabric that makes us such a strong place, whether it be commitments to surf clubs, commitments to RSLs or commitments to...
working in any charitable or not-for-profit organisation in a local community to make that community stronger.

Throughout my electorate I see it every time I go out. I will be at the local Hills Football League grand final this Saturday, which means so much to so many people. People give their commitment for free as a broader commitment to the social fabric of our society, whether they are undertaking roles that government just cannot do or whether they are doing things for the broader community good. These are organisations that should be supported by this place and by the state parliaments around the country, not have an additional red tape burden imposed upon them.

I will finish as I began, by saying there is a stark difference between what the coalition stands for and what the Labor Party and the Greens stand for. People often say that there is not much difference between the two parties. I would say to them that this is an area where there is a big difference. On this side of the parliament we trust these organisations, we want to invest in these organisations and we believe these organisations play an absolutely fundamental role in our society, and they do these things so much better than governments could ever do. I believe with every fibre of my being that these organisations will do these jobs far better than a government department could ever do them.

Those on the other side believe that the government should be there always, that the government know best, that the government should be undertaking many of these roles. That means that they will want to tax us more so they can have more services provided by bureaucrats. We say let's tax us less and let community organisations get out there and do the right thing—do what they want to do for their own communities and support their own communities. Remove this unnecessary red tape so they can get on and do just that, with that great Australian commitment to our broader society.

On that basis I stand with my colleagues in opposition to this bad piece of legislation. We do not support it. We will not support it when it comes to the vote. I congratulate the shadow minister on providing a very sound alternative plan.

Mr TUDGE (Aston) (12:16): I rise also to speak on the Australian Charities and Not-for-profits Commission Bill 2012 and the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012. Everyone in this House no doubt shares the view that charities and non-profits do vitally important work across the community. They run many of our great hospitals and they run a third of all of our schools. They provide fantastic opportunities for our young through sporting clubs. They provide services for aged care. They run the RSLs. They care for thousands of people who are impoverished or in need of some sort of assistance, often through the churches or other Christian organisations.

We therefore all no doubt share the aim that we should be doing everything that we can to support the not-for-profit sector and, most importantly, this means from a governmental perspective allowing these organisations to get on with what they do best—that is, serve their community—and minimise the amount of bureaucracy that they face. These bills were intended to do just this but, unfortunately, they do the exact opposite. For this reason the opposition is firmly opposing these bills.

The bills themselves create a new federal charities commission, which has the intent of being a one-stop shop for the non-profit sector so they do not have to deal with multiple different agencies and report
multiple times—a fine intent. But the bills do not go anywhere near achieving this intent. Indeed, the problem is that the bills in fact add an additional layer of reporting for these community organisations but do not remove a single layer in the process. Why is this so? Because the existing reporting bodies are largely at the state government level, although there are some federal ones also. Yet the federal government has held very few consultations and negotiations with the state governments to ensure that they would remove any of their reporting requirements before, or at least in alignment with, the introduction of this new commission. Indeed, at the Parliamentary Joint Committee on Corporations and Financial Services inquiry into these bills, the Interim Commissioner of the ACNC Implementation Taskforce told the committee that no state or territory government had entered into a memorandum of understanding with the Commonwealth to participate in the new arrangements—not a single one. As the member for Bradfield pointed out earlier in this debate, when one of the senior Prime Minister and Cabinet officials was asked in the hearings why these new reporting arrangements were put in place before arrangements were made with the states and territories, he simply replied:

Our view—and, I must say, with considerable experience of COAG processes—is that that would take many years to do.

What this official meant was that it would take many years of working diligently with the state and territory governments to ensure that they worked cooperatively and removed their layers of bureaucracy before this new layer of bureaucracy was added or in concert with this new layer of bureaucracy being added. But instead of the government doing this, instead of the government embarking on a process, taking its time and deliberately working through with the state and territory government to do this and then at the end of the process introducing this legislation, it has simply added another layer of bureaucracy on top of it all. This also means that we will now be stuck, if these bills are passed, with duplicating regulations for many years to come. We know that the states and territories are very reluctant to give up their powers. What this means in practice is that charities and non-profit organisations will do less of serving the community and do more of preparing duplicative paperwork for no particular purpose or objective.

The Baptist Church of Australia estimates that it will have to spend an additional $1 million per annum of its scarce resources to meet the new requirements inherent in these bills—$1 million from just one of our churches in Australia. The next time the offertory bowl is passed around at Baptist churches, including at the Rowville Baptist church in my electorate, some of that money given by the parishioners will be paying for this new red tape which is being imposed through these bills. That is the bottom line.

What an absolute waste. The Baptist Church is not the only charitable organisation that is concerned about this new layer of bureaucracy. Dozens of organisations have come out to express their concerns. Let me mention a small sample of them. The Anglican Diocese of Sydney has said:

It is likely that we will need to employ someone on a full-time basis to deal with the compliance issues that this legislation is likely to raise ...

The Australian Council for International Development, which represents many charitable organisations, says:

The present drafting of the ACNC Draft Bill does not reassure ACFID or its members that it will actually reduce red tape … The drafting indicates that there is yet to be agreement with the States … it does not deliver a 'one-stop-shop' for the establishment of a charity or reporting by a charity …

Catholic Health Australia says:
... the effect of the Bills would be to add additional regulation to the operation of most not-for-profit organisations. Catholic Social Services says:
... there can be no confidence that reductions in red-tape and duplicative reporting by Commonwealth agencies ... will diminish in the foreseeable future.
The Independent Schools Association says:
The regulatory burden will be increased on individual non-government schools creating costly and confusing duplicative governance and reporting situations.
The independent and Catholic schools already have to report to myriad bodies, and now this is a further one laid on top of all the existing reporting mechanisms. I know the government is going to be moving amendments and it will enable schools to avoid having to provide this additional reporting—but only for three years. At the end of this three years there will be this additional layer of bureaucracy once again. Mission Australia says:
... the bill is not sufficiently well balanced by a commitment to enable the not-for-profit sector to reduce duplication of reporting.
The Salvation Army says similar things, as do UnitingCare, World Vision Australia, the YWCA et cetera—I could go on almost all day with all of the people from the different not-for-profit sectors who have come out against the bill, or who have at least expressed their strong concern about the extra layer of bureaucracy which these bills are adding.

The extra layer of red tape is my primary concern about this legislation, but it is by no means my only concern. I am also particularly concerned about the powers that this commission is being given. They are extraordinary in their scope and may have the impact of deterring members of the public from taking up voluntary roles within the sector. For example, there are broad powers to investigate any breach of the law and powers to remove a responsible person. Extraordinarily, this would mean that the commission could remove ministers of parishes and congregations, in a manner which is totally unprecedented in this country. For a state agency to be going inside a church and removing a minister of a parish or a congregation would be extraordinary. This legislation also gives the power to the commission to deregister an organisation if it is conducting its affairs in a way that may cause harm to or jeopardise the public trust and confidence in the not-for-profit sector. But the phrase 'public trust and confidence' is not defined and remains unclear, which of course creates enormous uncertainty and means that the legislation is likely to lead to expensive litigation.

David Gonski, of the Australian Institute of Company Directors and a friend of the government, points out that this legislation may well make Australia the first country in the world to make being on a not-for-profit board as a director more onerous than being on a for-profit board. It is going to make being on a not-for-profit board more onerous than being on a multibillion-dollar for-profit board—extraordinary. Why do we need these extra layers of bureaucracy and reporting? Why do we need such intrusions and such harsh penalties? If this were applying to trade unions, after all the scandals of the Health Services Union and the AWU et cetera, then I could understand that we would here debating the need for additional regulations to fix up the loopholes in the law. But what is the mischief that this legislation is intended to address? The government needs to make its case that there are problems within the existing system, and it should do so inside this parliament before it brings to this parliament bills such as the ones we are debating here. It has failed to do so. It has failed to mention any examples.
which it can point to which provide the basis for needing to strengthen our laws or to provide additional reporting requirements for every single not-for-profit across the country.

At its heart, this legislation suggests a mistrust by government of those in the community sector and a belief that the federal government should be at the centre of all national activity. It is a belief that government must be the guarantor of probity and policing of all our actions. I submit that this is the wrong approach. A civil society is fundamentally based on individuals and families freely associating to pursue their mutual societal, cultural, religious, sporting or other communal interests. They are neither instruments nor agents of the state but they are the community groups which hold our society together, that care for the sick, that support one another, that provide activities of mutual interest and that provide the vitality for our nation. They are built, most importantly, on trust—and on community spirit and mutuality, but most importantly on trust.

As the member for Menzies pointed out earlier in this debate, our civil society, built on the free association of individuals, preceded the modern nation-state. If we damage our civil society, the state cannot replace it. If our civil society breaks down, the state cannot regulate its regrowth.

I have seen the breakdown of civil society, of mutual trust and reciprocity, in remote Aboriginal communities where I have worked. The state cannot rectify this. We have had that experiment and it has failed. If anything, the state needs to back out of the Indigenous community somewhat to let the civil society grow again and to restore the Indigenous elders’ authority and restore community voluntary activity, rather than the state being in there intruding in every single aspect of people's lives.

My fear with this bill is that it empowers the state over our civil institutions when, if anything, we should be freeing our civil institutions from state power. I say, let our charitable institutions—the churches, the Salvos, the schools, the RSLs, the sporting clubs and the other not-for-profit community organisations—do what they do best and that is serve the community to enhance and enrich our society. This bill does not support this goal. Consequently, it should be firmly rejected.

Mr BANDT (Melbourne) (12:31): I rise to make a few comments about the Australian Charities and Not-for-profits Commission Bill 2012 and the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012 on behalf of the Greens, on the basis that further comments and amendments will be pursued if and when these bills reach the Senate. The strength of our democracy is our civil society. There are 600,000 not-for-profit organisations in Australia which support a range of social, cultural and environmental activities in our community. Of those 600,000, there are 60,000 charities that will immediately come under the commissioner's jurisdiction if these bills are passed into law. So it is important that we get this reform right.

The Australian Greens recognise the opportunities these bills present for reform and the unification of a range of regulations which are currently fragmented across different legislation. However, like the sector, we still have serious concerns about this legislation and its ability to meet the needs of the sector and the broader Australian community. The bill has three objects: accountability and public trust, a vibrant and robust independent sector and
red-tape reduction. Taken together, these three objects can set the framework for a regulator who is responsive to the sector, promoting good governance and transparency, but it is essential that the regulator has the capacity to walk a fine line between ensuring accountability and undermining the independence and diversity of our civil society.

Independence and governance standards are among our largest concerns as the bill sets forth that the governance standards will be contained in regulation. Regulations are not subject to the same level of parliamentary scrutiny as is the legislation and governance standards that are embedded in regulation will be flexible and open to frequent revision. Regulation is a tool for determining aspects of legislation that can frequently change, such as annual fees or levies, and given that breaches of governance will trigger the commissioner's powers, we simply cannot leave these standards in regulation without increasing the safeguards to ensure they cannot be easily revised to the detriment of the sector in the future.

Consultation with the sector is an important amendment to and the government amendment which has been circulated goes some way to alleviating our concerns. I am supporting these government amendments under the understanding that my colleague Rachel Siewert in the Senate will move further amendments to resolve some of our outstanding concerns with the amendments as written, to address our expectation that the commission will lead to the consultation on governance standards with the not-for-profit sector and that the minister will have reference to those consultations in making the final decisions on the standards.

The independence of the sector is essential. The principles of independence need to be embedded in this legislation so as to prevent future gag clauses that would restrict a not-for-profit organisation from engaging in advocacy or criticising government policy during the pursuit of its mission or purpose. The other considerable concern of the sector which still needs to be resolved is ensuring that this regulator reduces unnecessary administration for our under resourced charity sector, rather than contributing to it. All of these concerns are spelt out in my colleague Senator Siewert's dissenting report to the Community Affairs Legislation Committee inquiry into these bills. The Greens will support these bills in the House on the proviso that we will seek to amend them and address the issues I have raised when the bill reaches the Senate.

Mr ENTSCH (Leichhardt—Chief Opposition Whip) (12:34): I certainly welcome the opportunity to speak today on this package of bills relating to the establishment of the Australian Charities and Not-for-profits Commission, the ACNC. Frankly, there are a number of elements within these bills that concern not just me but the organisations and people within my electorate, and I think it is vital that these be outlined here today.

To start I will first outline the incredible value of the roles charities and not-for-profit organisations play in our communities. In my electorate of Leichhardt, the poor, the vulnerable and the marginalised have been helped for decades through the work of organisations such as Lifeline Community Care, the Salvation Army, the Dr Edward Koch Foundation, the Red Cross, Centacare and Anglicare. In the community, bodies such as the Men's Sheds, Surf Life Saving North Queensland, sports and recreation clubs far too numerous to mention, public schools and health facilities act as the glue that bring families, friends and strangers together. Animals and wildlife receive exceptional care through the RSPCA and
other wonderful organisations like Yaps Animal Refuge Shelter, Cairns Turtle Rehabilitation Centre and Far North Queensland Wildlife Rescue. No-one would argue that, thanks to their dedication, drive and vision of a better society, organisations like these play an invaluable role. With that in mind, it is the coalition's view that we should do everything possible to help and not to hinder the activities of these charities and not-for-profits.

For that reason I will certainly today be opposing the government's plan to establish the ACNC, which will not achieve one benchmark with regard to reducing red tape, encouraging volunteers or nurturing the activities of these organisations. And why not? Because, firstly, in the main the states and territories already regulate incorporated associations, charity trusts and fundraising activities and impose reporting and governance requirements on bodies that receive state and territory government funding. Have they agreed to hand over any of these powers with regard to this? I would suggest the answer is no. All this new commission will serve to do is add yet another layer of bureaucracy, another layer of paperwork to complete, another layer of requirements to meet and another barrier to those organisations effectively carrying out their day-to-day operations.

As another example of unwieldy and unnecessary duplication, the enforcement powers that will be given to the ACNC commissioner are modelled on those already in place at other government agencies. If we are not confident in the existing powers of bodies such as the Australian Securities and Investments Commission, the Australian Prudential Regulation Authority and the Australian Competition and Consumer Commission, then there has to be a major cause for concern.

Second, despite this being extremely complex legislation which would clearly require some in-depth scrutiny from the sector, continued government delays meant that they were only given nine working days to make submissions. I must confess to shaking my head whenever I hear the words 'consultation' and 'Labor' in the same sentence. This, I think, is just another example. In my electorate we do not have a good record with Labor consultation. If you look at the industry consultation that was meant to occur as part of the government's marine reserve network proposal, fishermen and marine users in my electorate reported that Tony Burke, the minister, turned up on a whistlestop tour and proceeded to play off industry groups against each other to try to win their support. This was at the same time as he was putting in place boundaries and usage zones that were totally opposite to what the fishermen needed to retain a sustainable industry and, of course, were totally against the science of the situation. We saw that even more recently in the debate on the supertrawler, where the science went out the window because of the lobbying of interest groups. When they thought they were going to lose the vote, they then made a couple of amendments to include recreational fishermen in the hope that they could again divide those interest groups to push through their agenda.

But before that, in my area and in the portfolio of the Minister for Sustainability, Environment, Water, Population and Communities, there was, unsurprisingly, the pretence of consultation around the proposed World Heritage nomination of Cape York. Once the concept of blanket World Heritage listing started being thrown around the Cape, traditional owners, graziers, tourism operators, residents and business people were so infuriated that they withdrew from the process altogether in protest. This
resulted in the minister's department missing a key application date with UNESCO in May of this year. I suggest it was very embarrassing for them.

With regard to these bills, the government also says that they are going to wait until after the legislation is introduced before they consult further on what exactly the financial reporting requirements will be. Forgive me for being sceptical about this, but I can see it is going to go the same way as other consultations—quite frankly, nothing less than a sham.

The third reason the legislation is not going to help the sector is that numerous not-for-profit agencies have given us feedback saying they are hugely concerned that the reporting requirements are inconsistent and becoming more and more complex, and certainly more burdensome. This is a reflection of the fact that over recent decades governments have been increasingly interfering with the day-to-day operations of agencies. The result is that they are forced to divert already scarce resources away from frontline service delivery simply to comply with the needs of government. A key example of that in my electorate is the case of the Douglas Shire Meals on Wheels, based at Mossman, which has been suffering through an unbelievable regulatory battle with state and federal agencies for many months now.

Steve Macrae, the local coordinator, says that as a not-for-profit organisation they are required to submit their audited books to the Office of Fair Trading each year, a relatively simple process. This is as far as the volunteers are prepared to go with regard to red tape. As it is, they have three volunteers whose sole job is to ensure that the paperwork is completed. This equates to at least 20 man-hours per week. However, to continue to provide their unpaid service to the community, they need to complete at least four funding submissions per year. On top, the Cairns Regional Council now want annual inspections of 'their asset' and copies of various audited documents. In addition, occupational health and safety want them to implement their latest policies, which include a three-yearly police check for all volunteers. Now Queensland Meals on Wheels has jumped on the bandwagon with a new requirement too, and DOHA is forcing them to sign a multipage servicing agreement that will lead to even more red tape. Steve says that even if they complied with this they would need to employ a full-time manager. Steve's argument—quite frankly, he is absolutely right—is that if they are to comply with the Queensland Food Act 2007 and its associated regulations then there should be no further need for red tape regarding their meal production and delivery. But with all these additional bills containing such overly heavy-handed powers and penalties, there is a significant risk that members of the public will be deterred from volunteering. After all, whether people are working, retired or semi-retired, there is only so much of their limited spare time that they are prepared to offer as voluntary work. Steve agrees by saying:

The more red tape that is imposed on us the less time we have to spend on our core business. It makes it harder to find people willing or able to wrestle with these non-productive bureaucratic requirements. We are well and truly past the days of volunteers being well meaning little old ladies. I have spent some time with this wonderful group, and for each and every one of them their prime reason for giving whatever time they can afford to Meals on Wheels is to actually get out there and deliver a meal. They never, ever envisaged being captured by a range of bureaucratic processes that make it impossible for them to carry out the task for which they volunteered. We need to
look seriously at this, particularly when we start looking at the imposition of a broad range of other bureaucratic processes, many of which are being proposed in this current bill. At the end of the day, you are going to find out that there will be people out there who are more capable and willing to do it but that will just refuse to offer this service because of the risk to themselves and, of course, the fact that they are not actually doing what they intended to do. I think this is the perfect example of how a small local organisation, which knows very well how to carry its role independently, viably and successfully, is being overburdened with this bureaucracy.

So what is the solution? The coalition believes that there should be transparency and accountability in the use of taxpayers' funds but that this should not exclude simplicity and efficiency. These organisations have a long history of responsible governance and management. In the case of Douglas Shire Meals on Wheels, they have been delivering nutritious meals to people in their homes since 1952. At the end of the day, it is about getting firsthand advice from those working in the sector as to how to make things more straightforward and not falling victim to those bureaucrats working in departments in Canberra who have little idea of on-the-ground challenges and, of course, operations.

On 18 June this year, the coalition committed to a policy of establishing not another big new regulator, like Labor, but a small educational and training body for the not-for-profit sector—a single reference point for access to information and guidance. The approach has many benefits, including that we will put in place a contract with the department for each agency instead of multiple contracts that duplicate the content and workload. We will simplify the auditing process so that agencies only need to provide one financial report each year. We will make the reporting requirements for governance simpler with the initial benchmark audit that will last for five years. Spot audits will only be undertaken if any adverse conduct is reported. We will work with the sector to make sure that whistleblowers can report misconduct under clear guidelines, without fear of reprisals. Ultimately, our measures as a whole will ensure that the responsibility for the conduct of these agencies rests with the agencies themselves, and not with government.

In closing, bureaucratic red tape is a term that we are all unfortunately too familiar with. The American economist Thomas Sowell summed it up very well when he said:

“You will never understand bureaucracies until you understand that for bureaucrats procedure is everything and outcomes are nothing. But red tape moves from the inconvenient to the tragic when it serves to block the work of charities and not-for-profit organisations. It is time to stand up for a simpler and more efficient system that will allow people on the ground, who know how to do their jobs, to actually do their jobs. For these reasons, I certainly will not be supporting the bills that I am speaking on here today.

Dr JENSEN (Tangney) (12:47): The Australian Charities and Not-for-profits Commission Bill 2012 is a throwback to the lazy philosophy of Labor and the misguided principles of centralisation. Centralised policy is slow, ineffective and expensive. Liberals believe in establishing a minimal charity commission. This body would have the explicit and transparent objective of education and training. Devolution and a competitive marketplace of ideas are the key tenets of the Liberal philosophy. This bill will enshrine a negative outlook in legislation—a normative framework that sees people as inherently corrupted, failing
and in need of protection from each other. But we need protection from the real threat: government overreach.

What Labor are proposing with this bill is no great surprise. It is no surprise in the sense that they will introduce another layer of bureaucracy and red tape, but it is frightening for small charities and not-for-profits. There are a number of areas of the bill which trouble both my constituents and me. The stated goal of this bill is to establish ‘one stop, many uses’, to streamline the regulatory process surrounding the operation of charities and not-for-profit organisations in Australia—streamlined regulation with a new level of federal red tape. Really? I cannot see how states would give up this right of jurisdiction. Without states jumping out, the new commission is simply jumping in with more regulation and more administrative burden.

Constructive engagement was never really a priority—not with the states, not with the charities and not with Australians. The only certainty is the additional $4.8 million net expense saddled on the taxpayer this financial year. Page 5 of the explanatory memorandum states:
The compliance savings from introducing the ACNC and a new regulatory framework are hard to quantify, particularly for this sector, due to limited data availability.

Limited talent, more like! There is a $4.8 million net expense to make doing good in our communities more difficult, not less. This is the sentiment of David Gonski, the chair of the government's education review panel. He said that we are:

… the first country in the world to make being on a NFP as a director more onerous than being on a for-profit.

This tired and troubled government is out of touch with reality. Labor is good at spending other people's money. That $4.8 million of extra red tape would keep many of my constituents' bank accounts out of the red. In WA the Water Corporation have thrown an extra $21.6 million on the backs of their customers because of the carbon tax. That $4.8 million would go a long way.

The reality is that good and honest people in my electorate like Mr Colin Waddell—managers in local not-for-profit community enterprises—are frightened. In a submission to the Catholic Church during the committee hearings, fear is the factor—fear of the unknown. With so much regulation and so little time, organisations and individuals are afraid. The penalties are real, immediate and consequential. With so much regulation, so much legislation and so much dislocation, mistakes will happen. I support the recommendations and the view taken by the Catholic Church: if the prime objective is simplification—and I am in favour of that—then, instead of having categories of 'deductible gift recipient' and 'basic religious charity', why not get them all to register for an ABN? Charity begins at home. President Reagan used to quip that the most important charities are made at the kitchen table. The bill before us today will make those decisions much easier—easier to put off saying, 'I can and I will give back to my country.'

Again, the explanatory memorandum accompanying this bill acknowledges that the total cost of action will increase, with the cost of compliance increasing exponentially for small not-for-profits and charities. Small entities that currently have no reporting obligations are a minor exception. These entities would be required to report to the ACNC, increasing compliance burden. The coalition will go big for the little guy. If we do not, there is no doubt the ACNC will only grow in its scope and power will go big. It is explicitly stated as such in the bill and on page 13 of the explanatory memorandum:
… the role of the ACNC will expand …

From an economic perspective, having many efficient, competitive regulatory markets is optimal. Having minimal incidence of regulatory capture is ideal. Common sense, that rarest form, dictates that one should not fix something if it is not broken. What does a small charity or not-for-profit in Tangney have to gain with the introduction of this bill? The one thing that a small charity is said to gain from the ACNC is an online presence through the web portal infrastructure. Yet the very same experts have an average of 350 views on their own YouTube channel. Paint drying has more channels and on average the paint-drying clips have more views. Not value for the trade-off: a new, powerful ACNC federal body with oversight and monitoring powers for 350 views. A page on the ACNC website is the benefit they are selling us? Really?

Our charities and not-for-profits are more than circumspect. Their fear is well founded. The government knew this all along, and that is the reason one group was given just 11 days to make a submission—this on a bill where the explanatory memorandum alone is 351 pages. I ask: how can the bill principally call this constructive ‘engagement with stakeholders’? The machete management mafia will goad the unwilling into the light. It looks like intimidation. It smells like compulsion. In WA we call it Labor. The Gillard government is saying it is a voluntary sign-up. But if an organisation does not sign up then tax and concessions are withheld. They have six months to opt out and it is only reviewed every five years. Never in the course of a government has so much been found so wrong with what is so right by so few.

I will just list a few highlights. The ACNC Bill establishes a charity passport. What is it? Why do we need it? The ACNC Bill also defines what a charity is. The bill states that receipt of government grants precludes an entity from being a basic religious charity. Why? With the not-for-profit sector being worth $43 billion and employing eight per cent of the labour force, and given the ACNC has information-gathering powers, the checks and balances for this commission are more than insufficient. This bill is the epitome of a federal government that takes too much tax from people, takes too much authority from the states and takes too much liberty with the Constitution.

Simple, honest enterprise is the Australian way. The coalition will honour those values and support them in our every endeavour. We are proud of our people and optimistic in their goodness, knowing always that a government big enough to give you everything you want is a government big enough to take from you everything you have.

Mr McCormack (Riverina) (12:57): Currently the Australian tax office is responsible for the regulation of charities and for determining an entity's charitable status, as well as having the responsibility for enforcing the taxation law. Labor has decided to create an independent national regulator, the Australian Charities and Not-for-profits Commission, ACNC, with a greater focus on the specific needs of the not-for-profit sector and having the role of determining a not-for-profit's charitable status. The ACNC is proposed to begin operations on 1 October 2012.

The associated Tax Laws Amendment (Special Conditions for Not-for-profit Concessions) Bill 2012 seeks to restate the 'in Australia' special conditions for income-tax-exempt entities to provide that they must be operated principally in Australia and, it is claimed, for the broad benefit of the Australian community. The bill will standardise the other special conditions
entities must meet to become income tax exempt, including complying with all substantive requirements in their governing rules and being a not-for-profit entity. It will also standardise the term 'not-for-profit', replacing the defined and undefined uses of 'non-profit' throughout the tax laws. The bill will also codify the 'in Australia' special conditions for deductible gift recipients, ensuring they must generally operate solely in Australia and pursue their purposes solely in Australia, with some exceptions, including overseas aid funding and some environmental organisations.

The ACNC was initially to come into operation on 1 July 2012 as part of a range of measures proposed for the not-for-profit sector in the 2011-12 budget. However, there was a concerned outcry from the sector regarding the turnaround time, and the government delayed the start date by three months, to 1 October 2012. The coalition believes this unnecessary big new regulator will only increase red tape, treat those in the sector as untrustworthy people, hinder the activities of charities and not-for-profits and discourage involvement in civil society.

Currently there are about 600,000 entities in the not-for-profit sector. Of these, 400,000 may access Commonwealth tax concessions through the Australian Taxation Office endorsement process or by self-assessment. The Australian Securities and Investments Commission currently has a smaller role in the regulation of the not-for-profit sector and is responsible for regulating around 11,000 not-for-profit entities which are incorporated as companies limited by guarantee. ASIC also regulates professional trustee companies as well as some charities which are incorporated as other types of companies. Additionally ASIC oversees the registration of incorporated associations and cooperatives if they wish to operate outside their home jurisdiction.

Currently the states and territories regulate incorporated associations and charitable trusts, as well as fundraising activities, and impose reporting and governance requirements on entities which receive state and territory funding. Not-for-profit agencies have raised concerns about the inconsistency of reporting requirements across the sector, which have become increasingly and excessively burdensome, requiring agencies to divert resources away from delivering services and towards ever-increasing compliance paperwork required from the government.

Therein lies the rub. Once more Labor is putting onerous, unnecessary red tape in place. At least this time it is red tape. Usually it is green tape with this government. Once more, Labor is making things more difficult. Government has a responsibility not to bog society down with bureaucracy, but federal Labor revels in it. If it moves, tax it. If it stands still, put a bureaucrat in charge of it. That is the Labor way.

The not-for-profit sector is also concerned about the lack of a single reference for the not-for-profit sector to access information, education or guidance. For this reason, the coalition does support a small commission to engage in innovation, advocacy and education for the sector. Labor is effectively reversing the current approach and telling the sector it needs a watchdog to promote transparency and trust in the sector. Remember, this is the sector which helps raise awareness of so many important things the community needs to know about. This is the sector which does valuable fundraising, in the name of charity, for all sorts of worthwhile causes.

The community currently trusts the sector and there is no identification by the Labor government of the mischief which warrants the raft of powers which would be granted to
the new commissioner. The enforcement powers granted to the ACNC commissioner are modelled on those given to other Commonwealth commissions, such as ASIC, the Australian Prudential Regulation Authority and the Australian Competition and Consumer Commission. The ACNC will be provided with the authority to issue warning notices, issue directions, enter into enforceable undertakings, apply to the courts for injunctions, suspend or remove responsible entities and appoint acting responsible entities. The ACNC commissioner will also be able to use enforcement powers against federally regulated entities. However, the commissioner may revoke the registration of any registered entity. The commissioner's enforcement powers in relation to external conduct standards will apply to all registered entities.

In 2008 the Commissioner of Taxation had an unsuccessful appeal to the High Court in Commissioner of Taxation of the Commonwealth of Australia v Word Investments Ltd [2008] HCA 55. This has been the impetus for the provisions in this bill which amend the 'in Australia' requirement which applies separately to tax-exempt entities and to deductible gift recipients. The government responded to the court's decision in the 2009-10 budget, stating it would amend the 'in Australia' requirement to ensure that parliament retains the ability to fully scrutinise those organisations seeking to pass money to overseas charities and other entities. The 'in Australia' test currently applicable to tax-exempt entities was introduced in 1997.

Under the bill, the 'in Australia' test will require a tax-exempt entity to operate principally in Australia and to pursue its purposes principally in Australia. A number of stakeholders have concerns regarding the requirement that money, property or benefits must be used in Australia. World Vision believes that it is too onerous and unclear and should be removed or, alternatively, provisions should be more tightly drafted to identify mischief and allow reliance on statements that funds will not be applied offshore. The Australian Baptist Ministries believes that donations of funds to another organisation should not jeopardise tax exempt status. The in-Australia test under the bill will also require deductible gift recipients to operate solely in Australia and pursue their purposes solely in Australia. Conduit arrangements will put the deductible gift recipient's endorsement at risk where the donor entity itself uses the money, property or benefits outside Australia.

The coalition believes these bills will increase the regulatory burden being placed on charities and not-for-profits, many of which are already struggling to meet the demands of government in this area. Furthermore, unless the states and territories agree to hand over their powers to the Commonwealth regulator, and harmonise their laws, these bills will add yet another layer of red tape to the sector already struggling to meet with ever-increasing bureaucratic demands. The coalition through the course of the inquiry by the House Economics Committee, and discussion with stakeholders, understands that there has been no real progress made by the Labor government in its attempt to have the states and territories agree to harmonise their laws. We also believe, based on our discussion with relevant state ministers, it is likely that they are going to submit to handing over their powers in this space to the Commonwealth in the foreseeable future.

For the ACNC to function smoothly, it is dependent on a number of Commonwealth departments agreeing to either hand over their regulatory powers to the ACNC or to harmonise their regulatory requirements.
within the new commission. This is of particular concern to independent schools, which will be required to report much of the information to the ACNC which they currently report to the Department of Education and Workplace Relations, as well as to state education authorities. If an information sharing agreement is reached between the ACNC and the department, the ACNC will serve as an additional regulation layer for independent schools which are already drowning in compliance. Red tape should be a priority issue where any reform for the not-for-profit sector is concerned. The coalition believes these bills will have a detrimental impact on achieving this objective.

Stakeholders have voiced their concerns about the power and the penalties contained in these bills as being heavy-handed and that they may deter members of the public from taking up voluntary roles within the sector. Sector agencies have also raised issues about the reporting requirements, governance standards and the enforcement powers of the commission as being inconsistent with or overlapping the common law of trusts and state and territory trustee legislation; inconsistent with, or overlapping with the Australian Tax Office's guidelines on public and private auxiliary funds; inconsistent or overlapping the Corporations Law and ASIC's regulatory role; and possibly inconsistent with the Australian Constitution. Of particular concern is the information gathering, monitoring and sanctioning powers, including the ability of the ACNC commissioner to remove a director. David Gonski, of the Australian Institute of Company Directors, raised the issue that Australia may be the first country in the world to—and these are his words—make being on a not-for-profit as a director more onerous than being on a for-profit.

Key stakeholders have continually voiced their concerns about the consultation process for this commission as having been excessively secret and unnecessarily rushed, with not-for-profit agencies being provided as little as nine working days, in some cases, to make submissions. Haven't we heard this before from this Labor government: rushing through policy, giving key stakeholders little or no time to actually get their compliance right, to actually get their compliance in place so that the legislation, once enacted, can then be forced upon them in a rather onerous way and in a way in which, if they do not comply, they are going to be hit hard with penalties.

The charitable sector in Australia is an important part of our community and organisations provide a diverse range of services. The government has increasingly reached into the affairs of these agencies over the past two decades, imposing additional contractual and reporting requirements. These requirements are costing agencies significant sums to administer. The coalition supports transparency and accountability in the use of taxpayers' funds. We also support simplicity and efficiency. The civil sector has a long history of responsible governance and management and the coalition will respect and trust this.

The coalition believes in working with the sector, not directing the sector and treating it as an extension of the state. We believe those working in the sector, not bureaucrats in Canberra, are best placed to tell government how we can work together to ensure we are making life for instruments of the civil sector easier, not more difficult. The coalition would seek to retain the regulatory powers which already exist in the ATO and ASIC. Assuring simplicity and an easy understanding of the regulatory framework is not being helped by complicating powers and duties of key Commonwealth regulators.
The coalition believes the government should not be putting up roadblocks in the way of civil society and should allow them to do what they do best: helping the people of the community, helping society, helping you and me. We trust the voluntary sector and trust those working in charitable endeavours. We do not support the government's initiative, which will hinder the work of these valuable agencies.

The government intends moving amendments because, as usual, Labor failed to think this policy through. Haven't we heard that all too often this parliament? This bill as it stands will affect church organisations as well as cultural, service and sporting clubs. I am deeply concerned about the impact it will have on clubs and charity groups within my electorate of Riverina. These organisations in many ways prop up communities. They provide the moral, social and in some cases financial support to help many in society, especially those who most need it, especially those who are the most vulnerable members of society. This bill will place unnecessary pressure on these groups and on these people already reeling under the strain of high cost-of-living demands, rising power bills, the carbon tax and so many other imposts of life under Labor. So much regulation, so little time to comply. The cost of compliance places too much of a burden on charities and this is why this bill stands condemned. If it ain't broke, why fix it? Why, Labor, why?

Mr RAMSEY (Grey) (13:12): I rise to speak on the Australian Charities and Not-for-profits Commission Bill 2012 and the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012. The most feared statement in regional and rural Australia is, 'We're from the government and we are here to help you.' I fear in this case that is exactly what we are looking at again. The government in its effort to try and help people has actually got it wrong again and in fact is likely to cause more harm than good. One of my guiding tenets when I came to this place was that we should analyse every piece of legislation and should seek to do the least amount of harm. There is little within this bill that convinces me that the net outcome will be an improvement rather than a retrograde step. The implications it has for the not-for-profit sector, for the volunteer sector, for the community sector are that it imposes costs and burdens upon them which they do not currently face.

In recent times there has been a trend from the government—this is just a handful, I might point out. We have had legislation in the financial services sector and in the trucking industry, instructing trucking companies about staffing, loading and rosters. We have had legislation and regulation in the education export sector, in the regional airport security sector. All these things have imparted extra cost and one must wonder just what the net benefits are for the community. So here we are once again with the government intent on extra regulation on a sector and inventing once again a new statutory office with the announced intention of streamlining the red tape these organisations face. It is difficult to see how a new government department specialising in red tape is likely to make life better.

The not-for-profit sector, the charity sector, along with the business sector, is groaning under the weight of compliance in Australia. I can see my friend the shadow minister for small business nodding his head sagely because he knows. Every day when he and I go to businesses and talk to the organisations within our electorates, including the not-for-profits, they constantly complain, 'You have got to get the monkey of government off our backs. So much of our time is spent filling out paper—in
compliance and not in doing the job which we signed on to do.' If this bill seeks to implement further compliance upon these bodies, we can hardly expect those bodies to keep going and performing their jobs to the same level they are at the moment.

Under the years of the Howard government there was a revolution in Australia. That government turned to the not-for-profit sector to deliver services that previously the government had delivered. It has been a revolution. Even those on the other side of the House believe it has been an advance. There have been efficiencies and competition in the supply of these services. It is not to say that the bodies concerned get it right all the time—we all have complaints about the way the system operates. But by and large it has been a great advance. We have organisations out there that are driven not primarily by the need to make a profit but primarily because they want to make the world a better place.

The areas of aged care in particular, employment services, disability services and counselling are but a few of those areas where the not-for-profit sector, at the large end, has become the predominant supplier of services to Australia. And generally they perform with strength and purpose and in an altruistic manner. I do not believe there is a prime facie case that there is widespread rorting of the system, that these organisations are not producing and not providing the services they purport to provide. By and large they are actually doing exactly what they say they are doing—and they are doing an excellent job and they have my support. So I wonder what is driving the legislation.

I understand that in the initial stages when the government were talking to the sector they were saying, 'We will simplify the system for you. The government will get everything into one organisation and we will tidy it up and it will be easier for you.' I understand that initially the sector was supportive of that. But, as with many of the reforms across the nation, and OH&S is but one, finding agreement between the states is long, hard and slow. We should strive to find those agreements and those efficiencies where we can come up with national standards, the one set of rules right across the nation. But in fact it is difficult to do. If we put the legislation in front of the reform, if we have not done the groundwork, if we have not reached agreement before we put legislation in place then we run the risk of just inventing another layer. And that seems almost certainly what is going to happen here. The states at this stage are nowhere near relinquishing their responsibilities in the same area. So this reform that was to streamline the sector is just another layer of bureaucratic red tape which will, in the current debate in Australia, call for an increased number of public servants to run it. And then somebody will have to face up to those terrible realities sooner or later.

I would like to come to a few local issues. I come from quite a small community and I think that the further we get away from the capital cities in Australia the more important become the not-for-profits, the charities, the local sporting clubs and the local church groups. They play a bigger and bigger role in the small community. That is because government cannot deliver all those services to every community. In my own town I think about the show society, the sports clubs, the hospital auxiliaries and the cancer support groups, which are capable of raising enormous amounts of money. I am constantly amazed at what some of the nights and frivolities can raise. There are also the Royal Flying Doctor Service, the progress association and the football clubs.

I would like to tell you, Mr Deputy Speaker, a little about my local football club.
Twenty years ago we amalgamated three teams to form a very successful club. Twenty years ago the club decided they needed new clubrooms. The club tried very hard to get some government assistance but they were not fortunate enough to get that assistance. During that time they raised over $400,000. They put it in the bank, they looked after it, and that eventually gave them the ability to attract some government assistance—though they still provided the overwhelming proportion of the finance. The club built a magnificent complex. It probably should be valued at around $21/2 million, by my estimates, and they built it for less than $1 million. The important point is they built it with the contribution of huge amounts of voluntary labour from the community. Tradesmen were prepared to give their time, farmers were prepared to come in and use their equipment, people became amateur painters and tilers—the whole works.

If governments choose to make things more difficult, they will stamp out that enthusiasm in local communities. Governments will make sure that people are not prepared to go that extra yard, because they know that government will be auditing their books, poring over them, and, importantly, someone in the club will have to do an extra job. You do not join a football club so you can fill out forms and become the accountant; you join it because you want to make a practical contribution.

As I said, I do not think there is a prima facie case for the government to hit this sector with what I call the big hammer—the big hammer to crush a very small nut. It seems as though this Labor government just cannot help itself. It believes government should be at the centre of all enterprise. In fact, with the amount of regulation that has been passed in recent months in this parliament, I am beginning to wonder if the government believes it will not be re-elected.

It seems to be leaving the most difficult deck of cards stacked against an incoming government that it possibly can. I hope that is not the case; I am sure there are people of goodwill on that side of the House. But, when you look at the proliferation of interference in people's lives, it is difficult to believe that Labor has an overall view of the effects of its handiwork on our community.

There are organisations in our communities like UnitingCare, Centacare, Meals on Wheels, the Salvation Army and carers—I have in Port Pirie, in my electorate, a wonderful branch of Bedford Industries; in Whyalla there is Phoenix, who deal with people in the disability sector. They do not need extra regulation. They are already doing a wonderful job. Why would we tie a hand behind their back and add to their compliance burden so they cannot function at maximum efficiency?

There are things that I see all the time, not just from this government but from all governments, that are eroding our way of life in Australia. I was recently in a butcher's shop. This butcher's shop makes the best ham in South Australia—or at least it used to. Some enlightened bureaucrat brought in a new regulation that said they had to buy a $20,000 fridge to cool down the ham within 20 minutes of cooking. They had been making it for 28 years and no-one had ever had food poisoning. But, no, they were from the government and they were there to help. I have farmers on my hammer because when they shift machinery now in South Australia they have to carry a copy of the government gazette in their tractor. They are very modern farmers; apparently you can get the gazette on your iPad. That is good enough; you can carry your iPad on your tractor. But it is not good enough to have an iPhone. If you drop out of range and your iPad does not work, then you need the hard copy in the tractor.
glove box. That is another man from the government trying to help. I could go on.

I know those examples are not strictly related to the bills and I thank you for your tolerance, Mr Deputy Speaker, but almost daily when I come into this place I have this great frustration and I am trying to limit the damage the government is doing to our Australian society and in this particular case to the not-for-profit sector. I certainly will not be supporting this legislation, and I call on the government to pause and go back and talk to the sector again and find out what it can do to actually help them rather than hinder them.

Mr HAWKE (Mitchell) (13:25): I also rise to oppose the Australian Charities and Not-for-profits Commission Bill 2012 and the related bill. In following the member for Grey, I can say that I share his frustration, along with the frustration of many people in Australia today who are finding the government too often getting in the way of legitimate and proper activity and the functioning of Australian society.

My electorate is a good example of the voluntary sector taking a leading role in the charity work that happens through a myriad of organisations. I constantly find suburbs in my electorate at the top of the charitable giving statistics for all the major charities in Australia. We have a high rate of volunteerism and church activity. In my view, that leads to a better structured society. It is a model that Australia has been very proud to replicate for much of its existence. It is something that we want to see continue and encouraged by government, not negated or stopped. I think the member for Grey and other members here and so many ordinary people around the country are frustrated because the government primarily has the power to negate, restrict and prevent, not to create or empower. That is a fundamental difference in the approach to government.

When you look at the bills before us today, you can see that we are adding about 400 to 500 pages of legislation to the voluntary and charity sector. It is a massive amount to even try to read in order to get an understanding of what we are discussing today. The fact that we are adding such a burden to so many institutions in the voluntary sector is something that we should all be concerned about. Negation and prevention are not things we want in relation to the not-for-profit sector. We should not be seeking to prevent, stymie, restrict or penalise the activity of people engaging in charity work. We ought to be seeking to promote, encourage and ensure that they can continue that work and, perhaps, sometimes assist them. But, frankly, the sector has been doing a great job by itself for a long time.

The motives for these bills and the provisions they contain are really unclear when you consider that the sector has not had any major scandals and is not the subject of major concern within the community. In fact, the community continues to give unprecedented support to the not-for-profit sector in doing the work of government, doing more work than the government could possibly do at all times.

Many entities, such as unions—the Health Services Union—are facing severe scandals. From this government we have seen a lack of response, half-measures and delay. When we consider that, why are we rushing to put in place these bills, which encompass large additions to the regulatory burdens on the private sector? The government says it is to streamline things, to put in place a new federal regulator that will resolve all the woes of the not-for-profit sector with one stroke of the legislative pen.
We oppose this legislation because a great big new regulator for charities and not-for-profits will not enhance the ability of those organisations to do the job that they are already doing. This is the concern we find from those in the sector every day. I have heard from many organisations in western Sydney and in my electorate. When you talk to almost any group—whether church groups or charity groups—you find that all of them have concerns about the lack of consultation on this legislation and about the operation of this legislation. They are expressing their view because—we find what we always find with this government—this legislation is hastily put together. Already the government is bringing forward amendments to correct flaws in its legislative design. This legislation has not had the rigorous and necessary test of COAG. Given our federal system, the states really need to be involved. Memorandums of understanding would greatly assist in the quality of federal legislation.

We also see that the government has not thought out how these burdens will affect everyone in the voluntary sector. Do we really want to put in place barriers that will discourage activity in this sector? The answer, of course, is no; I do not think there is a member here that would suggest that is a good idea. So why the legislation? It is unclear how a new Commonwealth entity—the Australian Charities and Not-for-profits Commission—will reduce red tape and ensure that people can continue their activity long into the future. No argument has really been advanced about how this will enhance and secure the activity of the not-for-profit sector into the future.

Considering the outcry that has been given by the sector, especially in relation to the government's original proposal to start the scheme in March, they were forced to delay until 1 October 2012. This is not a reprieve in relation to the reporting requirements and all the other onerous measures the government have put in place in relation to these matters. This governs approximately 600,000 entities in the not-for-profit sector, of which it is estimated about 400,000 may access Commonwealth tax concessions. So this really is a massive proposal affecting a huge segment of Australian society.

Once again I think the government's approach is, 'We've done something: we've put in place bills to fix that.' It tends to be this government's constant approach—'Look at how many bills we have passed. Look at how many pages of laws we've passed.' But there is the ancient saying: the more corrupt the government, the more numerous the laws. Why do we need 500 new pages of legislation in these bills to regulate a sector that has really been at the core of Australian society for most of our nation's existence? It is very unclear what the government is intending here.

I support the opposition's call for a small—emphasis on 'small'—federal body to assist the not-for-profit sector with training and development and to ensure that they can function as professional entities in the modern world. That is not because I favour new bodies, new government agencies or new government laws to provide for activity which is already occurring; it is because in the complexity of the modern world there is a necessity to assist those organisations and entities to fulfil requirements associated with all of the federal laws we have in place in relation to tax and handouts from government. So a small body to assist with this is a necessary requirement and would be appropriate. I think we could find our way to supporting the government if the government were proposing something sensible like that to assist rather than hinder. This, however, appears to be a big hindrance on behalf of government. These bills appear to be a big
hindrance on behalf of the government—hindrance of a sector which we really ought not to be hindering, hindrance of people we really do not want to get in the way of. So why do it?

We have announced that the small educative and training body for the not-for-profit sector would be put in place to ensure that there would be no adding to red tape burdens and to deal with the duplication of state and territory legislation. You cannot really do that without using the COAG mechanism. Sometimes the government says, 'We can't get agreement at COAG' or 'It takes too much time,' but that is the process of getting decent-quality legislation. Time and time again when we stand in this place, when we examine the provisions of these bills, they have not been well thought out. They have not been well drafted. They have been put together in haste. The timings and implementations that are required have been put together in haste. When we see that in the commercial sector and so many of the other different sectors that this government has legislated for, we get an outcry from the sector and they get a bad piece of legislation that is often backflipped on about four times before it is implemented and which then halfway compromises to what people had originally wanted. If the time had been taken in the beginning to get it right, a lot of pain and grief would have been saved in the beginning. But then people are generally happy that they did not get the worst outcome that they could have got from government. But those are the provisions and standards that the government usually applies to so many different sectors of life in Australia.

Why we would do that for the charities and not-for-profit sector is really beyond me, and I am very happy to oppose this legislation, considering that these are the people that we really ought not to be interfering with, that we really ought to be allowing to get on with the things they need to be doing. They do it so well in Australia today. I want to record all my support for the charity and not-for-profit sector in my electorate, which, because of the socioeconomic models that government uses at state and federal level, often does not receive government funding to the level of other areas in Sydney in particular—which, of course, hides disadvantage. There are vulnerable people in every community, and the slack is often taken up by these not-for-profit and charity organisations in communities like mine. The slack is picked up readily and joyfully, with the assistance of so many people in the community, and it is a really good thing to see even though it is very difficult. I want to acknowledge the closure of St Michael's in my electorate, which has done a magnificent job over a long period of time but will be closing due to operational reasons. This will leave a significant gap in my community which government will have to fill.

That is, I guess the key point here—that if we hinder and hold back the ability of the charity and not-for-profit sector to deliver in this regard then we will have to pick up the bill. Government will have to pick up the tab. So why interfere with these people? Why put such an oppressive 500-page regime here as we see in front of us today? Why not consult the states and get in place a memorandum of understanding with each of them so we can get it right and so minimum disruption occurs to the sector? It is something that we need to address and that the coalition has said we will address. We oppose the bills as drafted by the government because, primarily, they add to the burden of the charity and not-for-profit sector and do little to remove regulatory duplication and other problems that legitimately should be removed by government. I support, of
course, the coalition's intention to bring into place better training and development and some assistance from the Commonwealth level to ensure that charities and not-for-profit entities get this right. However, in its current form I certainly cannot support the legislation as drafted.

Mr Pyne (Sturt—Manager of Opposition Business) (13:36): I rise to speak on the Australian Charities and Not-for-profits Commission Bill 2012 and the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012. These bills provide for the establishment of a new independent statutory office, the Australian Charities and Not-for-profits Commission, which would be the Commonwealth-level regulator for the not-for-profit sector. The ACNC is proposed to commence operations on 1 October 2012.

As highlighted by the federal member for Menzies—the Hon. Kevin Andrews, the shadow minister for families, housing and human services—the coalition opposes the government's plan for a great big new regulator for charities and not-for-profits for four main reasons: firstly, it will not reduce red tape; secondly, it treats the sector as untrustworthy and the people involved in it as tainted; thirdly, it will hinder the activities of charities and not-for-profits; and, fourthly, it will discourage involvement in civil society. The coalition has not come to these conclusions lightly. We have undertaken extensive consultation with the sector from when the discussion paper on the ACNC was first released right through to the present moment.

Following significant concerns from the sector regarding the tight turnaround time for the start of the ACNC, and given the number of concerns raised with the draft proposal, the government in March decided to delay the commencement of the ACNC until 1 October 2012. In July 2012, the government released a revised ACNC Bill and the terms of reference for the House of Representatives Standing Committee on Economics inquiry into the bill. They gave the sector only nine working days to respond and to make public submissions to the inquiry.

Throughout the course of the inquiry by the House economics committee, and throughout our discussions with stakeholders, we have noted that no real progress has been made by Labor in its attempts to have the states and territories agree to harmonise their laws. In fact, the states have not agreed to hand over any of their powers with respect to charities and not-for-profits to the Commonwealth, such as their powers with respect to incorporated associations and fundraising. So the new regulator will be an additional layer of red tape. Furthermore, based on our discussions with relevant state ministers, we do not believe it is likely that they are going to submit to handing over their powers in this space to the Commonwealth in the near future.

The government claims it would consult further on the content requirements of financial reports and implement these through regulations. Registered entities would be required to prepare their first financial reports for the 2013-14 financial year, with the first financial reports due by 31 December 2014 unless a substituted accounting period applies. Members on this side of the House know only too well that any such commitment to consult is worthless. At best the government will bungle the consultation; at worst it will be much like their approach to a range of legislation: a total facade.

While the member for Menzies spoke at length about the precise details of the bill and how representatives of the various
charities have responded, I wish to focus specifically on how it will impact on schools. All groups of schools—Independent and Catholic schools—will be classified as large charities and therefore be subject to the highest level of accountability and reporting requirements under the ACNC. This is the last thing that schools need. Schools are already subject to a high level of public accountability through the provision of ongoing detailed financial reporting to both Commonwealth and state agencies. As highlighted in the National Catholic Education Commission's submission into the review of funding for schooling, there are currently 19 pieces of Commonwealth legislation to which the non-government school sector is required to adhere, not counting state and territory legislation, which amounts to approximately 50. Some examples of relevant Commonwealth legislation are the Schools Assistance Act, the Schools Assistance Regulations 2009, the Australian Curriculum, Assessment and Reporting Authority Act, the Disability Discrimination Act, the Disability Discrimination Amendment (Education Standards) Act, the Corporations Act, the Privacy Act, the Copyright Act, the Copyright Amendment (Digital Agenda) Act, the Education Services for Overseas Students Act, the Migration Act, the A New Tax System (Goods and Services Tax) Act, the Skills Australia Act, the Family Law Act, the Racial Discrimination Act, the Sex Discrimination Act, Australian Human Rights Commission Act, Affirmative Action (Equal Opportunity for Women) Act, the Fair Work Act, the Australian Sports Anti-Doping Act, the Social Security (Administration) Act.

Over and above the Commonwealth legislative framework I have just described that non-government schools are expected to comply with, state and territory governments have a major role in the regulation of schools. There are myriad legal and other accountability requirements and interventions at state and territory level. Schools must participate in all national student assessments and in the preparation of detailed reports such as the National Report on Schooling in Australia, which is produced each year on behalf of the Standing Council on School Education and Early Childhood. Non-government schools already collect and provide extensive information relating to their students to the Department of Education, Employment and Workplace Relations and the Australian Curriculum, Assessment and Reporting Authority. The department of education's financial questionnaire and My School website require all non-government schools to provide relevant financial information, including income and expenditure. All school accounts and documents must be available to department of education officers in return for funding and be provided, if needed, to other agencies, such as the Auditor-General. As some independent schools are companies limited by guarantee or are incorporated associations they are also accountable to the Australian Securities and Investments Commission.

A complaint that I receive frequently from school principals, when consulting on the issue of school funding, relates not to the types of information that governments seek from them but rather that they have to constantly give so many government departments the same information. School principals feel that they are spending more and more time filling out multiple forms to submit to government departments—often the same information but in different templates—in order to comply with various regulations.

A recent inquiry into red tape in New South Wales schools revealed, for instance,
that some schools are required to report separately for up to 200 different programs. That is outrageous. Worse still, principals feel that they are spending more and more of their school's resources to employ administration staff to comply with these requirements, taking resources away from teaching and learning.

In relation to education, the impact of the ACNC will be that non-government schools will face even stricter reporting requirements than ever before. The Australian Catholic Bishops Conference's submission to the inquiry into the ACNC draft exposure bills summarises the key point made by the National Catholic Education Commission:

The outcome for schools is an unreasonable compliance burden linked to demands to respond to differing compliance requirements, definitions, regulatory and funding obligations.

The same conclusion was made by the Independent Schools Council of Australia in their submission to the draft exposure bills:

An examination of the existing and proposed regulatory structures for independent schools indicates that it would appear impossible to achieve the objective of reducing the regulatory burden on the non-government schools system through the introduction of the ACNC and its associated legislative requirements. It is far from clear that an agreement could be reached with states, territories and government agencies to remove many of the operational requirements for non-government schools already in existence”.

Schools sector stakeholders have also highlighted the potential for inconsistency in application or conflict where schools are required to meet both ACNC and other Commonwealth and state statutory requirements. The example given by the National Catholic Education Commission is, for instance:

… what would be the impact on State 'fit and proper person' tests for registration of non-government schools if the ACNC made adverse findings or issued warnings or directions or even removed the head of a school or school system?

These are big issues and questions that would need to be thought through very carefully, and obviously have not been thought through carefully by this incompetent government. In addition, the schools sector is also concerned schools that are charities are required to provide an enormous range of financial information for publication by the ACNC. Again, like many other programs the government has introduced, this could lead to the creation of distorted 'league tables', particularly in instances when state schools do not have a similar level of reporting requirements imposed on them. It also appears to me that some activities that might be undertaken by the ACNC might significantly overlap with activities that the Minister for School Education, Early Childhood and Youth, Peter Garrett, has announced he will be undertaking with state and territory education ministers. A report from the Australian on 3 August 2012 reported that the minister decided to take a proposal to state and territory education ministers to develop:

… stricter reporting guidelines for independent schools as well as nationally consistent definitions of 'not-for-profit', to prevent the misuse of public funds.

Specifically the minister for schools has announced that key areas of the project plan are to include the operation of not-for-profit requirement; minimum viability standards for schools; claim for, and use of, recurrent funding; joint investigations and issue management. The minister has described this project as a 'harmonisation' project and said that the objective is:

… to achieve greater consistency and clarity in the eligibility criteria of non-government schools for public funds, and the appropriate use and
accountability of these funds across all jurisdictions.

I cannot help but be very sceptical of this project. When this government starts to talk about harmonisation I start to think about re-education camps. I do wonder if the minister for school education announced this project as a knee-jerk reaction to two unfortunate instances over the last 12 months, where an Islamic school in Sydney was deemed to have misused funds and the sudden closure of Mowbray College in Victoria.

Instances where non-government schools close due to poor governance arrangements leading to financial viability issues or instances where funds are misused are extremely rare. There are nearly 2,800 non-government schools in Australia and there have only been a handful that have been investigated or been forced to close due to financial difficulty over the last few years. The coalition's view is that government should not try to overregulate in response to unfortunate incidents of wrongdoing in such a way that impedes all of the others who are doing all the right things and complying with the regulatory requirements.

The federal member for Goldstein and shadow minister for finance and deregulation frequently makes mention that we have a tendency in this country to overregulate. It is almost as though governments should be responsible for preventing every single bad thing from every happening. The coalition believes that, unfortunately, sometimes bad things do happen, and society in general needs to accept that over-regulation is simply not the solution.

Mr Keenan interjecting—

Mr PYNE: I note the support from my friend the member for Stirling. I do, therefore, have my doubts about this so-called harmonisation or re-education camps plan, but I do sincerely hope that this process as it progresses through ministerial council does meet the objectives of providing more consistency and does not result in more layers of red tape. It is, at the very least, clear that the minister's so-called harmonisation plan will cut across the responsibilities of the ACNC significantly. Yet I have not yet seen the minister for schools come into this House and explain the impact of the ACNC on schools or how it relates to his so-called harmonisation project. Neither is he here explaining what effect the ACNC might have on the day-to-day operation of schools.

On top of the government's euphemistically named harmonisation project, the ACNC, the government has also announced that it will establish a national school improvement plan that all Australian schools will be expected to participate in from 2014. There is very limited information available in the government's fact sheets about the precise nature of this plan. While the coalition, of course, supports the government's objective of improving student outcomes, there is very little detail on the conditions that will be attached to schools in return for funding beyond 2014. We very much look forward to scrutinising the details of this plan so we can be sure that any new reporting requirements in return for public funding will not unnecessarily burden schools.

We envisage that this commission would be responsive to and not hinder the sector. Unfortunately, I have very grave doubts that that will be the case and, as a consequence, I strongly oppose this bill and do not commend it to the House.

WYATT ROY (Longman) (13:51): I rise to speak to the Australian Charities and Not-for-profits Commission Bill 2012 and the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012. My electorate is
home to people with a great sense of community. In my role, I have the advantage of hearing about some of the most generous examples of volunteering and benevolence in my community. I constantly see others giving of their time, their energy and their resources to make our local community an even better place to live. I am so often amazed at the outstanding generosity of those in the community and the amazing dedication that they have to a cause, whether that cause is the environment, helping others find employment, their church community or their sporting club. Whatever their cause, their commitment and passion are strong.

I know that what I see evidenced in my electorate is not the exception but rather the rule. All across Australia there are thousands of groups that have come together under a common idea and with the intention of making their community a richer and better place to live. Australian society itself is underpinned by the notion that as individuals we can choose to come together and celebrate our shared beliefs and make a tangible, positive difference to the lives of others. We have such a rich tapestry that is civil society in Australia which does in fact contribute much to our enjoyment of life. We need to do everything we can to empower this. It is our role as key decision makers to support civil society, facilitating individuals to continue value-adding to our life experiences. It is our role to enable and empower, not to hinder, this process. It stands true for all areas of government that as policymakers it is our responsibility not to govern with a heavy-handed, Big Brother approach. We on this side of the House believe in the virtue of small government, we believe that organisations know how to do what they do best, and we believe that burying them in red tape does not allow them to achieve this.

But we are here debating a bill that proposes to do exactly this—to hinder, restrict and regulate civil society. This bill imposes a great big new regulator on charities and not-for-profits, making it more, not less, onerous for our not-for-profit sector. It increases red tape and duplication and creates far-reaching powers that puts civil society squarely under the control of government.

We on the Liberal side of politics understand that businesses have the best chance to prosper and succeed when government gets out of the way and lets businesses get on with their work. The same can be said for civil society: community groups, independent schools and welfare organisations have a far greater chance of success when government simply acts as a facilitator and keeps out of the way, letting them pour all of their available resources into the valuable work they do.

We all know that funds are scarce for not-for-profit sector groups. Their focus, by their very nature, is on serving others, not on building wealth. Their goals are to create income enough to conduct their work and no more than that. Every available cent is channelled into the outcome of the group and the cause it promotes. Local football clubs spend their funds on team jerseys and sports equipment. Local schools spend their money on providing learning opportunities for students. Local Meals on Wheels spend their money on purchasing food. These are the types of organisations that will be severely impacted by the regulatory authority this legislation seeks to create.

The Chief Executive Officer and Managing Director of the Australian Institute of Company Directors, John Colvin, quoted feedback from one of his members, an aged-care provider, who said:
Every hour we pay for compliance, we lose about 1½ hours in one-to-one support for our ageing residents.

It is the communities, the beneficiaries of our community groups, charities and other not-for-profit organisations, who ultimately miss out when the regulatory burden is increased on these groups. What this legislation will create is a cumbersome regulatory authority that stifles our nation’s culture of giving and volunteering. It will penalise the mums and dads, the aunts and the grandfathers who spend their time volunteering for Neighbourhood Watch or for the environmental protection groups that our communities hold dear. It will mean that groups such as these will be forced to spend hours and hours of precious time as well as hundreds, thousands or millions of dollars more—depending on the size of the group—on taking care of all the additional red tape and paperwork that this regulation will create.

One organisation, the Baptist Church of Australia, said in their submission on this bill that the regulation created by the bill would cost $1 million. That is $1 million on top of the already burdensome red tape facing this organisation. That is $1 million that needs to be pulled out of other activities, which include welfare assistance for the vulnerable.

What concerns me is the hindrance this additional regulatory burden will be for not-for-profits, particularly for smaller groups such as those in my electorate. It will be a significant disincentive for locals to give their time to volunteering because the joy of giving through volunteering is severely diminished by reams of red tape.

The fact is that this bill and the regulatory body it establishes do nothing to fulfil the rhetoric this Labor government has been espousing for so long. This bill does nothing to cut red tape and regulation for the not-for-profit sector. Conversely, this bill adds to the red tape facing not-for-profit organisations. We well know that a large percentage of red tape comes from states and territories. Much of these reporting requirements are then duplicated through Commonwealth agencies.

As well, we know that states and territories are unlikely to forgo their powers and reporting requirements. Additionally, despite the creation of this commission, none of the Commonwealth agencies’ reporting requirements will be transferred to the commission. What this means is that the Australian Charities and Not-for-profits Commission creates an entirely new level of bureaucracy and red tape for the not-for-profits to content with. I feel that David Gonski, a life fellow of the Institute of Company Directors, gave a good summary of what this commission will truly mean for the not-for-profit sector. He said:

It concerns me massively that we might be the first country in the world to make being on a not-for-profit as a director more onerous than being on a for-profit.

It is a sad day when it becomes more difficult to help others than to help yourself.

Another aspect of this bill I find deeply disturbing is the stance it has taken against the individuals involved in not-for-profit groups. Traditionally, in line with our laid-back Australian nature, not-for-profits have received the benefit of trust from government. What this means is that the previous legislation has treated community groups and their volunteers as trustworthy and untainted for the purposes of their work.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

Mustafa, Mr Taji

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (14:00): My question is to the Minister for Immigration and Citizenship. I remind the minister that, in 2005, British citizen and radical preacher...
Abdur Raheem Green was prevented from visiting Australia by the Howard government to speak at a conference at the Lakemba Mosque because he was on the Movement Alert List. Given that Hizb ut-Tahrir has advocated the military destruction of Israel and condoned the killing of Australian soldiers in Afghanistan, why is its UK leader, Taji Mustafa, not on the Movement Alert List?

Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (14:01): I sincerely thank the Deputy Leader of the Opposition for her question. It goes to the activities and steps taken by the Howard government in relation to Hizb ut-Tahrir. That was the question put to me about the approach taken by the Howard government. These are issues that have received some public attention in the past. For example, on 29 January, 2007, on the John Laws program, these issues were given some public airing. Somebody very eloquently put the case about why Hizb ut-Tahrir was not proscribed and why—

Ms Julie Bishop: Madam Deputy Speaker, I rise on a point of order on relevance. The minister was asked why Taji Mustafa has not been placed on the Movement Alert List. The question about the Howard government related to another issue.

The DEPUTY SPEAKER (Ms AE Burke): The Deputy Leader of the Opposition will resume her seat. The minister will return to the question before the chair.

Mr BOWEN: Madam Deputy Speaker, the question goes to precedents and how these matters should be handled. I am going to give credit to the member for Menzies because he too has had to consider some of these matters. When he was asked why he agreed to Mr Yusanto, a speaker from Hizb ut-Tahrir, being admitted to Australia he said, 'I am satisfied that all relevant checks were undertaken prior to the granting of Mr Yusanto's visa.' I table the letter from the member for Menzies when he was Minister for Immigration and Citizenship. The hypocrisy of the opposition is writ large for all to see.

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (14:04): Madam Deputy Speaker, I ask a supplementary question. Is the minister concerned that organisations such as Hizb ut-Tahrir are encouraging extremist views in Australia's Muslim community? If so, why hasn't he placed Taji Mustafa on the Movement Alert List?
Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (14:04): Yet again the Deputy Leader of the Opposition is either misunderstanding or deliberately misrepresenting the Migration Act of Australia. Just because an organisation holds views that we would all disagree with and, indeed, find abhorrent does not mean that every single individual who is a member of this group or a guest speaker of this group could be denied a visa on character grounds under the Migration Act. The Deputy Leader of the Opposition either deliberately misrepresents the act or misunderstands it. I am more than happy to outline the actions that I have taken in relation to this. I inquired into whether Mr Mustafà had any relevant criminal convictions. He did not. I inquired into whether he is a member of a proscribed organisation. He is not. Methodically and in accordance with the law, I took all the relevant steps required—just as I have done in relation to the 27 visas that I have personally cancelled on character grounds. As a result, not one dollar of compensation has had to be paid to an individual who has had a character test invoked improperly—more than can be said for some of your friends.

Economy

Ms O'NEILL (Robertson) (14:05): My question is to the Deputy Prime Minister and Treasurer. Will the Treasurer outline to the House the importance of making the right choices to support jobs?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:06): I thank the member for Robertson for that question. When the worst global financial crisis in 80 years hit this country we had a really stark choice. We could sit back and let employment, jobs and small business hit the wall or we could intervene and support our economy. Of course, on this side of the House we chose to support jobs, we chose to support small business and we chose to support our economy. The consequence of that has been that we were one of the few advanced economies in the world that was not hit by recession and we did not suffer the really high and prolonged unemployment that we are now seeing in many developed economies and the capital destruction, the destruction of small businesses, that we see elsewhere in the developed world.

But of course those on that side of the House had a different set of values, a different set of priorities. They said that we should not act. They said that we should not do anything. They said we should let that force run right through our economy and cause all of that damage in our economy. What that demonstrates is the priority that we on this side of the House give to jobs but also the priority that we give to communities. We understand the importance of the 800,000 jobs that have been created in this country while Labor has been in power, when around the rest of the world something like 27 million jobs have been lost elsewhere.

We also understood that when we moved to support our economy we would put in place strict fiscal rules to bring our budget back to surplus. Of course that involves difficult choices. But in making those choices we have always been guided by our values, guided by our priorities to support our communities and to support jobs.

Of course we believe that everybody should have a say in our prosperity, and we should spread the benefits right around our community. But those on the other side of the House have a different set of priorities. They are sitting there now ticking off savage cuts in Queensland, with the loss of something like 14,000 jobs, and all of the damage that causes not just for those
individuals but to the communities in which they live. I am pleased that the Minister for Employment and Workplace Relations today has announced a package of measures to assist unemployed Queenslanders get back into work—a very important package.

Because we have different values and we have different priorities from those on that side of the House, we will always try to build our community up by investing in skills, by investing in education. So I think there is a really stark choice in this House, between a Prime Minister and a Labor Party that are absolutely committed to investing in the future and the Tony Abbott that I know, who is completely stuck in the past—a choice between a Prime Minister who wants to build our nation up and the Tony Abbott that I know who wants to tear it down.

**Carbon Pricing**

Mr MATHESON (Macarthur) (14:09): My question is to the Treasurer. I refer the Treasurer to Quest apartments in Campbelltown, whose highest use electricity rate has almost doubled as a direct result of the carbon tax. Its manager, Mark Drinkwater, states: 'A carbon tax will mean a cost of $10,000 each year for our business. Passing on that cost to our customers is very difficult.' Because they get no compensation, does the Treasurer expect tourism operators like Mark to absorb these extra costs or increase prices?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:10): This is another example of the old scare campaign that we have been seeing in this House for the past 12 months.

Ms Julie Bishop: You're just making it up as you go along.

Mr SWAN: You certainly have been making it up, and that has been proven. You have been in here day after day, week after week, exaggerating prices, exploiting households and businesses for your own political gain. It is just part—

Mr Pyne: Madam Deputy Speaker, I rise on a point of order. How is it relevant for the Deputy Prime Minister to denigrate Aussie small business men like Mark Drinkwater rather than answer the question he was asked?

The DEPUTY SPEAKER (Ms AE Burke): The Manager of Opposition Business will resume his seat. The Treasurer has the call and will refer to the question.

Mr SWAN: One of their favourite tactics has been to be misleading about electricity price increases and attribute the increases to the carbon price when in fact they go to other factors—overinvestment in poles and wires principally by state governments that are withdrawing huge dividends from those organisations at a cost to businesses and households in those states. But of course that is never, ever acknowledged by those opposite, because it is too inconvenient for their political purposes.

But we all know that this scare campaign has hit the wall—we know that. We know it is running out of steam. We see the end of the campaign in the House, but it has run out of steam out there because those people out there living in the community are on to you. They understand that electricity price increases have principally been caused by other factors rather than by the carbon price.

But also we have today this commentary from the Reserve Bank in the Reserve Bank minutes. It makes this point: Liaison suggested that the introduction of the carbon price had not yet had a significant effect on downstream price pressures—

Mr Hockey: Not yet! It's still coming.

Mr SWAN: I see: it is still coming. It is not involved in that question over there. Okay, we get that! How does that work? The RBA continues:
... with only isolated examples of suppliers attributing price increase to the carbon price. There was no evidence that the carbon price had raised medium-term inflation expectations.

Mr Matheson: I seek to table a document with the detailed charges for Quest apartments.

Leave not granted.

Mr Albanese: I table 'Howard commits to emissions trading scheme' from the Melbourne Press Club.

Mr Randall: You abuse the parliament when you do that.

The DEPUTY SPEAKER: The member for Canning is abusing the parliament just now. The member for Canning and everybody can refer to the statement I read from the Speaker last night in Hansard.

Employment and Workplace Relations

Mr PERRETT (Moreton) (14:13): My question is to the Minister for Employment and Workplace Relations and the Minister for Financial Services and Superannuation. Will the minister outline how the government is supporting good jobs across the country? Are there alternative approaches and what would be their impact?

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (14:13): I would like to thank the member for Moreton for his question because he, like everyone on this side of the House, is committed to being a pro-jobs government. Yes, we are a government with a plan for jobs for all Australians. The reason why I say that we are a pro-jobs government is that since Labor has been elected 800,000 new jobs have been created—an enviable record anywhere in the industrialised world. Despite a soft labour market, we still have unemployment of 5.1 per cent. We have 462,000 apprentices and trainees—462,000. That is something which everyone in this House should take pleasure in, because that is good for the nation.

But the member for Moreton also said, 'What are we doing for good jobs?' I can assure members of the House that this is a government who support penalty rates in our system. We believe that low-paid Australians should be paid for working unsociable, unfamily-friendly hours. When I look around the nation at we are doing for jobs, I look at the support that federal Labor gives to the car industry in Victoria. In Western Australia I look at the fact that we are building infrastructure for all our fly-in fly-out workers to get from Perth to the mines of Western Australia. In Tasmania, there is the NBN; in New South Wales, financial services; South Australia, the air warfare destroyers; and in Queensland we took the decision to back Queensland to rebuild.

But the member for Moreton asked what alternative approaches there are. I think, members of the House, we need to have a conversation about Campbell, because Campbell Newman has a different approach to jobs. Just ask about BHP. Just ask Anglo and Rio what they think about the Queensland LNP jobs-killing royalties propositions that they are advancing.

Mr Pyne interjecting—

The DEPUTY SPEAKER (Ms AE Burke): The member for Sturt should talk about nothing.

Mr SHORTEN: Poor old Clive Palmer! His money is not even welcome in the LNP anymore, because he is anti what is happening there.

Then look at the public sector jobs—14,000 jobs. The job of political leaders in Australia is not to take jobs away. That is why the federal government is stepping in. That is why we are doing no fewer than three extra jobs expos in Ipswich-Logan, Brisbane and Townsville. We are providing the
workshops because there are 14,000 public sector workers who did nothing to deserve the tyranny of an LNP government—nothing at all!

The question which also remains for the House is: is Campbell Newman the metaphorical conservative, lone gunman or does he in fact act in lock-step with those opposite? I think I would have to say that he does, because he shares one common attribute with other conservative governments and conservative oppositions: he has never seen a public servant that he did not want to sack. He has never seen a public sector worker that he does not blame for all the problems of Australia.

What I know about workplace relations is that there is right way and there is a wrong way to do business—

Mr Hockey: Madam Deputy Speaker, I rise on a point of order. I take offence at that.

The DEPUTY SPEAKER: My difficulty is, given the level of noise, that I was finding it quite difficult to hear anything the minister was saying.

Mr Hockey: Then you were blessed, Madam Deputy Speaker.

The DEPUTY SPEAKER: For the convenience of the House I am going to ask the minister to withdraw. But I am putting everybody on notice that the continual level of noise will not be tolerated.

Mr Shorten: I withdraw. What I know about conservative political parties is that they have a hit list of no fewer than 80,000 public sector workers across Australia—(Time expired)

Mr Perrett (Moreton) (14:17): Madam Deputy Speaker, I ask a supplementary question. I asked the minister about good jobs. Minister, what is the government doing to ensure these good jobs have fair pay and conditions in my local community and others around the country?

Opposition members interjecting—

Mr Pyne: Madam Deputy Speaker, I rise on a point of order. What on earth is that question about? And what is the difference between a good job and a bad job?

The DEPUTY SPEAKER: The Manager of Opposition Business will resume his seat. The minister has the call and the question is in order.

Mr Shorten (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (14:18): The member for Moreton has asked what Labor is doing to ensure good jobs.

Ms Julie Bishop interjecting—

The DEPUTY SPEAKER: The Deputy Leader of the Opposition is warned. You are speaking at a very audible level and it is—

Mrs Mirabella: So it's all right for the blokes to talk at an audible level—

The DEPUTY SPEAKER: I am objecting to everybody speaking at a loud level, under 65(b). The Deputy Leader of the Opposition will resume her seat. She has been advised to discontinue her very audible chatter across the table.

Mr Shorten: I thank the member for Moreton for his question. He knows better than many people here about what makes a good job because he is married to a shift worker. For the education of the Manager of Opposition Business, I can explain what a good job is. A good job is one where you actually get paid penalty rates for working unsociable hours. A good job is one where you get 12 per cent, not nine per cent.

Opposition members interjecting—

The DEPUTY SPEAKER: The member for Higgins is warned.
Mr SHORTEN: A good job is one where you are free from the tyranny of Work Choices. It is ironic that, whenever there is talk about industrial relations, half of those people opposite want to go back to the bad old days but the other half, the leadership of the opposition, whenever there is talk about Work Choices in their party room fall into the foetal position, moaning the term 'Work Choices'.

We on this side of the House know what constitutes a good job: it is one where you do not get sacked by Campbell Newman with poor consultation and with no respect. A good job is one where you get consulted about what is happening in your workplace. A good job is one where you have a fair say in terms of freedom from being unfairly dismissed. A good job is one where you have a fair go all round. That is why good jobs are more likely to happen under Labor governments.

Carbon Pricing

Mr CIOBO (Moncrieff) (14:20): My question is to the Treasurer. I refer the Treasurer to this power bill from Warren Stanlake, who owns the Main Beach newsagency. This bill clearly shows that the carbon tax has directly increased his off-peak electricity charges by over 85 per cent. He will be paying $2,100 more a year because of Labor’s carbon tax. Because they get no compensation, Treasurer, do you expect newsagents like Warren to absorb these extra costs or to pass them on?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:21): I will be very brief, because I have dealt with this question on a number of occasions in the last couple of weeks. Those opposite continue to stand up and claim electricity price increases due to the carbon price which are simply untrue. What is worse about it is that they know it, but they continue to do it in this House, day in and day out—yet another demonstration of how all of those on that side of the House, led by the Leader of the Opposition, are in a constant war against the facts.

What they have, however, is this aggressive campaign of misrepresentation, seeking to make a political point and to mislead the community. It has been going on for a long time, but it gets exposed further and further the longer it goes on. I thought everybody in this House did agree that the one thing we should do is reduce carbon pollution, and I thought that we had an understanding that at least we both had the same target.

Of course, we have acknowledged that there will be a cost for consumers flowing from our package—something like $9.90 per household.

Mr Ciobo: Madam Deputy Speaker, I rise on a point of order. It was a simple question. I asked the Treasurer to be directly relevant, and not to start talking about Labor’s philosophical troubles but to deal with what this small business person should do.

The DEPUTY SPEAKER (Ms AE Burke): The member for Moncrieff will resume his seat. The Treasurer has the call.

Mr SWAN: These are the facts. The coalition plan would cost households $1,300, and they come in here and talk about the cost of living. The coalition plan will cost households $1,300—that is a fact, and it is a very inconvenient fact for those opposite.

We have put in place assistance to households and assistance to trade-exposed industries. We have done it to reduce carbon pollution. We have done it to ensure investment in renewable energy. We have done it so our economy can prosper in the future. And what we are seeing here is yet another example of how those on the other
side of the House can do nothing other than be very aggressive and negative all of the time, with nothing positive to say about the future of the country, and that is why they have been exposed.

Mr Ciobo: Madam Deputy Speaker, given the Treasurer's insistence on getting the facts, I seek leave to table the electricity bills so that we can deal with the facts.

Leave not granted.

Mr Albanese: I present from News Limited: 'Abbott steps in as Liberal MP'—Steve Ciobo—'backs call for return to elements of Work Choices'.

DISTINGUISHED VISITORS

The DEPUTY SPEAKER (Ms AE Burke) (14:24): It is probably a good time to welcome all the scientists who are with us today as part of the 13th annual Science Meets Parliament delegation.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Science Funding

Mr BANDT (Melbourne) (14:24): My question is to the Treasurer. Science is central to our economy and prosperity, and government investment in research is central to maintaining and growing Australia's scientific capacity. However, there is growing concern about the security of science funding, including from the University of Melbourne, who have written to me setting out their concerns. Treasurer, can you guarantee that science funding will be protected in this financial year? In particular, can you rule out any deferral, freezing or pausing of ARC, NHMRC or other science grants in an attempt to get the budget to surplus? (Time expired)

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:25): The member is absolutely correct to describe the importance of scientific research to our country, to our community and to our long-term economic prosperity. In this vein, the government has acted very swiftly and over a period of time to increase funding to scientific research and innovation. This financial year it is almost $9 billion, an overall increase of 35 per cent since 2007. Also, in terms of health and medical research, that funding has increased substantially since 2007, from $614.5 million in 2006-07 to $760.5 million in 2012-13. Of course, there has also been very substantial investment through the Health and Hospitals Fund and a number of other areas as well.

What that effort does is reflect the importance that the government puts on scientific research. Of course, as we go through producing the Mid-Year Economic and Fiscal Outlook, we will do that in line with the Charter of Budget Honesty and we will do it in line with all past practice, and I do not intend to pre-empt any decisions of MYEFO.

Mr Bandt: Madam Deputy Speaker, I referred in my question to a letter from the University of Melbourne. I seek leave to table the letter, from Jim McCluskey, the Deputy Vice-Chancellor (Research), setting out the potential job implications in Victoria if NHMRC and ARC grants are not proceeded with.

Leave not granted.

Mr Hockey: Madam Deputy Speaker, I ask the Treasurer to table the document from which he was reading.

The DEPUTY SPEAKER (Ms AE Burke): Was the Treasurer reading from a document?

Mr Swan: Yes, I was.

The DEPUTY SPEAKER: Was it a confidential document?

Mr Swan: Yes.
Queensland: Employment

Mr NEUMANN (Blair) (14:27): My question is to the Minister for Employment Participation and Minister for Early Childhood and Childcare. Will the minister inform the House of the government's plan to provide on-the-ground support and jobs and skills expos to help recently dismissed Queensland workers?

Ms KATE ELLIS (Adelaide—Minister for Employment Participation and Minister for Early Childhood and Childcare) (14:27): I thank the member for Blair for his question. I know that the member for Blair is deeply concerned about the jump in the local unemployment rate in Ipswich, which he represents, from 4.7 per cent in July to six per cent in August. I also know that, like so many others in this place, he is deeply shocked at the severity of the numbers of workers that the Queensland state government has axed.

Of course, it stands in stark contrast to this government's focus on employment and on increasing job security for Australian workers. On our side, our very hardworking MPs—and, I must say, particularly the representatives from Queensland—have urged us to step in and assist in their home state. That is a call that we are absolutely willing to heed. Today our government proudly announced an $850,000 support package to assist the 14,000 Queensland workers that have been coldly and cruelly sacked by Campbell Newman and his government.

Members would be aware of the success of the government's jobs expos that we have worked at a grassroots level to help Australia, to keep Australia working. I know at the Kurri Kurri smelter, when thousands of workers received the news of their impending redundancy, we did not turn our backs on them. Instead, we were prepared to stand alongside them, to work with their company. I had great pleasure in attending an expo with the Chief Government Whip that we organised where there were 6,400 jobs on offer for those workers.

Similarly, we will not turn our back on the workers of Queensland. Instead, we have today announced that we will step in. We will provide additional expos.

We will expand the jobs expo that we will be holding in Logan. We will add additional expos in both Brisbane and Townsville. We will work shoulder to shoulder with the people of Queensland to assist back into work those very people whose faith Campbell Newman has betrayed—the nurses, the hospital orderlies, the child protection workers, the school cleaners, the transit officers and so many more who have been stripped of their livelihoods by the LNP government in Queensland.

Of course, we know that they are not alone because it is in the LNP DNA. We have seen the education cuts and the health cuts in New South Wales. We have seen the TAFE cuts in Victoria, and we have seen the South Australian Liberal opposition leader stand up and announce that 25,000 to 35,000 workers should be stripped of their jobs there.

The Australian people have a very clear choice at the next election because standing up for ordinary Australians is what this government does. (Time expired)

Budget

Mr HOCKEY (North Sydney) (14:30): My question is to the Treasurer. Will the Treasurer rule out using funds from the
Mr Swan (Lilley—Deputy Prime Minister and Treasurer) (14:31): As I was indicating before, I do not rule anything in or out when it comes to budgets. That is the consistent approach of this government as it was the consistent approach of the previous government. I am delighted that the member has actually asked this question because I think everybody on this side of the House understands the importance of the early years agenda when it comes to education. We get education across the board. We understand that the early years are vital, and a good start in the early years of education is something on which you can build in the years of primary school and secondary school right through to tertiary education. The best possible start in life is absolutely critical in the early years. We back that up with a suite of policies, particularly from the department of families, which assist families with the early years. We understand the importance of early intervention strategies, particularly in those disadvantaged families around the country.

Mr Hockey: Madam Deputy Speaker, I rise on a point of order. The Treasurer has already ruled in and ruled out a number of features of the upcoming MYEFO. I asked a very specific question: will he rule out paying workers in this way, rather than the childcare workers making a claim in the usual way through Fair Work Australia?

Mr Swan (Lilley—Deputy Prime Minister and Treasurer) (14:33): Everybody on this side of the House is very enthusiastic about the early years agenda. We are proud of what we have done in child care. We understand how important it is that childcare workers are well paid. We understand how important it is that there is a career for childcare workers. We understand all of those things that are apparently not understood on that side of the House.

Ms Livermore (Capricornia) (14:33): My question is to the Minister for Infrastructure and Transport, the Minister representing the Minister for Climate Change and Energy Efficiency. Will the minister update the House on the facts since the introduction of the carbon price on 1 July? Why is it important that the government and the community rely on these facts instead of the scare campaign we saw in the lead-up to 1 July?

Mr Albanese (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (14:34): I thank the member for...
Capricornia for her very good question. Indeed, the scare campaign about a carbon price has hit a brick wall since 1 July. It has hit a brick wall as the reality has triumphed over the rhetoric. Prior to 1 July we were told that the sky was going to fall in. We were told that towns like Whyalla were going to be wiped off the map. I can inform the House, including the member for Rankin, that last Friday I flew over Whyalla on the way to Port Augusta, and it is still there. There is no crater in the ground. It is still there.

Of course, there was also Gladstone. In Gladstone on 11 March the Leader of the Opposition stood next to the member for Flynn and said that the price on carbon would—and I quote, 'turn places like this into a ghost town'. That is what we were told about Gladstone. Whyalla would be wiped off the map, and Gladstone would be turned into a ghost town. Let's have a look at the reality post 1 July. Pre 1 July—chaos; post 1 July—reality. Last week Qantas announced—and remember Regional Airlines were supposed to be gone after 1 July—that they will begin direct services from Sydney to Gladstone from next year, from 2013. There will be 1,200 people flying between Gladstone and Sydney every single week. It is pretty odd behaviour to fly into a ghost town, but that is what they will be doing.

What did the member for Flynn, who stood with the Leader of the Opposition at the about-to-become ghost town prior to 1 July, have to say about this announcement? On 13 September he welcomed it. He said: 'It was a big vote of confidence for our community.' So, prior to 1 July it is going to be a ghost town; after 1 July there is a big vote of confidence for the community. Far from being a ghost town, Gladstone is an economic powerhouse which will continue to contribute to our economy. There is $56 billion of investment in pre-LNG projects alone committed and planned in Gladstone.

But the Leader of the Opposition will not let the facts get in the way. These, of course, are the people who went to the RSPCA and said that the puppies and kittens were in danger as well. That was my favourite part of the scare campaign. Well, the chickens are coming home to roost as it comes down to the reality of the carbon price. This is ridiculous rhetoric from those opposite. (Time expired)

Budget

Mrs GRIGGS (Solomon) (14:37): My question is to the Treasurer. I remind the Treasurer that more than 5,000 people have arrived on illegal boats in less than three months while the government's budget assumes just 5,400 arrivals in 12 months. With total arrivals under Labor now exceeding 25,000, what is the effect of this latest blow-out on your budget?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:37): I thank the member for Solomon for that question because she has got a hide to ask it. If those on that side of the House had agreed with us nine months ago, we could have had offshore processing up and running nine months ago and it would have been a lot cheaper for our budget.

Ms O'Dwyer: Madam Deputy Speaker, I rise on a point of order. I ask the Treasurer to withdraw that offensive remark.

The DEPUTY SPEAKER (Ms AE Burke): The Treasurer has the call.

Mr SWAN: Those on that side of the House have sought to politicise this issue and they have done so in a way which has caused great damage.

Opposition members interjecting—
The DEPUTY SPEAKER: I have not asked the Treasurer to withdraw. The Treasurer has the call.

Mr SWAN: This has done great damage because it has taken another nine months to get that done from the time that the minister for immigration made the offer to his counterpart on that side of the parliament. The consequence of that has been a pipeline of people wanting to come—

Ms O'Dwyer: Madam Deputy Speaker, I rise on a point of order. It is okay for the 'handbag hit squad' to have a very different standard but not for the Treasurer.

The DEPUTY SPEAKER: The member for Higgins will resume her seat. The Treasurer has the call.

Mr Pyne: Madam Deputy Speaker, I rise on a point of order. The member for Higgins is quite right. There is a great sensitivity on that side of the House with every comment made and we take offence at him saying—

The DEPUTY SPEAKER: The Manager of Opposition Business will resume his seat. If everything was asked to be withdrawn in this House, not a statement would be made. It is at the discretion of the chair. I have not sought the Treasurer to withdraw. The Treasurer has the call.

Mr SWAN: We on this side of the House want to get outcomes in putting in place offshore processing. We have done everything we possibly can over the past nine months to get that in place. We were opposed every step of the way by those opposite. We have now got it up and running and that is very important. The cost to the budget will be accounted for in the mid-year budget update.

Honourable members interjecting—

The DEPUTY SPEAKER: I am looking for silence in the chamber.

Education

Ms ROWLAND (Greenway) (14:40): My question is to the Minister for School Education, Early Childhood and Youth. Will the minister advise the House of the importance of school and skills education to our nation's future? Are there any challenges to this?

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (14:40): I thank the member for that question. There are definitely challenges I can identify, particularly when we look at the impact of New South Wales government cuts on schools in her electorate like St John's Primary College of Riverstone. I want to table the Rouse Hill Times where principal Marian Bell says:

I am concerned what will happen to a little school like St John's … I am also worried about the school's extra curricular activities. Thankfully, they have the Labor member for Greenway to fight for that school because all the state Liberal member could say was:

I know there will be in impact on the schools and families. It is up to the school system to decide if they have to have cuts in their administration or their fees have to go up.

What a Liberal Party choice. We do the building up in education and they do the tearing down. It is the same story in skills as well. We know that learning a trade has a big impact on a young person's employment prospects. Some 83 per cent of people with a certificate III or higher are employed compared with 57 per cent of those who leave school early. We also know that skills training is essential for our economy to grow. In New South Wales alone, we need an extra 320,000 trained workers by 2015. That is why this government is putting in place trade cadetships in the national curriculum. That is why this government is
investing $2.5 billion in trades training centres and schools—you-beaut industry-standard facilities so that every secondary student in the country can start learning a trade while still at school. Of course, the opposition leader has promised to scrap trade training centres as part of his $2.8 billion in education cuts and it is the same story in TAFE and vocational training.

We on this side are investing $9 billion for students to get the skills they need in the workforce whilst, at the same time, the New South Wales Liberal government is cutting 800 TAFE jobs and increasing fees by 9.5 per cent. Even the New South Wales MP for Penrith admitted to the Western Weekender that the cuts will have an impact on the delivery of TAFE programs. Just look to the north and there we have the LNP government in Queensland planning to close at least 38 of the state's 82 TAFE campuses. Every local and regional Queensland TAFE is on notice. Look south, down to Victoria, and the Victorian Liberal government is pledging $300 million in its first budget in cuts to TAFE. We have already seen campuses closing and courses closing. Just as it is in schools with the Liberal Party, it is in skills as well: we do the building up and all they want to do is cut it down.

**Economy**

**Mr HOCKEY** (North Sydney) (14:43): My question is to the Treasurer. I refer the Treasurer to his statement yesterday that the government has made $130 billion of savings in the last five budgets. Given that over half of his so-called savings are in fact tax increases, will he now want me to release all of the detail that was in the budget.

**Mr SWAN**: Madam Deputy Speaker, on a point of order: I ask the Treasurer to table the list of his so-called $130 billion in savings. Stop making it up!

**The DEPUTY SPEAKER** (Ms AE Burke): The member for North Sydney will resume his seat. The Treasurer has the call.

**Mr SWAN**: Well, if I had the budget papers here, I would table them. I am happy to table them any time. But I think what this demonstrates is how sensitive those opposite are about the fact that they have a $70 billion crater in their budget bottom line. This is what the shadow Treasurer said on Sunrise: 'Therefore, finding $50, $60 or $70 billion is about identifying waste in areas'—

**Mr HOCKEY**: Madam Deputy Speaker—

**The DEPUTY SPEAKER**: Order! The Treasurer will resume his seat. The member for North Sydney has already taken his point of order on relevance. The member for North Sydney will resume his seat. The Treasurer has the call and will refer to the question.

**Mr SWAN**: Most certainly—I am dealing with savings and I am dealing with budget bottom lines. Of course, he was then contradicted by the shadow finance spokesman, who said that 'talk about this is fictional' on 16 March 2012. Well, it was not fictional, because this shows where he said it, on breakfast television, sitting beside the minister for the environment.

**The DEPUTY SPEAKER**: Order! The Treasurer will not use props.

**Mr SWAN**: So it is true.

**Mrs Bronwyn Bishop**: Madam Deputy Speaker, I rise on a point of order. I refer you to page 566 of the new Practice, where it states quite simply that, if the minister is unable to provide an immediate substantive
answer—that is, the list—he should take it on notice and provide it in a written form. Would you ask him to do so, please?

The DEPUTY SPEAKER: The member for Mackellar will resume her seat. The Treasurer has the call.

Mr SWAN: Thank you, Madam Deputy Speaker. Each year, under the Charter of Budget Honesty, we produce both a budget and a mid-year update which contain a consolidation of all of the decisions which have been taken by the government. Of course, when we do the mid-year update, our decisions will be there for all to see. All the previous decisions are in the previous updates and in the previous budgets. But what this is all about is the fact that they are very, very sensitive about the $70 billion crater in their budget bottom line.

The DEPUTY SPEAKER: Order! The Treasurer will resume his seat. The Manager of Opposition Business on an issue other than relevance?

Mr Pyne: Well, I am defying your ruling, Madam Deputy Speaker, where you asked him to be relevant and, if he could not be relevant, to conclude his answer. Since he will not produce the list he should sit down.

The DEPUTY SPEAKER: The Manager of Opposition Business will resume his seat. The Treasurer has the call.

Mr SWAN: The shadow Treasurer was correct to say that over five budgets we have made $130 billion worth of savings, and of course we hope to make savings in the future. For example, the health minister is trying to get rid of the chronic disease scheme at the moment, because costs are blowing out—opposed by those opposite. The sorts of savings we have made have been to means test the private health insurance rebate—opposed by those opposite. As a consequence of their fiscal irresponsibility, they have a $70 billion crater in their budget bottom line, and that is why they are so sensitive about this matter. We on this side of the House will get on with putting in place our fiscal rules, doing the right thing by the country, keeping growth going and generating jobs, while those on the other side will continue to be negative, continue to try and tear our economy down and talk the place down all the time.

Emergency Relief

Mrs D'ATH (Petrie) (14:48): My question is to the Minister for Community Services, Minister for Indigenous Employment and Economic Development and Minister for the Status of Women. What type of emergency relief and support is the government providing vulnerable Australians? How important is it for all governments—local, state and federal—to work together to deliver this support to people who need it most?

Ms COLLINS (Franklin—Minister for Community Services, Minister for the Status of Women and Minister for Indigenous Employment and Economic Development) (14:49): I thank the member for Petrie for her very important question. I know she understands the really important role that emergency relief provides in her electorate and right across the country. That is why this government has almost doubled emergency relief funding since we came to office in 2007. Indeed, we are now providing more than $180 million over three years to community groups right across the country, to provide this valuable relief.

Emergency relief assists people in financial crisis. It assists them with things such as vouchers for food, transport and medicines, part payment of accounts such as rent and utility bills and the provision of household goods, food parcels or clothing. I know that many members in this House really understand this important program and
the assistance that it provides, because I have received many letters of support for this program from right across the House.

In fact, one member of the House eloquently described the work of a group in his electorate in a letter in May, where he said: ‘This program caters for clients who are particularly vulnerable and require referral and coordination of services plus assistance with practical needs such as food.’ This, of course, was the member for Dawson, who was seeking funding for a particular organisation in his electorate. I can inform the member for Dawson that the government is providing almost $830,000 in emergency relief to the Mackay area for the next two financial years. Indeed, we are providing more than 152 contracts to emergency relief providers right across Queensland, providing more than $36 million in emergency relief over the next three years. And that is not counting the additional $1 million that we provided in emergency relief for flood affected Queenslanders, in light of their plight during the flood and recognising the assistance that they needed at that time.

But now Queenslanders needing emergency relief have been left stranded by the Newman state government. As part of Campbell Newman’s cuts, Queensland is now the only state in Australia not providing emergency relief to vulnerable people. In fact, my advice is that the Newman government will cut this emergency relief to the three biggest providers in Queensland by the end of this month and to all the other providers by the end of November. What does the Newman government plan instead? Well, the government’s media release says: … emergency relief will no longer be provided, however people in financial crisis will still be able to access emergency vouchers and assistance through the federally funded scheme.

Cutbacks Campbell has become Pass-the-buck Campbell. What an outrageous shirking of his responsibility as a Queenslander. They are using every trick in the book. We know that the Leader of the Opposition and the Liberals support these cuts to vulnerable Queenslanders, because we know they would do the same if they ever got back into government.

**Budget**

**Mr HOCKEY** (North Sydney) (14:52): My question is to the Treasurer. I refer to the fact that the Treasurer has claimed $33 billion of savings in this year's budget. Given that over half of those savings are actual tax increases or new taxes, will the Treasurer now rule out tax increases for Australian families to fund his $120 billion black hole?

**Mr SWAN** (Lilley—Deputy Prime Minister and Treasurer) (14:52): It is not very often that you get a Dorothy Dixer from the other side of the House, but it seems I have got one today. I table all the budgets produced by this government, with all the detail the shadow Treasurer is asking for. Secondly—

**Mr Hockey:** Madam Deputy Speaker, on a point of order: I know he has a habit of answering yesterday's question today. I ask the Treasurer to answer the question: will he rule out new taxes or tax increases?

**Mr SWAN:** Given that the shadow Treasurer said he had all his policies costed—although they are still hidden—I call on him to table them today.

**Economy**

**Ms OWENS** (Parramatta) (14:53): My question is to the Assistant Treasurer and Minister Assisting for Deregulation. How is the government delivering tax relief and new investment to strengthen the economy and help hardworking Australian families? How does this compare with other policies to raise taxes and cut vital services?
Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (14:54): I thank the member for Parramatta for her question. This government is determined to keep our economy strong into the future and to ensure that we are able to provide support to hardworking Australian families, like those families in the electorate of the member for Parramatta in Western Sydney. That is why we have already delivered $47 billion of income tax cuts in the time we have been in office. That means that someone on an income of $50,000 is paying $40 a week less in tax under this government than they were under the previous government. We have delivered $2 billion worth of tax relief to small businesses with the instant asset write-off. We are also delivering in services. We are investing in health and education services through our health reforms and our new investments in dental health, and also by delivering the schoolkids bonus. And we are determined to implement our national plan for school improvement.

These are the choices we have made as a Labor government, a government determined to run a tight budget and to take responsible savings measures. And what have we seen from those opposite? We heard from the member for Goldstein, in the Australian Financial Review just a few weeks ago, that he has a different approach to achieving savings. The member for Goldstein has said that he intends to save money by outsourcing education and health policy—without expecting anything in return? We all know what they want in return. Premier O'Farrell was out there on the weekend telling us. They want those opposite to jack up the GST. We know that the GST was the tax you introduced right from day one. You always wanted to put it on every single item. You wanted it to be a big tax on everything. And now that you have all these state Liberal premier mates in power you are working in collaboration, wanting to come back and have a second crack at it, to work together to try to make the GST a tax on everything.

Budget

Mr HOCKEY (North Sydney) (14:57): My question is to the Treasurer. I refer the Treasurer to a report just put up on the Australian Financial Review website that states:

Treasurer Wayne Swan has been tackled by four Labor MPs over the government's big-spending policy announcements and looming cuts to the federal public service.

Given that the government has a $120 billion black hole and that his own MPs are concerned about tax increases, will the government stop spending money and start coming to the truth with the Australian people about tax rises? (Time expired)

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:58): The figure that has been used by the Financial Review is wrong. It has no basis in reality. The only
hole or crater in a budget bottom line is the $70 billion in the bottom line of those opposite. He has a lot of hide to come in here and ask us about tax. First of all, the Liberal Party is absolutely in favour of lifting the GST and broadening its base. That is point No. 1, made by the shadow Treasurer over there.

Mr Pyne: Madam Deputy Speaker, on a point of order: the Treasurer's wheels are spinning but, quite frankly, the GST is not what he was asked about in that question by the shadow Treasurer. He should answer: where is the money coming from?

Mrs Mirabella interjecting—

The DEPUTY SPEAKER (Ms AE Burke): The Manager of Opposition Business is warned for the abuse of points of order.

Mr Albanese: I ask the member for Indi to withdraw.

The DEPUTY SPEAKER: Again, I must admit that I could not hear what the member for Indi said, but if she would like to assist the House I would ask her to withdraw. If she likes she can do it from her seat.

Mrs Mirabella: I withdraw.

The DEPUTY SPEAKER: I thank the member for Indi for her assistance to the House. The Treasurer has the call.

Mr SWAN: This is what the shadow Treasurer had to say on 21 July:

If you are going to have a discussion about changing the GST the states have to lead the argument …

He is encouraging New South Wales and all his state colleagues to jack up the GST and campaign for it, whilst at the same time they are cutting services.

Honourable members interjecting—

The DEPUTY SPEAKER: Order! The member for North Sydney will resume his seat. In the midst of all that I was actually trying to ask the Treasurer to return to the question.

Mr SWAN: Deputy Speaker, I was asked about taxation. He has a lot of hide coming into the House and lecturing about taxation when he has a proposal to put up the company tax rate by 1.5 per cent—that is their Coles and Woolies tax—and when the opposition has come into this House and opposed tax relief for 2.7 million small businesses. They voted against assistance to people on low incomes—3.7 million of them—for their superannuation. They have also opposed the tripling of the tax-free threshold. That is where we stand when it comes to tax.

For our part, what we have said is that we will behave in a responsible way. We will bring our budget back to surplus in 2012-13. We will make our savings in a responsible way, in a way that supports jobs and economic growth. That stands in stark contrast to the approach of those on the other side, who want to go out and take the axe to large slabs of health and education and sack workers—hell, west and crooked. There is a very clear contrast for all Australians to see, based on our values of supporting community and their approach, which is simply scorched earth.

MOTIONS

Treasurer

Mr HOCKEY (North Sydney) (15:01): I move:

That so much of the standing and sessional orders be suspended as would prevent the member for North Sydney from moving the following motion forthwith:

That this House:

(1) notes the Prime Minister's comment on 11 February 2011, that 'Every time we announce something we properly account for it and properly fund it.';
(2) calls on the Government to explain where the funding is coming from for its $120 billion of recently announced spending, including spending on disability services, additional funding for aged care, new funding for low-paid workers, increased costs of its border protection failures, funding of new defence projects, establishment of a new dental care scheme and the provision of additional education funding;

(3) notes that Australia’s debt continues to approach $300 billion despite the Prime Minister claiming that the Budget is in surplus; and

(4) calls on the Treasurer to immediately rule out new increases in taxes for families and small businesses in order to plug their $120 billion Budget black hole.

This is a government all at sea. Their own MPs are in rebellion about their wanton spending, which is unfunded.

Mr Albanese: Madam Deputy Speaker, on a point of order: is it in order for the member for North Sydney to move a suspension of standing orders—House of Representatives Practice clearly outlines the circumstances of when a suspension may be moved—so that he can give an application for Leader of the Opposition? Is it in order?

The DEPUTY SPEAKER (Ms AE Burke): The Leader of the House will resume his seat. The member for North Sydney has the call, and I do not believe there is a reason to continue to shout.

Mr Hockey: Their own MPs are in rebellion about their unfunded spending. In the ALP caucus room, Senator Doug Cameron, Tasmanian MP Geoff Lyons, MP Janelle Saffin, Kelvin Thomson—

Mr Albanese (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:04): In the interests of all our hearing, I move:

That the member be no longer heard.

The DEPUTY SPEAKER (Ms AE Burke): The question is that the member be no longer heard.
The DEPUTY SPEAKER (Ms AE Burke): Is the motion seconded?

Mr TRUSS (Wide Bay—Leader of The Nationals) (15:16): I second the motion. This government has a $120 billion budget black hole, and it does not know where the money is coming from. The Treasurer refused to answer questions in parliament today about where the money is coming from. He obviously refused to answer them in his own caucus this morning. He refused to tell them. Not only are the people of Australia concerned about where the new taxes are going to come from to pay for this irresponsible spate of promises but so are the backbenchers of the Labor Party. He could not answer the backbenchers’ questions today. It is time he came into the parliament and told the Australian people where the money is coming from. It is not Monopoly money; it is real money that has to be paid back.

Is it any wonder that in caucus today four backbenchers complained about his big spending announcements and the looming cuts to the public service? Labor has form on cuts to the public service—3,000 already gone in Canberra. The member for Griffith, when he was running Queensland, managed to sack 12,000—Dr Death killed 12,000 public servants. So what are Labor doing now? Preparing a new round of cuts to the public service and a new round of taxes. Some of them have belled the cat. Some of them have said what is actually going to happen. Doug Cameron came in and he is proposing—

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

That the member be no longer heard.

The DEPUTY SPEAKER (Ms AE Burke): The question is that the member be no longer heard.

The House divided. [15:22]

Ayes........................63
Noes........................69
Majority......................6

AYES

Albanese, AN
Bowen, CE
Brodtmann, G
Butler, MC
Champion, ND
Clare, JD
Crean, SF
Dreyfus, MA
Ellis, KM

Bird, SL
Bradbury, DJ
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
D’Ath, YM
Elliot, MJ
Emerson, CA

Question negatived.
**AYES**

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**Question negatived.**

**The DEPUTY SPEAKER (Ms AE Burke) (15:22):** The time for the debate has expired.

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

**QUESTIONS TO THE SPEAKER**

**Parliamentary Behaviour**

**Mrs GRIGGS (Solomon) (15:28):** Madam Deputy Speaker, I seek your guidance as to why it was appropriate for the Treasurer to seek to bully and intimidate me when I was asking a question about his asylum seeker budget blow-out. Is that appropriate behaviour?

**The DEPUTY SPEAKER (Ms AE Burke) (15:28):** The member for Solomon will resume her seat.

**BILLS**

**Industrial Chemicals (Notification and Assessment) Amendment Bill 2012**

Reference to Federation Chamber

**Mr FITZGIBBON (Hunter—Chief Government Whip) (15:28):** by leave—I move:
That the Industrial Chemicals (Notification and Assessment) Amendment Bill 2012 be referred to the Federation Chamber for further consideration.

Question agreed to.

DOCUMENTS

Presentation

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:29): Documents are presented as listed in the schedule circulated to honourable members earlier today. Full details of the documents will be recorded in the Votes and Proceedings.

MATTERS OF PUBLIC IMPORTANCE

Asylum Seekers

The DEPUTY SPEAKER (Ms AE Burke) (15:29): Mr Speaker has received a letter from the honourable member for Cook proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The failure of the Government to implement a full suite of successful border protection policies.

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

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

Mr MORRISON (Cook) (15:29): It was only a small boat that illegally entered Australia's waters last night but it was a very significant one indeed because it marked the 25,000th person to have illegally entered Australia on 427 boats under this government—more than 25,000 people. It was just a boat with a small number of people on board. Interestingly, I note that the statement issued by the Minister for Home Affairs on 17 September differed somewhat from the one issued the day before. A statement on 16 September about a boat carrying 70 people said 'people arriving by boat without a visa after 13 August 2012 run the risk of transport to a regional processing country'. Interestingly, the statement of 17 September no longer carried that statement. They do not seem to be able to keep the policy straight on that side of the House from one day to the next, which is no great surprise.

More than 25,000 people have now arrived illegally in Australia on 427 boats under this government. With every boat arrival representing another policy failure—according not to me but to the now Prime Minister herself—this is a record of failure without peer. And it is a record of failure that continues unabated to this day. More than 5,000 people have arrived this financial year—a year where the Treasurer based his budget on just 5,400 arrivals. If there is anybody who has a hide, it is the Treasurer. He comes into this place and refuses to answer legitimate questions about where his budget is going—that is, south and in a hurry—and where the money is going to come from for promise after promise after promise as this government governs like there was no yesterday and there is no tomorrow, leaving others to pay the bill for the endless commitments.

The Treasurer today refused to answer the critical question: where is the money coming from for the further budget blow-out from this government on their border protection failures? The budget blow-out so far is over $5 billion in the last three years. Just how much greater will that blow-out be when they bring out the MYEFO and yet again it reveals a budget that is completely out of control due principally to the failures on our borders?

More than 10,000 people have arrived in 2012, the biggest year of illegal arrivals on
record, and more than two-thirds of the arrivals have occurred since the last election. At the last election the Leader of the Opposition, Tony Abbott, said, 'We will stop the boats.' The effect of electing the government again after some 17 days was to start the boats again. Not only have the boats started again under this government, but it has gone into hyperdrive since the 2007 election. The people of Australia were given the opportunity to choose at the last election. The government was returned, and more than two-thirds of the 25,000 arrivals under this government have turned up since the last election. There are more than 10,000 people currently in the system, feeding into the endless appeals network set up by the government. That will drag on and cause cost for many years to come.

I notice once again that the Minister for Immigration and Citizenship is not at the table and my friend and colleague the member for Blaxland, the Minister for Home Affairs, has been brought in as the sub to represent him. Perhaps the minister for immigration is out looking for Captain Emad! I have got some news for him about where Captain Emad is later in my remarks. The minister complained in a press conference this morning that nothing he does makes me happy. I am touched by the minister's apparent desire to please—almost as touched as the member for Griffith, the former Prime Minister, is grateful for the minister for immigration's desire to please him! I acknowledge that the minister for immigration has had very little success when it comes to keeping me happy on these matters. When it comes to what this government has been offering on border protection he is actually right: I am not happy, Chris; I am not happy, Julia. I am not happy about 25,000 people illegally entering Australia on boats. I am not happy that more than 1,000 people are dead and more than 8,000 people have been denied visas seeking our protection who have applied offshore—

Mr Champion: Mr Deputy Speaker, on a point of order: the member for Cook well knows that he should use people's titles rather than their names.

The DEPUTY SPEAKER (Hon. BC Scott): The member for Cook will refer to members by their title.

Mr MORRISON: I am not happy about how this government and, in particular, this minister have been dragged kicking and screaming to the table on offshore processing only to implement the offshore processing policy in a half-hearted way. Not one person coming on a boat from Indonesia has so far been sent to Nauru by this government. But they maintain that they are sending a strong message up into Indonesia. Rather than seek to intercept vessels coming from Sri Lanka outside of our waters and working with the government of Sri Lanka for their safe return, they have opted to use the few places available so far on Nauru for Sri Lankan arrivals. The minister has still refused to say what the appeals process will be on Nauru and whether they will provide access to the Australian courts, giving vague and ambiguous responses to questions both from journalists and from members of this side at the same time.

I welcome, though, a development just lately: it has been confirmed that processing will now be done under Nauruan jurisdiction. But last week the Nauruan foreign minister said it would be done initially under Australian jurisdiction. I did not make that up. Those were the words of Dr Kieren Keke, who said that initially the processing would be done under Australian jurisdiction. That is exactly what he said. The minister has so far still not committed to also applying the universality principle to offshore processing on Nauru. There is no
indication that all those who seek to come to Australia on illegal boats will be sent to Nauru.

When you decide to implement someone else's policies, you really should read the instruction manual. That is what you really should do. This government clearly has not read the instruction manual as to how you implement successful border protection policies. Instead, this government continues to make up those rules and policies on the run as it goes along. Labor's reluctant and half-hearted decision to restore offshore processing on Nauru is, frankly, not enough. Labor is operating on a one-legged-stool policy on Nauru, and they should not be surprised when that stool falls over.

The minister and this Prime Minister have the highest policy failure rate on illegal arrivals by boat on record. Despite their unprecedented failure, the government continue to refuse to acknowledge they got it wrong, accept responsibility for getting it wrong and the consequences that flow from that and, most importantly, put it right by restoring the measures that worked. The coalition has consistently argued for the full suite of measures that most effectively worked under the coalition to be restored. That is why we moved amendments in this House and the other place on two occasions to restore the policies of temporary protection visas and turning boats back where it is safe to do so. Those motions, both in this place and in the other place, on two occasions have been voted against consistently by the government. If Labor persist with their half-hearted approach on border protection and continue to refuse to restore the Howard government policies, they cannot expect Howard government outcomes. They cannot expect that.

If they break Nauru by continuing to take this half-hearted approach, they own it and they own the failures that go with it. They should not expect to come into this place and seek support for their past failed policies simply because they cannot read the instruction manual as to how you do offshore processing correctly and how you restore measures that worked under the previous government—and they are seeking constant excuses for not restoring those measures.

The problem, at the end of the day, is not just the government's failed policies; it is the government themselves. This government is a soft touch. Labor is a soft touch when it comes to border protection. They remain—this government, the Labor Party—a stronger pull factor for boats to come to Australia than any of the measures and any of the matters that have gone before it. This is because they just do not follow through. Of course they do not believe in it. But even when they are forced to the table they never follow through. Remember, it was the Minister for Immigration and Citizenship who threatened those participating in the Christmas Island riots with using the character test to deny their visas, saying: I take the character test very, very seriously. One of the tests is if somebody is imprisoned for 12 months or more. There is a more general test, which simply goes to somebody's conduct and general conduct, and whether that indicates they are of bad character. I will be examining those matters very, very seriously.

My question to the minister for immigration is: how many of the hundreds of people who were involved in the Christmas Island riots have been denied visas by that minister? The answer is none. Then there were the minister's further threats after the riots at Villawood. He said:

As I said in relation to Christmas Island, I will be applying the character test to those who may have been involved in this incident and I will be applying it vigorously.
Again to the minister for immigration I ask: how many of the hundreds of people who were involved in the Villawood riots that saw buildings burnt to the ground have been denied visas under those tests by the minister for immigration? The answer, again, is none. That is not surprising, though, because this is the same minister who refused to get rioting protestors off a roof for 11 days, yet the New South Wales police could get rioting protestors off his own roof in 2½ hours.

This was the minister who allowed Captain Emad to have a protection visa while he was being investigated for his involvement in people smuggling and then cancelled his visa, months after he left, shaking his fist into the wind as he was someplace else. We found out where Captain Emad is, I am pleased to report. We have found Captain Emad. Captain Emad is in Iraq—interestingly, the place which this government said he was fleeing persecution from. That is the standard when it comes to this government and their record. Not only that, but his alleged widow and orphaned children, who all claimed that Captain Emad was dead, are all here today on permanent visas months and months later.

This is the minister, also, who said he was going to implement the Prime Minister's policy to open a regional processing centre in East Timor. This is the minister who said he was going to send people to Malaysia before it even worked out an agreement with the government of Malaysia, only to have the whole thing fall over in the High Court after an injunction was lodged because he was unable to deliver on his own failed policy to transfer people there within three days. He could not even get the instructions on his own policy right, and he tripped over it.

This is the same minister who most recently sat on his hands while Taji Mustafa, the UK leader of Hizb ut-Tahrir, an organisation that has condoned the killing of Australian soldiers in Afghanistan and called for the military destruction of Israel, entered Australia. Then he refused to lift a finger even to inquire whether his visa should be cancelled. Given the minister's failing to act on rioting detainees burning down our detention centres and his refusal to even consider cancelling the visa of the UK leader of Hizb ut-Tahrir, I have no doubt why the Australian people have no confidence in his most recent claim to take action against any noncitizens involved in the violent and extreme riots that took place in Sydney on the weekend.

The problem with this government is that when it comes to border security they just cannot be believed. They are not taken seriously. One only needs to look at their record to understand that. They are seen as a soft touch. They always have an excuse for doing nothing. They always have an excuse as to why you cannot do this and why you cannot do that. The net result is that they do nothing. But excuses do not stop boats. Excuses do not secure our borders.

Today it is very important that this House debates this matter because, as each day passes, as each day this government take their half-hearted approach—where they have been dragged kicking and screaming to implement a policy that they cannot even implement correctly—the people smugglers continue to have one over this government. That is why the Australian people know that, if they want to stop the boats, the only way to do that is to change the government. (Time expired)

Mr CLARE (Blaxland—Minister for Home Affairs, Minister for Justice and Minister for Defence Materiel) (15:45): This is a debate about the implementation of the full suite of border protection policies. And you cannot have a debate about the full suite
of policies without referring to this report, because this is it: this is the full suite of border protection policies. These are the 22 recommendations developed by an expert panel led by the former Chief of the Defence Force, Angus Houston. This is what they recommended—a full suite of measures; 22—and we are the only party that is committed to implementing each and every recommendation in that report.

The opposition have refused to implement it. The Greens party has refused to implement it, as well. This is the full suite of measures and the opposition should agree to implement them. Let's have a look at each and every one of these recommendations.

Recommendation 1:
The Panel recommends that the following principles should shape Australian policymaking on asylum seeker issues.
The government agrees and supports these principles. The opposition's position on this is unclear.

Recommendation 2:
The Panel recommends that Australia’s Humanitarian Program be increased and refocused …
The Minister for Immigration and Citizenship, a few weeks ago, indicated that we support this. We will increase our humanitarian program from 13,000 to 20,000. The opposition, in June, said that they would support this. Now they have said that they would be reluctant to support this increase. So they have rejected recommendation 2.

Recommendation 3:
The Panel recommends that in support of the further development of a regional cooperation framework on protection and asylum systems, the Australian Government expand its relevant capacity-building initiatives in the region and significantly increase the allocation of resources for this purpose.

The government supports this. The opposition presumably oppose it.

Recommendation 4:
The Panel recommends that bilateral cooperation on asylum seeker issues with Indonesia be advanced as a matter of urgency, particularly in relation to:

- The allocation of an increased number of Humanitarian Program resettlement places for Indonesia.
- Enhanced cooperation on joint surveillance and response patrols, law enforcement and search and rescue coordination.
- Changes to Australian law in relation to Indonesian minors and others crewing unlawful boat voyages from Indonesia to Australia.

In the report the expert panel talks about restoring discretion to Australian courts. The government supports this recommendation. The opposition have opposed it.

Recommendation 5:
The Panel recommends that Australia continue to develop its vitally important cooperation with Malaysia on asylum issues, including the management of a substantial number of refugees to be taken annually from Malaysia.

We agree. Again, the opposition opposes.

Recommendation 6:
The Panel recommends a more effective whole-of-government strategy be developed for engaging with source countries for asylum seekers to Australia, with a focus on a significant increase in resettlement places provided by Australia to the Middle East and Asia regions.

The government supports this. The opposition are opposed.

Recommendation 7:
The Panel recommends that legislation to support the transfer of people to regional processing arrangements be introduced into the Australian Parliament as a matter of urgency.
This is the legislation that has been introduced and passed by this parliament. It is the legislation that we have developed and passed by working together. The legislation passed through this parliament a few weeks ago, to the relief of most Australians.

Recommendation 8:
The Panel recommends that a capacity be established in Nauru as soon as practical to process the claims of IMAs transferred from Australia in ways consistent with Australian and Nauruan responsibilities under international law.
This capacity is being set up right now and is in the early days of operation. We have ADF boots on the ground, and the second flight carrying asylum seekers arrived in Nauru this morning.

Recommendation 9:
The Panel recommends that a capacity be established in PNG as soon as possible to process the claims of IMAs transferred from Australia in ways consistent with the responsibilities of Australia and PNG under international law.
The implementation process for this recommendation is now underway, as well.

Recommendation 10:
The Panel recommends that the 2011 Arrangement between the Government of Australia and the Government of Malaysia on Transfer and Resettlement (Malaysia Agreement) be built on further, rather than being discarded or neglected, and that this be achieved through high-level bilateral engagement focused on strengthening safeguards and accountability as a positive basis for the Australian Parliament’s reconsideration of new legislation that would be necessary.
In the report it says that the Malaysia agreement is vital. In the press conference that the former Chief of the Defence Force, Angus Houston, held after the report was released he said that the Malaysia agreement was the best plan for the future. And Paris Aristotle, another member of the expert panel, had this to say about the Malaysia agreement:
In the long run … Malaysia is absolutely vital to this.
The government supports this recommendation. Not surprisingly, the opposition does not. So much for supporting a full suite of border protection measures. That was just the first 10; there are 22 recommendations in this report, and the opposition's position on them is much the same.

Recommendations 11 and 12 involve changes to family reunions. The government supports these. The opposition's position is still unclear.

Recommendation 13:
The Panel recommends that Australia promote more actively coordinated strategies among traditional and emerging resettlement countries to create more opportunities for resettlement as a part of new regional cooperation arrangements.
We support this. Again, the opposition's position on this is unclear.

Recommendation 14:
The Panel recommends that the Migration Act 1958 be amended so that arrival anywhere on Australia by irregular maritime means will not provide individuals with a different lawful status than those who arrive in an excised offshore place.
Again, the government supports this recommendation. The position of the opposition at this point is unclear.

Recommendation 15:
The Panel recommends that a thorough review of refugee status determination (RSD) would be timely and useful.
Again, we support this. The position of the opposition on this recommendation is not clear.
Recommendation 16:
The Panel recommends that a more effective whole-of-government strategy be developed to negotiate better outcomes on removals and returns on failed asylum seekers.
Again, the government supports this recommendation, as it supports the full suite of recommendations; the opposition's position is still unclear.
Recommendation 17:
The Panel recommends that disruption strategies be continued …
We support this, and presume the opposition would do the same.
Recommendation 18:
The Panel recommends that law enforcement agencies in Australia continue their activities in countering involvement of Australian residents who are engaged in funding or facilitating people smuggling operations.
We support this. The position of the opposition presumably is to support, but it is still unclear. The opposition have not gone through each and every one of the recommendations put by the expert panel and indicated their support or otherwise for every single one of them.
Recommendation 19:
The Panel notes that the conditions necessary for effective, lawful and safe turnback of irregular vessels carrying asylum seekers to Australia are not currently met …
This is an important one because this is the 'turn back the boats' proposal that the opposition have been putting in this debate for some time. In the report written by Angus Houston, the former Chief of the Defence Force, he makes it very clear what those conditions need to be. At page 53 of that report he says:
• The State to which the vessel is to be returned would need to consent to such a return.
In other words, Indonesia would need to consent to the return of a boat turned back.
That consent does not exist. Indonesia does not support this. This MPI is about the implementation of a full suite of measures, and the opposition talk about turning back the boats. Angus Houston, former Chief of the Defence Force, has said this is not possible unless Indonesia allows that to occur.

I spoke about this in the House when we had a similar debate last Tuesday, and I quoted what the Indonesian foreign minister, the Indonesian Ambassador to Australia and other senior Indonesian officials have said on this matter. It bears repeating. This is what Marty Natalegawa, the Indonesian foreign minister, said about this issue in March of this year:
… simply pushing back the boats where they have come from would be a backward step.
He also said in March:
The general concept of pushing boats back and forth would be an aberration to the general consensus that has been established since 2003.
Later that month, March of this year, he was again asked a question about turning back the boats, and he said:
Now, from that kind of mindset … naturally it would be impossible and not advisable even to simply shift the nature of the challenge from any … continuum to the other.
That is the foreign minister of Indonesia saying it would be a 'backward step', 'an aberration' and 'impossible'.
He is not the only senior Indonesian official who has made it very clear they would not support this, that they would not allow this to occur. The Indonesian Ambassador to Australia in March of this year said:
… if you take that policy, it means that you bring all the burdens to Indonesia and what about our cooperation?
That is the Indonesian ambassador indicating that they do not support this either. A senior
Indonesian public servant was interviewed about this in July by the Sydney Morning Herald, and he said:

It's exactly like you going to someone else's house and throwing dirt there ... Why would we take something that is not our property?

So you have the Indonesian foreign minister, the Indonesian Ambassador and senior officials inside Indonesia all saying that they do not support this, that they would not allow this to occur, and you have Angus Houston, the former Chief of the Defence Force, saying in the report at page 53 that you cannot do this unless the state that you are returning the vessel to allows this to occur. The Indonesians have made it very clear that they would not allow it to occur, so it is not possible to implement that.

Even if you could implement that, would you really want to risk the lives of Australian personnel? In the Australian newspaper in January, a senior naval officer said about turning back boats—

Mr Keenan interjecting—

Mr CLARE: Australian Navy personnel, whenever they have to perform tasks in the open seas, are at risk—I recognise that. But why should we put them under more risk than they already are? Do not just accept my view about it. The member for Stirling does not need to accept my view of it. Accept the view of senior naval officers serving in the Australian military right now. This is what one of them said on 25 January to the Australian newspaper:

They will disable their boats when they see us coming, they will burn their boats. The policy will encourage them to do so and it will place lives—navy lives and refugee lives—at risk.

Last week—the member for Stirling participated in this debate—I listed a series of boats. In 2001, attempts were made to turn these boats back. The attempts failed, and injuries and other dangerous things occurred. I made the point there that the most dangerous example of turning back boats was what happened in 2009 with SIEV36. In this case the boat was not turned back but the people on the boat thought that it was going to be. There was an explosion on the boat. Five people died and 40 people were injured, including Australian Defence Force personnel. One of the Australian Defence Force personnel was Corporal Jager, a medical officer. She needed to be rescued by other Defence Force personnel when her life jacket failed to inflate and two asylum seekers tried to push her aside to get into the rescue boat.

This was a case of Australian naval personnel putting their lives at risk. It all happened because the people on the boat thought the boat was going to be turned back to Indonesia. Again, do not accept my word for it; accept the word of the NT coroner, Greg Cavanagh, who in his report said:

If there had not been a Warning Notice served which suggested return to Indonesia, and if it had been made clear to the Afghan passengers that they were being taken to Australia and not returning to Indonesia, again the explosion probably would not have occurred.

That is what this is all about, and that is why we do not support turning back boats—because of the unnecessary risk that it places Australian naval personnel in, people like Corporal Jager. It is a danger to Australian Navy lives and to the lives of the other people on the boats. That is why we will not do it.

There are other recommendations too. Recommendation 20 we will implement; the opposition will not. Recommendation 21 we will implement; the opposition's position is unclear. The opposition's position on recommendation 22 is unclear as well. We agree to all of the recommendations in this report, the full suite of measures. We are the only party committed to implementing all of
Mr KEENAN (Stirling) (16:00): Last night we reached another shameful milestone in Labor's border protection catastrophe—the arrival of over 25,000 people illegally under Labor's watch. Twenty-five thousand and two people have arrived here illegally on 427 boats since the Labor Party came to office. We need to be very clear about why this has occurred. It has not occurred because of the international situation. It has not occurred because of extraneous issues. It has occurred as a direct result of the Labor Party's policies since they came to office. Government speakers in this debate should not continue to make excuses for why this has occurred. They should simply apologise to the Australian people for getting it so wrong over the past five years since they came to office and for refusing to acknowledge the failure which has compounded this issue at every available turn.

In any functional government a policy failure of this magnitude, which has cost so much to Australia and cost so much to the people who are seeking asylum, would have led to the resignation of the responsible ministers. Yet the ministers who are responsible for Labor's border protection catastrophe—and these include from the Prime Minister down—continue to sit in charge of areas of government policy which they have been shown to be completely incapable of administering competently. We hear talk from the government about breaking the people smugglers' business model but what they refuse to acknowledge is that they are the people smugglers' business model. The people smugglers did not have a business when the Labor Party came to office and, because of the policy missteps that the Labor Party took, they reinvigorated people smuggling and they have subsequently provided succour to people smugglers from the series of bungled decisions taken.

This is the problem with the Labor Party. They do not have any credibility when it comes to this issue and it is that lack of credibility that means, when they announce new policy measures, the people smugglers do not take them seriously, because they have announced things in the past which they have never followed through on. That is why they need to show this time that they have actually got some firm resolve to stop people smuggling and to implement every bit of the arsenal they can implement and every policy measure they can find that would convince people smugglers they are now serious about stopping this evil trade.

The truth and sad reality is that the Labor Party have had every policy position imaginable since they came to office except for one that we know would actually work. We know it would work because this is not a new policy problem for Australia; it is a policy problem that Australia has faced before. We have implemented policies that have actually done what we needed them to do by stamping out people smuggling. What we need to do, and what the Labor Party should do, is acknowledge that they have bungled this issue ever since they came to office, acknowledge that it is their credibility that is now the problem and implement the full suite of Howard government border protection policies that we know will do the job as they have done in the past. When we were faced with this issue over a decade ago we implemented this suite of policies and it worked. It worked to stop people-smuggling, and it is the only suite of policies deployed that has achieved the result that we needed to achieve.
The Labor Party's failed history on this issue is an exercise in how not to run government. They have bungled the implementation of so many policies and they have been so comprehensively wrong in their approach to this issue that the people smugglers could not possibly take seriously what they do now. The history on border protection is littered with failure—from abolishing offshore processing when they came to office in 2008 to the Oceanic Viking, which was when the people smugglers stared down this government yet again. They sent a very clear message that they do not have the resolve to address people smuggling. There was the asylum freeze, the most discriminatory policy ever implemented by an Australian government, that froze Afghan and Sri Lankan claims for asylum in Australia for a defined period of time—three months and six months respectively—which led to all the problems we saw in our detention network after that. It was a detention network filled to bursting, which led to violence, the burning down of part of the Christmas Island detention centre and riots at Villawood. The government's response was to let people out of detention and to refuse to take action, as was outlined by the shadow immigration minister, against the people who had perpetrated those criminal acts within our detention network.

We then had an act of desperation during the 2010 election campaign with the announcement by the Prime Minister that the Labor Party were going to pursue a detention centre on East Timor. This was done without consulting the East Timorese government and predictably led them to say that it was never going to happen. Sadly, even though it was obviously doomed to failure, the government then sent out Australian diplomats to engage in the embarrassing farce of pretending that they were still negotiating with the East Timorese about placing the detention centre on their territory.

We then had, when the East Timorese proposal was rightly abandoned, the so-called Malaysia solution when the government negotiated a swap of 800 people for 4,000 people with the Malaysian authorities without negotiating appropriate human rights protections in a country that is not a signatory to the United Nations convention on refugees, which was something the government had claimed was vital previously. This was struck down by the High Court. Subsequently we have seen the government back-pedalling on this ever since looking for another approach to their method that has provided such an incentive for people smuggling since they came to office.

Because of all these failed policies, the Labor Party has absolutely no credibility on border protection issues. That is why they have to implement the full suite of Howard government policies if they are going to be taken seriously by people smugglers and if they are going to be shown, finally, to have some resolve to address this issue that they have created for Australia since they came to office.

It is very important that we process people in Nauru and Manus but it is also vitally important that we re-introduce temporary protection visas and turn boats back around when it is a safe and appropriate to do so. Temporary protection visas are vitally important because they destroy the thing the people smugglers are selling: permanent residence in Australia. If they cannot sell permanent residence in Australia, they do not have a product to sell. When we have temporary protection visas we say that, yes, we are happy to protect people from persecution from their own government, as is appropriate and as we are required to do. But
being a refugee is not necessarily a permanent condition. Conditions within countries change. When conditions within a country change for somebody who is seeking refuge here to the point where they would now be safe to return home, we think it is appropriate that they return home under those circumstances.

We heard the Minister for Home Affairs, the minister who would be responsible for implementing this policy, go through yet another series of excuses about why turning the boats around cannot be done. Primarily, he quoted a series of Indonesian officials, saying that they do not think it is a good idea. This is an example of the incredible weakness of this government. In the past, we did it over half a dozen times and the Indonesian authorities accepted it. That is because we dealt with Indonesia from a position of strength, not from a position of weakness—where we had changed our policies to the point where we reinvigorated people smuggling—that has provided Indonesia with a problem.

I know how the Indonesians think about this issue because I went to Jakarta and I spoke with legislators there. They asked me, 'Why is it that you are coming to Jakarta to discuss this issue with us when we all understand this is a policy disaster that has been created in Canberra? Australians should be fixing their policies before they talk to us about what we can do to help.' Quite frankly, I think that is a perfectly reasonable position for the Indonesians to take. They know that we put the sugar on the table. It was the Labor Party that changed policies to reinvigorate people smuggling. They created this problem not only for Australia but also for our regional neighbours.

The Labor Party have been wrong on this issue for over a decade. They have been proven to be wrong by the record of over 25,000 people arriving here illegally. They should admit they are wrong and they should embrace the full suite of Howard government measures, the only suite of policies that actually worked to stop people smuggling.

Mr CHAMPION (Wakefield) (16:10): It is interesting listening to the member for Stirling. You would have thought those opposite had opposed our changes in 2007 but they did not oppose them in the Senate. The shadow minister at the time, Sharman Stone, supported them. The Liberal Party supported those changes.

Again, those opposite complain about the Malaysian transfer agreement but they refused to vote for it in this parliament. When that bill passed this House, they were running around this place offering amendments to other members, offering an increase in the humanitarian intake to 20,000—that subsequently became a recommendation of the Houston report—and now they are backing away from that. We had the member for Cook ask why we have not cooperated with the Sri Lankan navy to turn around boats on the high sea and then we had the member for Stirling come in and talk about the processing of Sri Lankan claimants. It is a very interesting catalogue of inconsistencies that the opposition bring up.

There are inconsistencies in this MPI. Those opposite talk about the full suite of policies. But in most of their MPI speeches they ignored the Houston report and its 22 recommendations. There was barely a mention of those recommendations. You hear government ministers talking about this report in great detail, going through it recommendation by recommendation. Indeed, the Labor Party and this government, the Gillard government, are the only people who are committed to the full
implementation of those recommendations. The Greens are not committed; they want to cherry-pick the recommendations. The Liberals are not committed; they also want to cherry-pick the recommendations. The reason they want to cherry-pick the recommendations is they want the toxic debate that has gone on in this country for a decade to continue. The reason they want that is because they are interested in the politics of this issue and not in the policy. They have always been interested in politics and not in policy. That is why they are so inconsistent, so consistently inconsistent.

Day by day, week by week, we see the Liberals are desperate in the face of a fading primary vote that has been inflated over time by exaggeration and negativity—and that is all that was keeping it afloat—and they now are the subject of the public's considered judgement on that exaggeration and that negativity, and the air is slowly coming out of that balloon. The Leader of the Opposition is desperately floundering about half hiding and half seeking a new negative campaign to run. The member of the Cook just wants to reheat the old negative campaign, this old favourite of the Liberal Party, inconsistently nitpicking from day to day, undermining the government and the Australian national interest. That is why we see him out there—even though we have had the second plane land in Nauru and even though we have had offshore processing begin—day by day in the doorstops, in front of the cameras, basically nitpicking and seeking to send a different message than the Houston report sends or the government wants to send to people smugglers.

We know that this undermines the national interest, undermines the message of the Houston report, undermines parliamentary legislation and undermines the consistent message: do not come by boat, do not pay a people smuggler. We know the terrible results of some of the accidents on the high sea. We have seen the terrible results. We know what is at stake: people's lives are at stake. We know the danger our ADF personnel put themselves in when trying to deal with this issue.

And yet the member for Cook is out still there, applying himself to this issue with only two political aims—not a policy aim but just political aims: votes for the Liberal Party—and his other hand firmly clasping his own leadership baton. We know that is what it is all about. It is about this sort of contest to replace Abbott at some point in the future. We know that it is all about getting his profile up. And he uses this terrible issue as an incense burner to his party's desperate desire for primary votes, its desperate thirst for office. He uses it as an incense burner to his own vanity—and what a dark vanity it is, that he would undermine the national interest in this way.

Mr Keenan: Mr Deputy Speaker, I rise on a point of order. The member for Wakefield has strayed into deeply offensive territory and should be asked to withdraw.

Mr Champion: There was nothing unparliamentary about it and nothing that was deeply offensive to the shadow minister for immigration.

The DEPUTY SPEAKER (Hon. BC Scott): The member for Wakefield would assist the chamber if he would withdraw those comments. The member for Stirling has said they were deeply offensive, and it would assist—

Mr Champion interjecting—

The DEPUTY SPEAKER: It would assist the chamber. As you would have heard during question time, the Deputy Speaker did ask a member to withdraw comments that may not always be considered unparliamentary or offensive.
Mr CHAMPION: Out of deference to you, Mr Deputy Speaker, I will happily withdraw. But it is deeply disappointing that we still see the opposition and the Greens playing politics with this issue. And we all know why they play politics with this issue and they want to throw bricks every day at the government. Then when someone calls them on it we have this chronic sensitivity about it. I do not think it is good enough. They were certainly aghast when the opposition refused to vote for legislation that would have allowed the Malaysian transfer agreement, allowing offshore processing to begin six weeks earlier. Instead, they all went on the winter break.

The government is the only party in this parliament that is committed to implementing the Houston report's 22 recommendations. We have legislated to begin offshore processing and it has begun on Nauru. It is sending a message to people smugglers, to the people who might be tempted, might be desperate enough to pay a people smuggler: do not come by boat; do not risk your life. We are developing cooperative bilateral agreements with Indonesia and Malaysia and we are in the process of improving the Malaysian agreement along the lines advocated in the Houston report. And that will be the thing that strikes fear into the hearts of people smugglers and stops their business model.

But this is also being done with compassion in mind, and that is why we have increased the humanitarian intake to 20,000 places—and that is an important thing to do. If you are going to say to people that they should take the appropriate approach, that they should wait, that they should be assessed by the UNHCR, that they should not take a dangerous boat journey, then people should have some opportunity to start a life in Australia, if they are refugees.

The Gillard government is committed to resolving this problem, despite being frustrated by this parliament on numerous occasions, despite being frustrated in the other place, the Senate, by this Liberal-Greens 'noalition'—this marriage of convenience that is going on. They talk tougher on the Greens but they like preferencing them in Melbourne and they like doing deals with them in the Senate to frustrate the national interest.

Mr Ewen Jones interjecting—

Mr CHAMPION: That is what happened. That is the way you voted. That is what is recorded in the Hansard—you voting with the Greens against offshore processing, against the Malaysian transfer agreement. That was the agreement that would have sent the strongest possible message to people smugglers, and you voted against it, to the disappointment of your own constituents. I have no doubt about that.

We believe in backing the Houston report recommendations, and we sincerely hope for bipartisan agreement on this, more than anything. We need to put an Australia-first position on this, to our region and to the people who would take advantage of legitimate refugee processing—the people smugglers, who do this to make money. They put people on dangerous voyages on dangerous boats, encourage people to risk their lives. That is their act. It is not a government or an opposition act; there are criminal networks in our regions that do this, and we want to see it stop and we want to see it stop as soon as possible. And we would beg the opposition just for a modicum of cooperation in this matter.

Mr EWEN JONES (Herbert) (16:20): If the Labor Party concentrated on policy with an outcome rather than policy to wedge the member for Griffith, we might actually get somewhere with this debate. To the member
for Wakefield, I would say that our current
Prime Minister used to step forward, when
she was the opposition immigration
spokesperson, and say, 'Another boat arrival,
another policy failure.' She played politics all
the way through with this. How she enjoyed
her moment in the sun. She was the
champion, pointing out the obvious flaws
and how she had a better way. So we fixed it.
We grew a spine and we fixed it—we
stopped the boats with a full suite of policies.

The former Prime Minister Kevin Rudd
told all Australians it was push factors, that it
was not an economic issue. We would repeal
this vile legislation and we would leave the
gate open. What could possibly go wrong?
So they repealed the legislation and there
was rejoicing in the street. 'Sorry, what was
that? Boatloads of people coming from
Indonesia? Surely it's only opposition
scaremongering.' There have been over
25,000 people arrive since this policy was
rescinded. Over $5 billion has been thrown
out the window because of these poor
policies. I want to be on the record saying, if
I were sitting in Afghanistan, Pakistan, Iran
or Iraq, I would love to come to Australia. I
don't blame them for wanting to make the
trip. What I do say is that the Australian
taxpayer is being treated with contempt by
these people and by this government.

We have so many vital issues being
ignored by the overworked immigration
department, because they have to work on
these people who come by boat. I know the
term 'queue jumper' is frowned upon by
many, but that is what they are. We have
people all over the world wanting to settle in
this country, and these people, because they
have the cash, are forcing the issue in their
favour.

What we have seen in this poor policy
decision is every hatemonger in the country
peddling misinformation and hate via
unsigned emails. Every member of the
House is subject to them. If this government
could get its borders under control, every
member of this House would have at least
another hour per day to do positive things in
our electorates. Instead, we are having to
correct the lies passed on as truth that tell
people all sorts of vile garbage aimed not to
inform but to inflame.

I believe in immigration. I believe in
humanitarian refugees being brought to this
country and to my city. I believe in that
because all of us in this place—apart from
my friend and colleague the member for
Hasluck—come from immigrants. We have
all had ancestors who have come to this
country to make a better life. But we have all
come through the front door, because we
were asked, and we did the right thing. There
is a huge difference between someone asking
you into their house and someone breaking
in through the back door. I saw an episode of
Q&A where a young Afghan lady, very well
presented and beautifully spoken, was asked
what she would say to the people in the line
who she pushed back to get to Australia. Her
answer was that there was a line to come
through the front door, and they saw an open
window and jumped through that. The fact
that she was never asked a follow-up to
explain herself, asked what she would have
said to the people from Chad or Somalia on
why they had to continue to wait, is beyond
me.

What we saw on the streets on the
weekend was truly disturbing. I just want to
say that the Leader of the Opposition had it
right when he said that we do not want
people to leave behind their culture or their
religion when they come to Australia but that
they do have to leave their hatred behind. To
the mindless few who went so feral on the
weekend, I say: are you happy now? Has that
made you feel better? I also ask: what do you
think you have achieved with this for your
cause? I defend the Muslim religion and its immigrants into this country all the time against the attacks from people who do not want you here, who fear change and think you will try to take over our society. Many of those who believe this are actual immigrants, still with heavy accents.

The ex-chair of my political party’s federal campaign last year is a Muslim. He is a good man. I went to a Muslim community get-together recently. There were dentists, engineers, doctors, university lecturers and tradespeople in the gathering. Apart from the men and women sitting on either side of the aisle, it was like any other community gathering. One old man stood up and said that there was no word for ‘democracy’ in the Koran. The mullah who was there said he was entirely correct—but he added that there was no word for ‘chlorine’ either, yet you use that to clean your pool. He went on to say that the high ideals of Islam are almost identical to those of Christianity and of every religion on the face of the earth: respect for the individual, treating each other with honesty, being human beings.

I was very pleased to see the Muslim community come out today, united in stepping away from the behaviour of a few on the weekend. This is the first step in many you will have to make to repair the damage that has been done by these idiots. To the idiots and thugs who did this on the weekend, I wish I could use the language of the front bar on you in this House to properly vent how my community feels about you, but I cannot. All I will say is that you have an option to leave, should you wish, because none of you are welcome here anymore.

The difference between asylum seekers and humanitarian immigration is vast. I spoke to my local community regarding immigration. I want to state what I said to them for the record. I believe that with the increase in the humanitarian intake my city can play a major part in helping people integrate into society. But, as with so many of the policies of this government, we do not see any detail as to what is happening on the ground. If we are to increase the intake, we must also have the services there to back that up. We cannot leave it to the volunteers at Aitkenvale State School to simply accept more students with language difficulties without increased support. Where is the plan? We have heard nothing in my city to tell us that there are any plans at all to assist with these challenges. This government is great on announcement and moves on so quickly after it, and blow the detail. It can come a long, long time after, because they are not interested in that. They are interested in the politics of the wedge and keeping the member for Griffith occupied.

The homestay policy, whereby people will pick up $300 per week, is an issue for me as well. I think it is, again, lacking in support. To the people who have signed up, I say: congratulations and good luck. But I am very concerned about this, and I would not be opening my house to them. I said at the time and I say again that I never want to see a story about a slum landlord with 17 people living in his house in poverty while he collects $8,100 of taxpayers’ cash each week. With this government’s lack of follow-through, that will happen.

We need to fully address the issue. As the member for Cook has said, offshore processing is merely one leg of a stool. It will fall over if you do not have the temporary protection visa—the one that says you can come to this country until the trouble at your home is over, and then you can go home. That stops the boats; that helps, as well as offshore processing. You
must turn back the boats. Nothing sends a message through clearer than seeing a boat full of people going back to port—nothing. And we must improve our relationship with Indonesia. We have treated them like second-class citizens since this mob were elected.

Dr Emerson: Turning back the boats will do that!

Mr EWEN JONES: You, the minister at the table, have treated them like second-class citizens since your mob was elected. The only person to show any form of international leadership from a governmental perspective has been President Susilo Bambang Yudhoyono. We could learn a bit about statesmanship from him, and you could too. The minister, who was at the dispatch box earlier, said the Indonesians will not work with this. I say that if I were spoken to as this government has spoken to the Indonesians I would not deal with you either. Get on a plane, go over and sort it out. Sit down with them and tell them what is going on.

But to the people of Australia I say this, in conclusion. When my great-grandfather came to Australia in 1902 he had to change his religion to get a job. He was a Catholic. To become a civil servant and serve with distinction, which he did—he ended up being the superintendent of Westbrook Boys Home—he had to become an Anglican. So there have always been problems with religion in this country. My father will always tell you that he spent every Christmas from 1936 to 1949 at Westbrook Boys Home, outside Pittsworth—but he was never an inmate.

So we have always had problems with religion in this country, we have always had problems with people mixing. But my great-grandfather did not take to the streets and belt a copper when things did not go his way.

My great-grandfather did the right thing. He made the choice and he went about it the right way. He made the changes he had to make—

Mr Champion interjecting—

Mr EWEN JONES: You're out of your seat, mate; get back over there if you want to interject. The whole thing about this is that we have lost the case. You guys sit up there and tell us we are playing politics, when all the way through your whole raison d'etre has been aimed at the bloke you should be sitting next to: the member for Griffith. That is all this is about. That is all you people are about and it is all you will ever be about with this thing. Shame on you. You should just get on a plane and go over and speak to them and fix the thing up at the start, which is where it should be fixed.

The DEPUTY SPEAKER (Hon. BC Scott): Order! I remind the chamber, yet again—and the member for Herbert was guilty of it during his speech—the use of the word 'you' is a reflection on the chair. You are speaking through the chair, not to the chair.

Mr ZAPPIA (Makin) (16:30): If there is any shame to be had with respect to this issue, the shame should be directed towards the members of the coalition, who continue to play politics with an issue that concerns the lives of real people. The time to play politics is over. Let me assure members opposite that in my discussions with people in my electorate they continue to tell me that they wish the politics in respect of this issue would end and that the parties would work together to try to find meaningful solutions to try to resolve what is indeed a national and an international problem.

The people in my electorate are sick and tired of the politics. When this House broke up for the winter recess just a few weeks ago and we were at a deadlock with respect to
this very issue, the one message that came back to me time and time again was that people wished that the House had continued to debate the issue until a resolution had been reached. In doing that, what they did not want to see was any more lives being lost in respect of the very issue we are debating. They wanted to see the people-smuggling business ended and they wanted to see the people smugglers brought to account. The community is indeed sick and tired of the politics associated with this issue. With respect to the comments from the members opposite it is clear once again that that is all they are really doing. The community is not interested in rhetoric. The community is interested in the matter being resolved in a responsible way and not having the coalition come into this chamber, as they have done again today, playing their political stunts with respect to this MPI.

The motion itself seems to be at odds with what it is saying. On the one hand it talks about the failure of the government to implement policies and on the other hand it fails to acknowledge that the very policies they would like to see us implement—policies that might be effective—were blocked by the members opposite. So, if we are going to implement a full suite of policies, we can only do so with the support of other members of this House, and that support was simply not forthcoming when the government tried to implement policies such as the Malaysia agreement, which I will come to again later on.

It is also interesting that if you talk about a full suite of policies—and the Minister for Home Affairs made this point very well when he went through the recommendations of the expert panel—and you go through the 22 recommendations one at a time you start to see that for most of those recommendations there was no support forthcoming from members opposite. You want a full suite of policies, and the House has one presented to it by an independent expert panel, and who opposes it? The members opposite. Again, I will come back to some of that a bit later on.

It just highlights the shallow arguments and the double standards put forward by the members opposite. They are prepared to come into this House, as they have done again today, and talk about perhaps two of their critical policy areas that they argue the government should have adopted as part of the policy response to this issue. The first is that we should be turning back the boats. With respect to that issue, the coalition have shown that they have no regard whatsoever for the lives of the people on board those boats, let alone the lives of the Australian Defence Force personnel who would be required to do this. In fact, the issue of turning back the boats was considered by the expert panel and it was rejected on the basis that there are not adequate conditions in place to enable that to occur safely.

The other issue they talk about with respect to their polices—and the policies that they believe are the full suite of policies that we did not implement—is the issue of temporary protection visas. With respect to the issue of temporary protection visas, again, it was notable that the independent expert panel did not recommend the reintroduction of temporary protection visas. It is also notable that, at the time that the Howard government had those policies in place, temporary protection visas afforded only a three-year protection process. They did not provide any access to services in this country for people on them and nor did they provide for the family reunion sponsorship program that was in place at the time. As a result of not having those provisions attached to TPVs, we saw families, including women and young children, try to make the dangerous journey of coming to Australia.
We also saw lives lost possibly as a result of having that very policy in place. But I highlight that it was interesting that, of all the 22 recommendations the independent expert panel put to the government, TPVs were not one, and nor was turning back the boats, given that we do not have the appropriate conditions in place right now. Yet members opposite continue to come in here and say that they are the policies we should have adopted. It is interesting that, in saying that, they are rejecting the advice of the independent panel.

The independent panel was put together and commissioned by this government when the deadlock was reached. It was an independent panel made up of Angus Houston, Paris Aristotle and Michael L'Estrange, people who I believe members from all sides of this House would have the utmost respect for. I have never heard members opposite criticise the ability or competence of any of the members of the expert panel. Yet those opposite do not accept that their recommendations are appropriate. They say we should ignore the recommendations of the expert panel. Yet those opposite do not accept that their recommendations are appropriate. They say we should ignore the recommendations of the expert panel. In fact, if my recollection is correct, even before the expert panel handed down its findings the members opposite said that they would ignore its recommendations, because they knew better.

In the six weeks the expert panel was given to do its job, it consulted widely with every major sector in the country—government departments, NGOs, refugee communities and academics. Indeed, I understand that it received some 550 written submissions. That is how much effort they put into putting together a policy that was going to be effective, before bringing it back to the government.

I would like to quote from the foreword of the report of the expert panel:

We believe that the only viable way forward is one that shifts the balance of risk and incentive in favour of regular migration pathways … That is exactly what the panel did in their recommendations and yet members opposite again choose to ignore that. I highlight that amongst their recommendations the panel recommended increasing to 20,000 places the humanitarian program we have in this country, developing bilateral cooperation on asylum seeker issues with Indonesia and Malaysia, developing legislation to support the transfer of people to regional processing arrangements, including on Nauru and Manus Island, and reviewing the refugee status determination and joint operational guidelines for managing search and rescue activities in the region. That sums up the key recommendations that I might have time to speak to.

The point I make about the work of the independent panel is that their formula was very simple: you create incentives for people to follow due process; you create disincentives for those who do not. The issue here is that, whilst the coalition come into the House and attack the government for this policy, what they are really doing is attacking the work of the independent panel, because they are attacking the 22 recommendations which were put forward to the parliament and which the government has in fact adopted. If you are going to criticise the government, then bear in mind, members opposite, that what you are really doing is criticising the work of the independent panel, who put their time and effort into developing a comprehensive policy that I believe deals with all of the issues.

I want to bring to the House's attention some of the facts. At the moment we are dealing with over 42 million people who are displaced around the world. Of those, about 3.6 million are in the Asia-Pacific region; 15
million are defined as refugees and one million are asylum seekers. That is the nature of the problem that we are dealing with. We are also dealing with a problem where most of the people come to this country from Afghanistan, Sri Lanka and Iran—all countries which are in turmoil and conflict right now and all countries from which most of us, if we were living there, would dearly love to get away. This is an issue that deals with the lives of real people, who are often traumatised as a result of where they are living and by their journey to this country. Those people are often women and children. The issue needs to be dealt with in a responsible way, and that is what this government is doing. (Time expired)

Mr CRAIG KELLY (Hughes) (16:40): I rise in support of the comments of the members for Cook, Stirling and Herbert in today's matter of public importance, 'The failure of the government to implement a full suite of successful border protection policies'. And what an absolute failure it has been. The failures of this government—their reckless spending, their record debt, their waste, their mismanagement—will be remembered by this nation for many decades to come.

History will record Labor's policies on asylum seekers and their undoing of the previous coalition policies as one of the most monumental policy failures in our nation's history. We all know the history, but it is worth recalling it for those on the other side with short and selective memories. In 1999 people smugglers sent 3,721 people on 86 boats seeking asylum in Australia. The following year people smugglers sent off another 2,939 asylum seekers and in 2001 the number grew again, with 5,516 people making that dangerous voyage on 43 boats. During that time we had lives lost. Over 353 people were drowned at sea during that time making that crossing.

We should never forget that one of the most vocal critics of the situation at that time and the policies of the Howard government was the current Prime Minister, who infamously said, 'Another boat arrival, another policy failure.' So what happened? The Howard government took the necessary steps with a three-pronged policy: (1) offshore processing on Nauru, (2) temporary protection visas for those found to be genuine refugees and (3) turning the boats around where possible. There were times when that was possible. There were several occasions, which we often hear denied, where those boats were turned around.

The suite of those three policies combined worked. The numbers speak for themselves. If we look back to before the policies were introduced, between 1999 and 2001 over 12,000 asylum seekers arrived by boat. But in the entire seven-year period when that suite of three policies was in place just 278 asylum seekers arrived—an average of fewer than 50 a year. The facts are that the Howard government policies worked. Lives were saved. In the seven years after their introduction not one single death at sea was recorded.

But we know what happened then. With the election of the Labor government in 2007, all three prongs of that suite of policies were unravelled by the Labor government, to cheering of the people smugglers. And look what happened. Since then, we have seen 25,000 asylum seekers arrive on our shores, with 1,000 people dead, having drowned at sea. The cost to the Australian taxpayers is now approaching $7 billion. We have seen asylum seekers riot at Villawood detention centre, setting fire to nine buildings, including a medical centre and dining hall. In July last year, we witnessed the spectacle of our Australian Federal Police having to fire tear gas and beanbag rounds at asylum seekers on Christmas Island after riots broke
out. We have seen the embarrassing adventures of Captain Emad, where a people smuggler was able to disguise himself as an asylum seeker and was operating within a few kilometres of Parliament House.

Look at the cost—a $4.7 billion blow-out over the last three years, $4.7 billion that could have been spent on so many other needy causes in our society. If we average this out, it is a cost of $188,000 per asylum seeker. We know that Labor plans to sack several thousand public servants to try and deliver a surplus. That $4.7 billion blow-out could pay the wages of over 70,000 public servants for a year. But that money is now gone, wasted by the failed policies of this government on asylum seekers.

And the costs go on. Since the last figures were published in the mid-year budget update in November last year, the contract to staff Australian detention centres has blown out by $638 million. The cost went from $1 billion to $1.6 billion due to Labor's failure to reintroduce the three policy pillars that were successful in the past. And the number of unauthorised arrivals continues to grow. On top of that cost, we also have to add the $1.3 billion cost for the increase in humanitarian aid arrivals—and that is before the cost of reopening Nauru, which should never have been closed in the first place. The cost of opening Nauru and Manus Island is $2.3 billion—$2.3 billion that could have been spent on so many other worthy causes has now been taken out of the economy. And the costs go on and on.

The report entitled Settlement outcomes for new arrivals released last year by the Department of Immigration and Citizenship found that five years after settlement in Australia 94 per cent of Afghan refugee households were still receiving Centrelink benefits. Likewise, 93 per cent of households from Iraq were still receiving Centrelink payments five years after resettlement. A report commissioned by the immigration department last year found that some refugees are sending welfare payments received from the Australian taxpayer back overseas as part of a multibillion-dollar industry to help relatives in their home countries. The report estimated that up to $6 billion flows out of Australia every year in payments to people overseas.

The costs go on. This year alone free legal advice for asylum seekers is going to cost Australian taxpayers at least $60 million. This is happening at a time when Australian citizens are being denied legal aid and, worse, the federal government has recently increased all court fees, trying to raise another $100 million. The Law Council has said these increases in court fees 'have a significant impact on access to justice', 'substantially increase the cost of the justice system as a whole' and are 'likely to create a further financial barrier to all court users'. So Australian citizens miss out simply because we need to pay $60 million in legal fees for asylum seekers.

Then there is the cost to the taxpayer of running 'asylum air'—the cost of transporting asylum seekers who have thrown away their passports before boarding boats to Australia. Recently released figures show that 99 per cent of asylum seekers, who need passports to fly into Indonesia before they make their voyage to Australia, had 'lost' their passports when they arrived by boat at Christmas Island. The cost to taxpayers of transporting asylum seekers around our nation was over $70 million in the last year alone. To put that $70 million cost into perspective, the government could pay for a return air ticket from Sydney to the Gold Coast for no less than 350,000 Australians.

We have seen continual denial by this Labor government. They were dragged
kicking and screaming to reintroduce the three pillars of the tried and tested policies of the Howard government, but they have refused. Only one of the three has been implemented, and we simply cannot expect Howard government results if we do not put in place the full suite of Howard government measures. Labor continue to remain in denial. How many more boat arrivals, how many policy failures, how many tragedies and how much more cost to the Australian taxpayer until Labor concedes that the Howard government had it right and to fix this problem they need to go back and reintroduce the full suite of policies? (Time expired)

The DEPUTY SPEAKER (Mr Symon): Order! The discussion is concluded.

BILLS

Consumer Credit Legislation Amendment (Enhancements) Bill 2012

Assent

Message from the Governor-General reported informing the House of assent to the bill.

MINISTERIAL STATEMENTS

Workplace Relations

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (16:50): by leave—For our children an Australia Day barbecue is not the same without having around their parents who care for them. Nor is Christmas lunch with a family member's seat vacant, or a son or daughter absent at work. We have a modern economy, but the value of some traditions does not diminish with the passing of time. Family time is just such a timeless tradition. Yet vacant seats at the table and missing barbecue cooks are a reality of modern Australia on public holidays.

Essential services must of course go on. We still need someone to serve at the petrol station. Families still want to go out to eat—someone needs to wait their table, cook their meal. All of us live in a seven-day-a-week consumer friendly retail economy—but someone has to stand at the cash register. This is the price, and the blessing, of our global, flexible and competitive economy.

But the time not spent with your children is time you never get back. We know our loved ones would prefer you spent time at home with them rather than the hours at work. Kicking the ball with the kids, helping them with homework, watching a family movie. These are the most important hours. Not the next meeting or your next hour at work. And therefore this government—this Labor government—believes that adequate compensation for unsociable hours of work is reasonable.

There are some fundamental differences that separate those of us on this side of the House from those opposite. One of them is Labor's determination to support and protect penalty rates and public holidays instead of allowing them to be rolled back or scrapping them completely, as some in our community would have us do. In Labor we believe in handing on better conditions, not worse conditions, to the next generation. We believe in protecting the most vulnerable in our society, including the low paid. We believe in the transformative power of education for all Australians regardless of their background. And we believe in better superannuation in securing the retirement incomes of our workers, along with their safety at work and indeed their take-home pay. We also believe that there are some days in our calendar that are particularly important—that are in fact special. They are days where we come together in a circle of family and friends to celebrate our shared history and customs, our milestone
achievements, our community, our family. And because we believe in these days, we recognise and respect the work performed on these days.

That is why this government does not believe in measures to reduce public holiday protections or penalty rates for working Australians. We believe that these protections and compensations should continue. Australian workers who work on public holidays ought to command our respect and our gratitude. They work so we can enjoy our leisure. These are workers who take time away from their social, community or family activities to allow other Australians to enjoy that special time. It is these workers:

- who drive buses or trains or the ferries on Christmas Day so that other families can travel to be with each other at that special time
- who work in hotels so that we can enjoy a short break at Easter
- who work in our emergency services and our hospitals so that we can enjoy care and protection and security—no matter the hour, no matter the time of year
- who staff restaurants and cafes so that families and friends can grab a drink together and spend time lunching or heading to the cricket on Australia Day
- and who help returned soldiers and their families come together in our public places of comradeship to spend time remembering and commemorating Anzac Day.

This government also recognises and respects the workers who do work when the rest of us are enjoying our own family time—whether on weekends or late at night.

Australia has come a long way since the 1950s but we should not surrender the idea of the weekend, or give up on getting the balance right between work and family time. We understand that of course some people need to work on these days to support their families. All of us enjoy our weekends—we enjoy them because they are the best days for time with family. When we play sport (or watch sport) or head to the beach, go to the movies, or just potter around in the backyard, it is typically the quality time we get to spend with those closest to us. We believe that weekends are important, and the idea that you should have to trade in that family and home time for nothing—this is not the Labor way.

These are days that cannot be simply substituted for another day in the week. Try telling a working Australian with children that they can easily swap working on a Tuesday, when their children are at school, to a Saturday with paid child care necessary to work, for no extra payment. Or that the late night shift over dinnertime, homework and bath time during the week is the same as being at work between nine and five when their children are at school. Treating every hour as having the same value may easily be made on a balance sheet, but it can never be fairly made in real life. Not all hours are equal. We understand the importance of life outside of work—of family and community, and interests and hobbies and sport and culture, and our national traditions. This identity cannot simply be traded away for nothing like economic commodities. Our identity, both individual and national, is set not merely by our work but by all of what we do, both at work and outside of work.

I note media reports today that employers in the high-end restaurant game are wanting to bring in foreign labour due to extensive labour shortages in the hospitality industry. One employer is quoted as saying this: 'I would be opening up more restaurants but I can't find the staff to do it.' Reports also confirm the low rates of pay across the hospitality industry and retail sector.
Therefore, it is counterintuitive to suggest that penalty rates are the major reason that retail is struggling, when retail wages are already amongst the lowest in Australia. Many businesses in this industry are struggling. It is also counterintuitive to say that in times of labour shortages reducing the take-home pay of workers will attract good staff. I am sympathetic to the position of all business owners in Australia who are struggling in the multispeed economy we have. I am sympathetic to the regions who identify a lack of available workers. I am sympathetic to the impact of the internet on bricks-and-mortar retail. But I say again: reducing the take-home pay of workers to deal with those problems is not the way forward.

Australia will never win a race to the bottom on conditions. There will always be a cheaper wage economy. And if cutting weekend penalties does not work, what do we do next—cut weekday pay? We will succeed with high-performance, high-quality, well-remunerated workplaces. Our people are our competitive advantage. Penalty rates are not something new. In this country we have recognised and paid penalty rates for work on weekends and unsociable hours for almost 100 years. That is why the latest attacks on penalty rates are so significant. Just like denying the science of climate change, there are those who try to argue that:

- spending Christmas Day stacking shelves so they are ready in time for the Boxing Day sales involves no disadvantage for that worker or their family
- or being unable to attend a religious service on Good Friday because you are rostered to work is fine because another worker said they’d work without penalty rates on that day.

And this remains the norm.
- In 2011 some 418,669 employees covered by collective agreements approved in 2011 had agreements that specified ordinary hours were hours worked between Monday and Friday and provided for penalty rates if work was performed outside these hours.
- As at 31 December 2011, there were 1,896,400 employees that had an entitlement to penalty rates on public holidays on current collective agreements.
- Between 2008 and 2010, 1,874,976 employees were covered by collective agreements that provided for penalty rates on weekends.

The approach is supported by the evidence.

International studies have found that Sunday work affects parent-child relationships more than any other type of atypical work. And, importantly, that parents do not appear to make up for time lost by spending more time with children on another day.

Studies have found that working unsociable hours has a negative impact on both personal and family wellbeing. For example, research in the hospitality and retail industries found that weekend work results in relationship conflict and stress with immediate family members. Studies have found that employees working at weekends have reported significantly higher emotional exhaustion, job stress and psychosomatic health problems than employees not involved with weekend work and that working late night shifts has adverse health impacts, such as an increased risk of cardiovascular disease compared to day shift workers, and adverse lifestyle behaviours, such as poor nutritional intake.

Workers who rely on penalty rates are not generally well paid—usually on around
$40,000 or $50,000 a year. Their workplace arrangements are largely based on modern award provisions, which makes securing the award safety net all the more important. Over 10 per cent of all Australian workers, or around 1.2 million workers, currently work in the retail sector and a further 777,000 Australians work in the hospitality and accommodation sectors. Of these, seven out of every 10 in the accommodation and food services sector work on weekends, and more than half the workers in the retail sector work on weekends. This compares with only a third of workers across our economy.

Given these workers are often demonstrably low paid and reliant on award protections, penalty rates make up a significant proportion of their income. For example, penalty rates comprise approximately 11 per cent of the salary of a casual restaurant worker and nine per cent of the salary of a casual hospitality worker who regularly works weekends. Even with penalty rates, full-time workers in the retail sector earn only around $51,000 per year and full-time workers in the accommodation and food services sector receive around $50,000 per year. This is only around 69 or 70 per cent of total weekly full-time average adult earnings.

There are a number of policy suggestions about how to manage penalty rates. The independent panel that reviewed the Fair Work Act this year noted that:

Perhaps the major difference with the treatment of public holidays under Work Choices was the ability to trade off penalty rate entitlements for little or no compensation in bargaining.

And it went on:

It is likely that low-skilled vulnerable workers who lost penalty rates and other protected award conditions under Work Choices AWAs have benefited [from the Fair Work system].

This government does not support the reduction of public holiday entitlements, including penalty rates, with little or no compensation. We call on the opposition to do the same—without reservation. It is not right and it is not fair. Importantly, it is false to say that improved productivity can be achieved by cutting wages for low-paid workers. In fact, cutting wages is likely to have a negative impact on productivity. We also do not support propositions that undermine the eight-hour day or that say weekends and public holidays are not important if you have not already had a full week of work—not every day is the same.

The Gillard government understands the challenges that affect many businesses in Australia—the high Australian dollar, the competition from online businesses and our changing economy caused by the cautious consumer. The Fair Work Act provides a range of options to deliver flexibility in relation to managing penalty rates. Under the Fair Work Act more than 20,500 enterprise agreements, covering 2.62 million employees, have been made since the agreement-making provision of the Fair Work Act began on 1 July 2009. Enterprise agreements can roll up penalty rates into a higher flat base rate of pay or provide for annualised salaries which takes into account a component for penalty rates so long as employees are better off overall. Individual flexibility arrangements, whether under an award or an enterprise agreement, can allow for individual arrangements which deal with penalty rates so long as the employee is better off overall.

Those who argue that the Fair Work Act does not provide flexibility should consider the following. Between 1 January 2010 and 30 June 2012 over half the agreements made under the Fair Work Act, covering almost 60 per cent of employees, contained a flexibility term which allowed penalty rates to be
varied by agreement between the employer and employee so long as the employee is better off overall. As at 30 June 2012, more than 48 per cent of agreements contained a commitment to improve productivity, 95 per cent provided for flexible engagement of employees and 72 per cent provided for flexibility in hours of work.

The government is currently consulting with stakeholders, including the state and territory governments, in relation to the recommendations contained in the Post Implementation Review of the Fair Work Act 2009. One of the recommendations is that the number of public holidays on which penalty rates are payable be limited to 11. This recommendation is one that is particularly relevant to states and territories because the issue the independent panel seeks to address has been caused by the proclamation of additional public holidays in state and territory jurisdictions. This year state and territory governments declared 13 public holidays in New South Wales, Queensland and the ACT; 12 public holidays in Victoria, South Australia and the Northern Territory; 11 public holidays in Western Australia; and at least 10 public holidays in Tasmania, depending on where you live.

In addition to days such as Australia Day, Labour Day and the Queen’s Birthday holiday, state and territory governments declared public holidays for things as diverse as Melbourne Cup Day in Victoria, Royal Queensland Show Day in Brisbane, Foundation Day in Western Australia, and Family and Community Day in the ACT. Each of these days is important to the people of that state or territory.

Today I have written to state and territory governments seeking their views about whether they support the recommendation and, if they do, which day or days in their state they suggest should not attract penalty rates. But the Gillard government is not going to say that some of these public days are more important than other public days and therefore penalty rates should not be payable for them.

There are many ways businesses increase their competitive edge, but cutting wages for low-paid workers is not the way to get ahead. We will not be supporting in the Fair Work review of modern awards the low road of paying already low-paid workers less. We will not say that hospitality workers on Melbourne Cup Day should not have penalty rates or that workers who cannot go to the Ekka with their families because they are rostered on to work are not at a disadvantage compared to other employees.

The opposition also need to come clean about whether they support this recommendation and which public holidays around Australia they think are less important than others. Labor will always fight for life outside of work and the idea that we work to live, not live to work. That is why this government’s submission to the Fair Work Australia review into modern awards reaffirms our unequivocal commitment to penalty rates being paid to workers on weekends and public holidays. I thank the House, and I present a copy of my ministerial statement. I ask leave of the House to move a motion to enable the honourable member for Farrer to speak for 16 minutes.

Leave granted.

**Mr SHORTEN:** I move:

That so much of the standing and sessional orders be suspended as would prevent the honourable member for Farrer speaking in reply to the minister's statement for a period not exceeding 16 minutes.

Question agreed to.

**Ms LEY** (Farrer) (17:07): I welcome the opportunity to respond to the minister's
statement on penalty rates and public holidays. I do find that his views appear to contradict those of the Minister for Tourism and former ACTU boss Minister Ferguson, who I understand attended a conference in Hobart recently and indicated his concern regarding the retention of penalty rates and the impact on the tourism industry. Minister Ferguson stated:

I hope the bench of Fair Work Australia has given proper regard to the input of the tourism industry in this context because I understand that is the key issue to industry at this point in time.

From the outset, it is important to reiterate the position of the coalition. We are adamant that the determination of modern awards rests with Fair Work Australia. And may I assure everyone with an interest in this matter that Fair Work Australia will continue to have a central role under any future coalition government. But none of this detracts from the coalition's very real concern about small business and for the job opportunities of young Australians.

Those concerns are well reflected in the submissions to the Fair Work review, made by, for example, the Retailers Association, the chambers of commerce, Chamber of Commerce and Industry Queensland, Business SA and the Accommodation Association of Australia as well as unions and employee organisations. The independent umpire is best placed to make a decision on the determinations contained in modern awards. We will accept the umpire's decision, and I would urge those opposite to do the same. Why would the government that created Fair Work Australia not trust its own independent umpire in this or any other matter? Fair Work Australia is a quasi-judicial body containing panel members who are drawn from industry, business and unions, representing the entire spectrum of the workplace from every perspective. Yet we have this minister today, in the middle of the review process, seeking to insert himself into such a process with this ministerial statement.

Of course the opposition supports penalty rates and public holidays. They have been part of the employment landscape throughout successive coalition governments. It is totally unsurprising. We will not be wedged and verballed with this ministerial statement here today in this House. But, if the independent umpire is taking submissions and conducting a review, we will let that process take place. We will let the review take its course, as we should. Why does this minister not have faith in his own Fair Work Australia and the perfectly legitimate process upon which it has embarked? However, I would strongly urge Fair Work Australia to factor in ramifications for the broader economy when arriving at their determination. What we do not want to see, as Frank Crean once said, is for one man's pay rise to be another man's job.

It is of concern that, despite Minister Shorten's pledge that no worker should be worse off, he will not pledge that no worker will be out of a job because penalty rates could be adversely affecting a small business. It is apparent that there is an inherent mistrust of Fair Work Australia by the minister. We have a full bench here of Fair Work Australia considering the issue of penalty rates, yet the minister cannot wait for them to deliver a verdict. Instead he is intent on jumping the gun and telling them how they—an independent body—should respond. Their verdict should be based on common sense, as I am sure it will be, assessing the impact of broader economic benefit when they determine what equates to a fair day's pay on a public holiday or the correct penalty rate environment.

The coalition is two parties of aspiration. We believe in reward for effort, in rewarding
those who work hard. We have a 10-point plan for business. We believe in supporting families. Those opposite, however, have presided over a 17 per cent increase in the cost of child care since Prime Minister Gillard came to power. Labor's paid parental leave scheme does not pay parents at their replacement wage. Instead it offers up just the minimum wage. This is leaving thousands of families worse off, as they have budgeted their mortgage and car repayments on actual salaries, not on one parent earning a minimum wage. Their paid parental leave scheme also omits superannuation contributions, meaning that Australian women are left even worse off than their male counterparts—$50,000 worse off by the time they retire, according to research undertaken by Suncorp.

Now, it is well and good for this government to hang their hat on penalty wages this week, but that does not prove their commitment to the best interests of Australian workers, families and business. The significant fee hikes necessary in child care have been the result of COAG reforms designed by those opposite. The carbon tax has seen electricity bills skyrocket. So families and businesses are really doing it tough under this government with its economic mismanagement.

On this theme I would like to remind the House that the Treasurer promised to create 500,000 new jobs in the 2011 budget—just two budgets ago. Regrettably, the Treasurer has since had to backflip on this promise and after 15 months only 57,600 more jobs are evident. I personally think those opposite would do better to focus on job creation and ensuring that they meet their own promises, instead of creating this quarrel against a decision yet to be made by a creation entirely of their own making. I conclude by saying we trust Fair Work Australia to proceed through its deliberations, and we do not anticipate that the minister's intervention today will make the slightest bit of difference.

**BILLS**

**Industrial Chemicals (Notification and Assessment) Amendment Bill 2012**

Report from Federation Chamber

Bill returned from Federation Chamber without amendment; certified copy of bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

**Third Reading**

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (17:14): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**Australian Charities and Not-for-profits Commission Bill 2012**

**Second Reading**

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Wyatt Roy (Longman) (17:15): I continue in this second reading cognate debate on the Australian Charities and Not-for-Profit Commission Bill 2012. What this Labor government is telling the not-for-profit sector is that they need a watchdog to promote transparency and trust. In a sector that has given no reason for such distrust—and in a sector that has the overwhelming
support of the general populace—this move has come from left field. The government has provided no evidence or identification of suspicious activities that would warrant such a heavy-handed approach.

This bill provides the commission with wide-ranging authority to conduct activities such as issuing warning notices, issuing directions, entering into enforceable undertakings, applying to the court for injunctions, suspending or removing responsible entities and appointing acting responsible entities. In effect, this means that the commission will have the power to revoke the registration of any registered entity without appeal, which is a concern to the many stakeholders.

Deputy Chief Executive Officer of the Australian Council of Social Service, Dr Tessa Boyd-Caine, highlights that the provisions make no allowance for the commission's deregistration decisions to be delayed until an appeal is heard. She says:

"Because there is no capacity to stay a decision in that area, we see potential for organisations to be deregistered in advance of capacity for appeals in advance of administrative review of decision making that might well overturn a decision."

This bill is trying to stifle our nation's culture of giving and volunteering and it is trying to penalise those who are going above and beyond. The Australian Charities and Not-for-profits Commission would be established with such far-reaching powers as to make it one of the most powerful Commonwealth regulators.

This legislation has been resoundingly condemned by the sector itself. This could come as no shock to those opposite in light of the extremely limited stakeholder engagement process the government went through for this legislation. A mere nine working days were provided to stakeholders to make submissions on the bill. With such blatant disregard for the input of stakeholders, one can only imagine how little the sector's views were taken into consideration in the final draft of this legislation.

But even with such limited opportunity to provide feedback, stakeholder submissions demonstrated an overwhelming disappointment with and disapproval of the legislation. Overwhelmingly, submissions indicate that this bill will result in a massive regulatory burden. The Australian Council for International Development stated in their submission:

"There looks to be a very real possibility that there will be an increase in red tape for charities with the introduction of the ACNC ..."

The Australian Council of Social Service points out:

"The Bill does not yet contain any provisions that make it explicit that the reduction of unnecessary compliance and regulatory burdens is a core object of the Bill, nor does it identify these kinds of reforms as policy directions or drivers of the ACNC's purpose or activities."

Financial Services Australia's Senior Policy Manager Eve Brown identifies:

"The bill therefore creates a new layer of regulation that applies to trustee companies and public trustees as trustees of registered entities. This is unnecessary and incompatible with current federal, state and territory regulation schemes."

The Housing Industry Association stated in its submission:

"Governments do not need new legislation or the ACNC to control NFPs' accountability for and management of any government grants they may receive—the current system of contract law is perfectly adequate."

When I consider some of my local housing service providers and the work that they do, I am deeply concerned by any regulation that will take them away from their service to my local community. Every minute spent in filling out paperwork and jumping through
bureaucratic hoops is a minute less they can spend finding housing, food and goods for those in need.

This is not to say that some changes in this sector will not be beneficial. Earlier this year the coalition announced its commitment to establishing a small educative and training body for the not-for-profit sector. Unlike the bill that we are debating here today, this initiative would not be a heavy-handed regulatory body that adds to the red-tape burden for charities and the not-for-profit sector. The coalition would not seek to change the way that not-for-profit organisations are viewed and it would not create disincentives for volunteers to be involved in not-for-profits. The coalition is committed to empowering this sector so that it can continue to thrive, for we on this side of the House understand that the not-for-profit sector adds vibrancy and richness to our society that could not be gained any other way.

Mr TEHAN (Wannon) (17:20): I commend the member for Longman for his excellent speech on the Australian Charities and Not-for-profits Commission Bill 2012 and the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012.

What do we have before us? We have more Gillard government incompetence. Only this government could set up a commission to reduce red tape that will actually create it. Its incompetence knows no bounds.

An opposition member: Incompetence on steroids!

Mr TEHAN: It is incompetence on steroids. If this was a one-off you could say, 'Okay, we can sort of understand.' But it is not a one-off. Look at what we had last week. We had a bill before this parliament on which the Minister for Sustainability, Environment, Water, Population and Communities had to rush in amendment after amendment because, when it was first introduced, it wanted to ban the use of fishing rods. It wanted the minister to be able to prescribe that he could ban the use of fishing rods. That is how incompetent it was.

Again we have the minister who has become famous in this place as the minister of the clawback. Every time she has spoken in this place it has been about clawing back. Now what does she want to do to community organisations and charities? She wants to break their backs. She wants to use red tape to break their backs. This is what she is all about. Forget the clawback. This minister wants to break their backs. She wants to get red tape and regulation and break their backs.

The sad thing is that this commission has been set up to do the opposite, yet it is just going to, sadly, burden community groups, who do fantastic work, who bind together. I must say that whenever I travel around my electorate nothing makes me prouder than seeing the work these not-for-profit organisations and charities do. What is their reward for their giving? This government is going to saddle them with red tape which is going to make their lives harder. As the member for Longman said, every minute that they spend on this additional red tape is a minute that they are not doing the valuable work that they do within our communities.

If the government had a good conscience it would take this bill back and say: 'We got it wrong. We haven't done a proper job. We haven't consulted properly.' Nine days of rushed consultation has led to this bill. Take it back, start again and do the process properly. Surely you can learn that what leads to gross incompetence is rushing stuff before this parliament. We have seen it time after time. So step back and say, 'Okay, we're...
big enough to admit we got it wrong,' and start again.

I will just give you an idea of all those who have problems with this bill before us today. I think it is worthwhile for the House to hear about these groups, because they are not the sort of groups who raise concerns about legislation on a whim. If they are concerned about it, the government should stop and listen. We have Add-Ministry Inc., the Anglican Diocese of Sydney, Australian Baptist Ministries, the Australian Catholic Bishops Conference and the Australian Conservation Foundation—a key supporter of the Minister for Sustainability, Environment, Water, Population and Communities and of the government. We have the Australian Council for International Development, the Australian Council of Social Service, the Australian Institute of Company Directors, the Australian Institute of Public Directors, Carers Australia, Catholic Health Australia—

Mr Tudge: Vinnies as well!

Mr TEHAN: Vinnies as well. And what wonderful work Vinnies do. Yet what are they going to do to Vinnies do. Yet what are they going to do to Vinnies means that, instead of doing the wonderful charity work that they do, they will be filling out paperwork. They will be smothered with red tape. We have Surf Life Saving New South Wales, the Salvation Army in Australia, the Smith Family, the Uniting Church in Australia, UnitingCare, World Vision Australia, YWCA Australia and Neumann & Turnour Lawyers. And I am sure there are many more.

Mr Tudge: Unions?

Mr TEHAN: I am not quite sure about the unions, but if you say so.

Mr Tudge: It doesn't cover the unions.

Mr TEHAN: It does not cover the unions?

Mr Tudge: Funnily enough!

Mr TEHAN: Why doesn't it cover the unions? That's a surprise! They obviously were able to go to the government and say: 'We don't want this amount of red tape put on us. We don't want our backs broken by red tape. Please exempt us.' Why didn't they do the same for the accountants, the lawyers, the church groups and the charity groups? I do not know. It is a good question—maybe we will get some answers when those on the other side speak on this bill. Or maybe they have run out of words now and they just want to usher this through as quietly as they can.
This bill is opposed by all those organisations and more, and the reason it is opposed is that it will drown them in red tape. We must ask: what is the government's motive, what is it driving at here? Why did it set up this commission? Is it trying to regulate these not-for-profit organisations and charities so that, after they are brought into this commission, the government will have the ability to tax them? Is this a plot to help try and achieve their fanciful budget surplus? They are prepared to attack these community groups, these not-for-profit organisations and charities, to try and obtain their budget surplus because of all their wasteful spending. Is this what this is all about? It is hard to tell, but hopefully we will get an idea.

The other thing which is important to raise here is that this cannot work without the states. If the states are not involved in this it will not work. What consultation was done with the state governments? My understanding is that none was done. The states have made it very clear that they do not want to go down this path because they do not want to burden these organisations with extra red tape. They understand that you do not set up a commission to reduce red tape that actually increases it. They do not want to head down the path of incompetence. That is why the government has not consulted with the states and has not been able to get them involved.

It is not only the burdening of these organisations with red tape which is of concern to us on this side; it is also the powers that this bill gives to the commission. The worst power of all is that, if the commission decides, it can revoke any registered entity. Where is due process here? What are the mechanisms for these community organisations or charities to say, 'Enough's enough. We're not going to let this big, regulatory body come in and crush us'? What if they say, 'No, we are not going to put up with it'? They could have their licence revoked as a registered entity. It is not only going to smother them; there is a big stick waiting there to whack them. No wonder the unions did not want to be part of this. Instead it is left for our poor old community organisations and charities to have to fight against this commission.

I am sure those opposite at some stage will ask: what is the alternative? Let us be clear that we have put up an alternative. We put up an alternative some time ago which is to: implement one contact with the department for each agency instead of multiple contacts; require the department to negotiate the content of the contracts with the agencies instead of simply imposing it upon them; simplify the auditing process to require only one financial report from each agency annually; and replace the current system of rolling audits with an initial benchmarking audit that has a period of five years with spot audits to be undertaken if the Commonwealth is made aware of any adverse contact on behalf of the agency. We will streamline the process. We will not set up a wonderful, big, new Orwellian commission to stifle or to create such red tape that these bodies will be spending more and more of their time dealing with the red tape rather than being able to do the wonderful charity work that they do.

Let us just stop for a minute and think back. As this new commission is being set up to break the backs of these charities and these community organisations with red tape, let us remember the commitment that this government gave in 2007. For every piece of red tape that was going to be introduced they were going to take one out. Where has that got to? What happened to that commitment? It has disappeared. It has absolutely disappeared. Now what we are seeing from this government is that, at every opportunity,
they are increasing red tape and green tape wherever and however they can. I will say that this needs to stop because, if this government continues unabated, this country is going to drown in red and green tape.

I would say to the minister for clawback: forget about the clawback and concentrate on not breaking the backs of our charities and community organisations. If you keep doing it you are going to absolutely eat at the fabric of our society. These groups do such wonderful work within our communities that you should be doing everything you can to encourage their work, to help them with the great work they do, to help them raise the moneys so that they are able to give to those who are needy in our community, and to help those community organisations which keep our clubs and organisations going. They deserve government support. They do not deserve a government which wants to make it harder for them every step of the way.

I ask you again, step back, and think again. Say, 'This legislation is not going to do the job that it set out to do.' This is not a commission to reduce red tape; this is a commission to increase it. It is going to lead to perverse outcomes. It is going to do exactly the opposite of what it has been set up to do. Halt, stop, think and realise that this is another incompetent piece of legislation which has been rushed. Stop, step back and adopt the coalition way, because you can do this in a simpler and neater way which will enable these organisations to continue doing the great work that they do.

Mr RUDDOCK (Berowra) (17:35): I wanted to speak on this matter because I am very concerned personally at what I think will be the outcome of the proposal to establish a new statutory office, the Charities and Not-for-profits Commission, which will be the Commonwealth regulator for the non-profit sector. My concern is that of a person who will have been in public life for some 39 years next weekend and as somebody who has been involved with voluntary organisations. I am somebody who has seen voluntary organisations struggle to pursue their fundraising activities and their administration. Often the amounts of money are quite modest, and there is never enough money raised to employ professional staff. My principal concern is that these people, who are going to be involved in running these voluntary organisations that are so much a part of our communities, are going to be concerned about whether they can leave themselves and their families exposed to the risks that this legislation will place upon them.

I cannot understand for the life of me why we would want to put upon those volunteers that level of accountability that is going to, in many cases, lead to the closure of very important community based organisations. So it is important to look at what is being proposed because the legislation, as I understand it, which was designed to initially deal with the problems that arose as a result of the High Court decision in relation to the sorts of bodies the government could fund and support led to the government seeking to put in place special conditions for income-exempt entities to: provide they must be operated principally in Australia and for the benefit of the Australian community; standardise the other special conditions that entities must meet to be income-exempt entities to: provide they must be operated principally in Australia and for the benefit of the Australian community; standardise the other special conditions that entities must meet to be income tax exempt such as complying with substantive requirements in their governing rules; and, being not-for-profit entities with some exceptions, standardise the term 'not-for-profit' replace it with a defined and, might I say, undefined use of 'not-for-profit' through the tax laws to codify the Australian special conditions for deductible gift recipients.
This range of measures, which the government announced in the 2011-12 budget, including the creation of the Australian Not-for-profit Commission, which was originally to come into operation on 12 July, is a part of a total regime involving the Commonwealth in administering some 600,000 entities in the not-for-profit sector. It has been estimated that about 400,000 may access Commonwealth tax concessions through endorsement processes or by self-assessment at the moment.

ASIC has a smaller role in the regulation of the not-for-profit sector at the Commonwealth level. It is currently responsible for regulating approximately 11,000 entities incorporated as companies limited by guarantee. ASIC also regulates the professional trustee companies as well some charities which are incorporated into other types of companies under the Corporations Act. The state and territories regulate incorporated associations and charitable trusts through public and private ancillary funds that are regulated at a Commonwealth level. The states undertake the rest as well as the fundraising activities and imposing some reporting and governance requirements on entities that receive state and territory funding.

Not-for-profit agencies have raised this very issue that I have spoken about—that is, the issue of reporting requirements that are inconsistent, increasingly and excessively complex and burdensome across the sector, requiring these agencies to direct resources away from front-line services and towards complying with the needs of government. The sector is concerned that there is also currently no single reference point for the non-profit sector to access information and education and that is why the coalition has supported a small commission to engage in innovation and advocacy.

But that does not mean you need to have this very significant regulatory approach. What is happening is Labor is reversing the arrangements that are presently in place. It is saying we need a watchdog to promote transparency and trust, that the community trust sector is presumably doing something wrong and that community based organisations are presumably doing something wrong. But, for my part, there has been no identification by the government of the mischief that it thinks warrants the suite of powers that will be granted to this new commissioner. While the government has claimed that it will consult further on the content requirements, it is quite clear that these will involve very considerable additional requirements of what are, in the main, the sort of charitable organisations that all of us are familiar with in our electorates and constituencies.

The bill does provide that this commissioner will have a range of enforcement powers. These powers have been modelled, as I understand it, on those given to other regulators such as ASIC, the Australian Prudential Regulatory Authority and the Australian Competition and Consumer Commission. The bills provide that this new body will have authority to issue warning motions and notices, to issue directions, to enter into enforceable undertakings, to apply to courts for injunctions, to suspend and remove responsible entities, and to appoint acting responsible entities. This is in relation to the local P&C. This is in relation to the group of mothers that raise money for Save the Children.

I look at and think about the nature of the voluntary sector in my electorate and the obligations that are being imposed upon them and I ask myself why. It is remarkable that we have heard a great deal about what has been happening in the trade union
movement. Trade unions that handle very much larger sums of money, pay people very large salaries—sometimes much more than members of parliament, as I understand it—are not hit with these sorts of regulatory arrangements. If they were—

Mr Stephen Jones: Their compliance is higher.

Mr RUDDOCK: No, their compliance is not. You have only seen it through the inquiries that have been undertaken in the malfeasance that has been occurring. Yet we hear no allegations of the sort that we have heard in relation to the trade union movement, in relation to the voluntary sector. This is a very considerable concern to me. The sorts of entities we are speaking about are charitable institutions, religious bodies, scientific institutions, public educational institutions, charitable funds, charitable trusts, clubs established for community service purposes, employer and employee associations, public hospitals, clubs established for sports generally and clubs established for musical purposes. The regulations that can be proposed are particularly broad.

It is not as if the government has not been warned about this matter. The stakeholders have been quite vociferous in making the points of concern that they have. What we heard from PilchConnect is that this imposes a very high burden upon cross-border philanthropy. World Vision has said that the measures are too onerous and unclear. World Vision also said that the government should remove these provisions or, in the alternative, that they should be more tightly drafted to identify the mischief that the government is concerned about or to allow reliance on a statement that funds will not be applied offshore. There were concerns expressed as to effect by some legal advisers. It has been argued that donations of funds to another organisation should not jeopardise the tax exempt status of particular bodies, particularly when they have a wider role. There have been calls to clarify that misuse relates only to the extent of misuse and for the financial year in which it occurred. Stakeholders have sought clarification on the time limit for tracing and clarification about having to guarantee that funds are spent. The Uniting Church has expressed concern about the prescribed conditions for the power to disregard the use of grants. These matters are of very considerable concern.

The regulatory burden has been raised with key stakeholders by the opposition. These charities and not-for-profit organisations, which are struggling to meet the demands of providing the services that they now provide, are concerned about these questions. We also have the potential for several layers of authority unless the states and territories agree to hand over their powers to the Commonwealth. I am one of those who has argued very strongly over time that there should be greater harmonisation of Commonwealth and state laws, but it appears that these matters have not been discussed or worked through with the states and territories at this point in time. It is the Commonwealth going its own way and saying to the states, 'It's our way or no way,' as it seems to me.

The stakeholders have expressed concerns that the powers and penalties contained in these bills are heavy-handed and that they will deter members of the public from taking up voluntary roles. It is not just me that has identified that factor. Sector agencies have raised issues in relation to reporting requirements and governance standards and they see enforcement powers that are inconsistent with and overlap the common law of trusts as well as state and territory legislation. This is going to increasingly become an issue in which there will be the
potential for considerable resort to legal advice to find out how these new arrangements are going to operate, with the broader community that is involved in charitable efforts being faced with state agencies giving them advice on the one hand, as against the Commonwealth charitable body dealing with them on the other.

What has been remarkable to me has been that this government relies very heavily upon the advice from David Gonski in relation to the education area and yet he, as the Australian Institute of Company Directors chief, said that Australia may be: ... the first country in the world to make being on a not-for-profit as a director more onerous than being on a for-profit.

I think that is a particular concern. I think the government, rather than pressing on with this legislation at this time, for the purpose of, it seems to me, filling the parliamentary program, ought to withdraw the measures. It ought to constrain the extent to which this covers voluntary organisations. I think the government has made a very wrong call about the way in which voluntary organisations work in Australia by imposing burdensome requirements of this sort upon them.

I have been involved, as have many people in this chamber, with political organisations that are faced with regulatory requirements in relation to our own fundraising activities. We rely upon volunteers to be the treasurers of our organisations and we have imposed very significant obligations upon them. We ought to know, from the difficulties we have faced in our own organisations in getting people prepared to the treasurers, what this legislation will do to voluntary organisations in our community when they are faced with the same difficulties in finding people who are prepared to take up those responsibilities when they are so much more onerous.

Ms O'NEILL (Robertson) (17:50): I rise in support of the Australian Charities and Not-for-profits Commission Bill 2012 and the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012. There have been a number of participants in this debate over the last couple of days and I have to say that, for a sector which is held in such high esteem by members on both sides of the chamber, it might be surprising to people who have been listening that there can be such division on this issue. It seems from my reasonably close encounter with the legislation through the overview by the Joint Parliamentary Committee on Finance and Corporations that there is a resounding voice from the sector itself willing, urging and, indeed, in many cases demanding that this bill goes through in the interests of the sector and of the services they provide to the Australian community.

One of the key points we keep hearing from those opposite, who continue with this litany of fears and campaign of negativity, is a concern about red tape. Importantly, this bill provides the sector with an opportunity to have a one-stop shop, one place to which they can provide critical information about how their charity is working. It also provides a place to which the Australian community can go and find out information about the charities they so generously support on so many occasions, not just when crisis situations emerge but also as they look around their local community and feel compelled to act in support of local people and local issues.

I make these comments in the context of what has preceded this moment, where we find ourselves on the cusp of passing this legislation through the House at the end of a
period of seven reviews since 1995, five of those reviews in just the last four years. Mr Deputy Speaker, I alert you to the range of reviews that have been undertaken across this sector, with many, many committees having had a look at this and each one of them encouraging the very action we are proposing to take.

I am not the only person who believes this. I think a number of people on the other side, in their heart of hearts, agree with this issue. In 2006, a member of the Senate, warning that effective reviews of charitable status are not regularly undertaken by the Australian Taxation Office—which currently oversees the charity sector—said this:

BRW's Adele Ferguson put the potential consequences of this benign regulatory neglect more starkly, observing:
Without adequate supervision or transparency, the not-for-profit sector is a ticking bomb. It would take just two or three scandals to harm all the good that the other charities are doing. Even larger charities such as the Salvation Army concede that the sector needs reform ...

Heeding that advice, which has been repeated on many occasions since 2006, Senator Brett Mason said:
I have little doubt that the vast majority of organisations are doing the right thing and are doing great work. The problem is that we cannot sort out the many good not-for-profit groups from the handful of bad ones or those who are underperforming. It is my belief that this threatens the donor-charity trust relationship within the sector at large.
It is here that government needs to step in and provide clarity where confusion prevails.
This is in the interests of clarity and in an effort to avoid confusion and that very real concern that all the good done by the charities—and the goodwill to those charities—could be undone by a few bad eggs. Senator Mason goes on to say:

Aside from setting up an independent regulator, some of the other significant initiatives warrant thought.
That is what we have done. With further consultation—wide and extensive consultation—with the sector, we have come to these particular bills.

I want to take a moment to look at the objects of the bill. The objects of the bill have been clarified at the request of the sector, which, in a hearing before the House Standing Committee on Economics, made a number of very powerful arguments which resulted in no fewer than 13 amendments to the draft legislation, which have now formed the essence of the legislation before the House. The sector requested that the objects of the bill be made very clear. It wanted the bill to articulate that the framework to be overseen by the ACNC will be to maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector. It will promote the reduction of unnecessary paperwork, because duplications in the Australian not-for-profit sector occur. These are the intents of this bill and they are clearly the intents of the sector as well.

Why does this matter so much? Those listening might be keen to hear just how large this sector is and why it is critical, as Senator Brett Mason had indicated and as the sector itself is indicating, that we have the ACNC, this one national body overlooking our charities and not-for-profit sector. The real facts are that Australia's not-for-profit sector is quite large, certainly diverse, and is responding to a range of different needs and sectors in the community. There are about 600,000 entities engaged in economic, social, cultural and environmental work.
About 60,000 of the 600,000 entities are charities and 21,000 of them have deductible gift recipient status. That was at 21 July. Amongst that mix, about 5,000 of the charities are constituted as companies and there are about 136,000 not-for-profit incorporated associations. Currently they are registered with states and territories.

I know those opposite are making much of the fact that the states and territories are already doing this job. They are saying: 'Why is the federal government coming in over the top? Why do we need a national regulator?' Again I repeat: we need a national regulator because those in the sector are calling for a national regulator. As I said, 136,000 of them are registered with the states and there is no clarity for people who want to find out about them. There is no easy pathway for people who are contributing to these charities to find out what is going on. There are also, in addition, 440,000 organisations that are small, unincorporated not-for-profit participants. Given the size of the sector and the clear beneficial objects of the bill, it is not surprising that we stand on this side of the chamber supporting this legislation.

But we are not the only ones who support this legislation. Clearly there is support within the not-for-profit sector for a national regulator, and the introduction of the ACNC is supported by a range of groups from every possible sector. Welfare groups, social welfare organisations, healthcare providers, international aid organisations and religious entities all support this bill. The Australian Council of Social Service noted in its submission that the sector itself has 'long championed' the introduction of a national not-for-profit regulator. The Department of the Prime Minister and Cabinet has argued that the establishment of the ACNC is a result of the sector's long-term advocacy for national regulatory consistency.

From the National Roundtable of Nonprofit Organisations, we have an articulation that there are about 12 million words, 39,000 pages, on the public record in support of the case for establishing this national regulatory body. They urge us to get on with this, not to go on with the continual delay. They say:

Once again, we are at the altar of the reforms we want and need and we ask for the support of our national parliament and of the states and territories to deliver for us better and smarter regulation. We don't want to be jilted yet again.

Yet, with 12 million words, 39,000 pages, of resounding support from the sector—indeed, overwhelming requests from the sector over many, many years—we still have those on the opposite side of the chamber saying: 'No. We know better than Australia's not-for-profit and charity sector.' The breathtaking arrogance would surprise me, except that I have been here for two years and have listened to their constant carping negativity, their discussion of fear, their amplification of anxiety about the future and their determination to stop every move in a positive direction for this country.

Philanthropy Australia was one of the participants in the hearing that was most recently convened here in parliament, just a couple of weeks ago. We heard from Mr David Ward of Philanthropy Australia. This was his assessment of the current regulatory regime that those opposite seek to uphold and continually seem to argue is quite adequate for the job—despite the fact that Senator Brett Mason, I think, actually articulated very clearly what the threat of doing nothing in this sector is. David Ward said:

The current arrangements are so fragmented that the commencement of reform is absolutely
needed. … I am on a small not-for-profit run by volunteer boards which was volunteers only up until recently. It is required to produce audited financial statements, has ASIC reporting requirements, is technically regulated by one state attorney-general, has six state fundraising licences and files information to seven separate agencies.

At the other extreme there are charitable funds, claiming in excess of $1 million of franking credit refunds annually, in cash, from the ATO—totally legitimately, I would add—which are currently not required to produce financial statements, which are not audited and which report to no-one.

In our view, neither of these examples is satisfactory.

I think any ordinary Australian would consider Mr Ward's view very valid. Indeed it is not satisfactory that there are onerous requirements heaped on charitable entities that are operating across states, with a whole sector able to get franking credits to the tune of $1 million without being forced to report.

The establishment of the ACNC—its change from its current preparatory status to a fully-fledged statutory body after the passage of this bill—will make sure that that is no longer the case, that there is fair and transparent reporting.

I also want to make the point that, amongst those we heard from, there was a real desire for what the chair of the ACNC, Susan Pascoe, was articulating as a 'report once, use often' regime. It is a form of passport for all the charities and not-for-profits to be able to identify critical information, to have that information available for funding bodies that might be seeking to get money into the community to support particular causes, to be able to go to a website, find the details and the data, just as any ordinary Australian would, and for that reporting to be in a format that is simple and accessible. Once that report is established, it would be available as a working document for many, many agencies to be able to refer to.

The notion of reporting once and being able to use often is something that is extremely attractive to those in the sector who are burdened by incredible levels of paperwork currently. This legislation is Labor leading—in a way that listens to the community, that respects the voice of those who know, that listens and responds in an appropriate way to enable them to get on with the job that they want to do and that encourages the states to come on board and make sure that they make this an accessible and better-functioning sector. (Time expired)

Mr IRONS (Swan) (18:06): I rise to contribute to this debate on the Australian Charities and Not-for-profits Commission Bill 2012 and the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012. At the outset, I want to say that, in this place, we should be doing all that we can to facilitate the work of charities. Charities perform a role that is essential yet hard to quantify and sometimes ignored by governments. The health of our charities and not-for-profits reflects on the health of our society as a whole, and we must be mindful that our charities can withstand only so much regulation and intervention from governments.

Charities have traditionally been the domain of state government law, a point which I will discuss in more detail later. One of the state governments across Australia to recognise not only the importance of charities but the potential they have to deliver social benefits for the state has been the Barnett government in Western Australia.

In its 2011-12 budget, Mr Barnett won widespread plaudits from not-for-profit groups for the $1 billion social services package which included an innovative $604
million for sustainable funding and contracting with the not-for-profit sector. I was particularly pleased to see a million dollars in that budget for Youth Focus, a youth suicide prevention charity based in my electorate of Swan. I see the Special Minister of State here and I know he is a strong supporter of Youth Focus as well. He would understand that the last thing an organisation like Youth Focus would want is more red tape and more regulatory burden. We can achieve much by financially supporting these dedicated groups on the ground and we see this with Youth Focus. What the Barnett government has shown us is that supporting charities or civil society is not about hard regulatory measures. It is about facilitation, it is about enabling and it is about creating an environment in which charities and volunteers can do what they do best.

This idea of easing the regulatory burden was cited by the government as the reason for the legislation being debated by the House today. That is why, when this legislation was first announced by the then minister, Bill Shorten, the charities and not-for-profits were pleased. In fact they were positively enamoured. However, the legislation we are debating today, several years after that announcement, has turned out very differently from what was initially envisaged. It has morphed into a piece of legislation which would deliver the opposite of the minister’s initial aim.

These bills would increase the regulatory burden and have, naturally, alarmed charities and not-for-profits across the country. This is evidenced by the many substantial submissions by the not-for-profits to the inquiry of the House of Representatives Standing Committee on Economics. Ultimately, for the charities, the ramifications of the extra regulatory burdens are significant. As Dr Matthew Turnour said: Every time you introduce more regulation, you discourage more volunteers. It really can be very hard to get people to volunteer when they know that there is potentially personal liability attached. It will of course be the small charities which will struggle the most, much as it has been small businesses which have suffered most from Labor’s economic policies.

As I said, voluntary organisations can only withstand so much regulation. For the local resident who wants to start a charity, adding even more regulation might create just too much of an impediment. It is essentially for this broad reason that I oppose these bills and will cast my vote accordingly when the opportunity arises. By imposing a new federal layer of bureaucracy, these bills will make it more difficult, not easier, for charities to go about their work. That new layer of bureaucracy is being imposed despite the fact that there is no agreement with the states on harmonisation.

At stake is the future of our finely balanced Australian civil society. The volunteer wetlands groups operating out of my electorate, the ladies that run the Langford Senior Citizens Centre, the good citizens manning Vinnies in East Victoria Park—they need us to strike the right balance and this bill does not. There are many other not-for-profits in my electorate of Swan which will be affected by this legislation—the Esther Foundation; SIDS and Kids, of which I am the patron in Western Australia; Southcare; NGALA; and many early learning centres and schools. As a result of the deficiencies in this legislation, the shadow minister has said that, if the Labor government continues with this bill and forces it through the House and Senate, an elected coalition government would repeal its provisions and return us to a sensible framework which respects the demarcation between the institutions of civil
society—instutions the government should serve rather than seek to have power over.

One of the main unresolved issues of this bill is the question of federal and state responsibilities. The regulation of charities, as I said before, is traditionally the domain of the states. Therefore, unless the states and territories agree to hand over their powers to the Commonwealth regulator and harmonise their laws, these bills are going to add an additional layer of red tape for the sector to deal with. Yet we understand that the states have not agreed to hand over to the Commonwealth any of their powers with respect to charities and not-for-profits, such as their powers with respect to incorporated associations. Moreover, based on the coalition's discussions with relevant state ministers, we do not believe it is likely that they are going to submit to handing over their powers in this space to the Commonwealth in the foreseeable future. As Susan Pascoe, head of the implementation task force for the Australian Charities and Not-for-profits Commission, said:

We are only going to achieve full red-tape reduction with the involvement of the states and territories.

I recommend that the government goes back to the drawing board and consults with the states on this legislation.

The two Australian Charities and Not-for-profits Commission bills provide for the establishment of a new regulator, to be called the Australian Charities and Not-for-profits Commission. They also provide for the role of the ACNC Commissioner. This change to the current regulatory situation is in fact a reversal. Presently, the ATO and ASIC oversee and make determinations on income tax exemption, deductible gift recipient status, refundable franking credits, fringe benefits tax and goods and services tax concessions. By determining whether charities and not-for-profits are eligible for these concessions, the ATO is at present the default regulator for determining charitable status. This new regulator will have additional powers, including oversight of registration and the power to enforce reporting, record-keeping and duty-to-notify requirements. With these powers, the commission will have the authority to issue warning notices, issue directions, enter into enforceable undertakings, apply to the courts for injunctions, suspend or remove responsible entities and appoint acting responsible entities.

It is also worth noting as background that ASIC has a smaller role in the regulation of the sector at the Commonwealth level and is currently responsible for regulating 11,000 not-for-profit entities incorporated as companies limited by guarantee under the Corporations Act 2001. ASIC also regulates professional trustee companies as well as some charities which are incorporated as other types of companies under the Corporations Act 2001. ASIC also has responsibility for the registration of incorporated associations and cooperatives wishing to operate outside its jurisdiction.

The bills would grant a number of powers to the proposed ACNC and its commissioner. In the area of registration, the bills provide the ACNC Commissioner with the power to register not-for-profit entities under their type and subtype. The commissioner will also be responsible for maintaining a register keeping specified information about each registered and formerly registered entity. The bills set the framework for a set of governance standards and external conduct standards to cover such things as the conduct of a registered entity's governing rules, the conduct of the registered entity and the processes that the registered entity must have in place.
Enclosed within the Australian charities and not-for-profits commission bills is a fair bit of change and large doses of regulation. What does that mean for the charities? Charities and not-for-profit organisations will have a number of new requirements to fulfil. To comply with the registration requirements, charities must apply directly to the ACNC for registration, operate consistently within the definition of 'charity' specified in Australian law, or the requirements of any other type or subtype, and comply with prescribed registration conditions and requirements. All registered entities will be required to provide an annual information statement, with the first needing to be lodged with the ACNC by 31 December 2013. The proposed legislation will require registered entities to notify the ACNC commissioner of certain matters.

Stakeholders have expressed concerns that the powers and penalties contained within the bill are so heavy-handed that they might deter members of the public from taking up voluntary roles within the sector. These are burdensome requirements to say the least and, as I am sure members can imagine, have prompted great concern from charities across the nation. As Add-Ministry said:

... what we now have still appears to be a document that is designed to tightly control the Charity Sector with a plethora of regulatory obligations.

... we have a legal document full of red tape and inflexible regulation to show us what we must do, or risk being penalised.

ACOSS said that it is 'regrettable that cabinet determined to locate the ACNC within the framework of the law and the ATO, against the sector's advice.' From a legal perspective, John Colvin of the Australian Institute of Company Directors said:

... why should we have a system in Australia, which would make us a laughing-stock around the world, of having liabilities for volunteers greater than those for for-profits?

In WA the Chamber of Commerce and Industry went further, stating: 'CCI does not support any move for the ACNC to be the "shop front" for the NFP sector.' And, from the education sector, Reverend Brian Lucas of the Australian Catholic Bishops Conference said:

Schools constantly complain about the burden of detailed regulation. Just as it was said, for every 1½ hours of compliance you lose an hour of doing good work ...

I could go on, as it seems difficult to find a single charitable body that approves of this proposal—again, it seems that the government has not listened. Consultation is easy, but acting on the results of the consultation often is not. I see time and time again, in my role as the member for Swan, government bodies put out a document for consultation when they really have already made their minds up and are just looking for someone to rubber-stamp the project—as is the case with this legislation. It is tokenism at best.

I know that, in the case of these bills, key stakeholders have described the consultation process for the ACNC as having been excessively secretive and unnecessarily rushed, with not-for-profit agencies in some cases being provided with as little as nine working days to make submissions on important aspects of the exposure draft. Nine days is not long enough for a consultation on such a substantial piece of legislation. It makes one wonder whether the government was really interested in what people had to say. Still, in that short space of time dozens of submissions were received, as can be seen by many of the quotes read into Hansard from members on this side of the House. We heard the member for Wannon list at length the corporations and not-for-profit and charity organisations that oppose this
legislation. It is clear from the legislation we are discussing today that the government has not listened to the charities, which is a great shame. One of the areas we in my electorate office take pride in is the number of surveys we run on local issues to consult with constituents. Ultimately, we listen to what they have to say and do our best to help our community.

I will mention briefly another relevant bill, the Tax Laws Amendment (Special Conditions for Not-for-profit Concessions) Bill 2012. This bill stems from the Commissioner of Taxation's unsuccessful 2008 High Court case Commissioner of Taxation of the Commonwealth of Australia v Word Investments Ltd and is in essence an attempt to change the 'in Australia' requirement. Briefly, Word Investments, a tax-exempt charitable institution, carried on a funeral business and also received donations. It paid its profits to another organisation, also an income-tax-exempt charity, which used its funds in overseas missionary activity. Under this bill, the 'in Australia' test will require tax-exempt entities to operate principally in Australia and pursue their purposes principally in Australia. The controversial amendments relate to situations where a tax-exempt institution provides money, property or benefits to another entity that is not itself an exempt entity, a so-called 'conduit not-for-profit entity'. In this situation, if the entity uses the money, property or benefits outside Australia, the exempt entity must take that into account in determining whether it is operating principally in Australia.

As one can imagine, charities have raised concerns about these provisions. World Vision, for example, has said that they are 'too onerous and unclear' and 'the provisions should be more tightly drafted'. I can see potential problems for a range of charities. With their links to the UK and the work that they do for the lost innocents, I can imagine that Care Leavers Australia Network might potentially run into some difficulties with this provision.

To conclude, there is significant concern here about the regulatory burden that will be faced by charities across the country should these bills go through. I think the government has recognised some of the problems in the legislation, and there is talk of some 15 amendments being drafted at the moment. The time to debate these amendments will no doubt come, so there is still some degree of uncertainty with respect to this legislation. I note, at the end, that the New Zealand government is currently in the process of undoing its equivalent legislation in that country.

Mr OAKESHOTT (Lyne) (18:21): I have listened closely to this debate and followed the progress of the Australian Charities and Not-for-profit Commission Bill 2012 and the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012. Whilst respecting all members in this chamber, there are some arguments that have been presented that I just cannot accept as valid. One of those is an argument that we heard from the previous speaker, that the legislation is rushed. I would suggest to the House that six reviews into the regulation and taxation of the not-for-profit sector in Australia over the last 16 years is anything but rushed. The time has come for greater coordination and to have some consistency built into the charities and not-for-profit sector. Likewise, an argument I have heard in this debate is that this legislation is somehow tokenistic. In my view, again, coordinating the not-for-profit and charity sector and building consistency into what is a fragmented regulatory framework is hardly a tokenistic policy.
Likewise, the third argument I have heard presented by several speakers is that this is somehow an incursion on states' rights. Listening to the arguments presented when we hear those claims in this chamber, I feel we have drifted back to the days of George Reid and Edmund Barton and to the point of the very existence of this chamber. Everything we do could be built as a case of an incursion into states' rights. The question, though, is: are we nation building by doing what we are doing and are we contributing to the commonwealth by having a Commonwealth that builds harmonised and coordinated approaches to issues of importance on the national agenda? While any claim can be made on any piece of legislation in this chamber that it is some sort of incursion on states' rights, let us put to bed the arguments of George Reid and why we even have a Commonwealth and let us get on with the job of nation building.

In my view, the historic legislation being presented to the chamber today is nation building. The not-for-profit regulatory framework has for many years failed to meet the needs of the sector itself and the community of Australia. It has not met the needs of government or the needs of the Australian public. In my view, the regulatory framework is inconsistent and fragmented, it is uncoordinated with regulatory responsibilities spread across a range of government agencies, it produces complex reporting requirements which sometimes overlap—and that is a waste of time for everyone involved—and it provides inadequate public information. The engagement from community as to what is a charity in Australia, what is the not-for-profit sector and how does someone participate in that sector is really difficult to establish. So there are problems in the existing regime.

Worse, the regulatory burden faced by not-for-profit entities diverts the very scarce resources of those entities away from the intended targets towards administration and compliance. Anyone who is arguing against this piece of legislation, therefore, is arguing a case for administration and compliance burden on the not-for-profit sector in Australia. In my view, the existing regime has elements that are a waste of public money, a waste of private donations and a waste of time for the many people involved. Fragmented and inconsistent information, coupled with a lack of publicly available information, deters the culture of philanthropy in Australia.

As I said before, there have been six reviews into the regulation and taxation of the not-for-profit sector in Australia over the past 16 years. The time has come for this legislation. A consistent theme of these reviews has been that the regulation of the sector could be improved by establishing a national regulator and harmonising regulatory taxation arrangements.

In as late as 2010, the Productivity Commission said that sound regulation of not-for-profit entities is important to build and maintain trust in the sector. The Productivity Commission said a number of previous inquiries and reviews had identified concerns with the regulation of not-for-profit entities but few recommendations to date had been implemented. The Productivity Commission said the not-for-profit sector would benefit from the same attention that has been paid to simplifying and improving business regulation. Again I say to those opposed, if it is good enough for business regulation to be nationalised and harmonised, why is it not good enough for the not-for-profit sector to be nationalised and harmonised?

The Productivity Commission said the current regulatory framework for not-for-profit sector entities is characterised by
uncoordinated regimes at the Commonwealth level and at state and territory levels. That is not an argument for the Commonwealth to back out; that is an argument for the Commonwealth to step up, to harmonise and coordinate what is a fragmented market that goes back to the days of state and territory levels running the show. The Productivity Commission also said that disparate reporting and other requirements add complexity and cost, especially for organisations operating in more than one jurisdiction. So the Productivity Commission recommended a national registrar acting as a one-stop shop to bring together current Commonwealth regulatory functions, including tax endorsement, in the incorporation of not-for-profit entities. A national registrar would provide a national registry for cross-jurisdictional fundraising organisations and activities, easing the burden on the entities themselves.

The Productivity Commission said that the states and territories remain well placed to regulate smaller and state based not-for-profit entities. Many have been moving to reduce compliance burdens. These could be further reduced by harmonisation of legal and reporting obligations, including for fundraising, but substantially there is a national benefit in providing for an overall coordinated approach through a national commission, as presented in these bills.

The bills before the House are a welcome attempt to address these issues. I commend the amendments to the bills. The amendments reflect matters raised during the consultation period by affected organisations such as various churches. I particularly mention the Australian Catholic Bishops Forum, which identified some anomalies—not, as far as I can see, to their benefit ultimately but to the national benefit in improving some of those minor amendments and including them in the bills before the House. I have received similar direct representations from them at a local level and, as I say, as far as I can see, they are sensible amendments for all.

So these amendments improve the bill by protecting the independence of registered entities, by ensuring that the governance standards cannot prevent or constrain a registered charity from undertaking important advocacy functions. They make the government's commitment to consultation on the governance standards an express requirement. They allow basic religious charities to operate deductible gift recipient funds, authorities or institutions that generate annual revenue of less than $250,000 without the need to obtain a separate Australian Business Number. They also simplify the process for providing notifications about changes to governance standards for multiple registered entities.

The not-for-profit sector plays a vital role in our communities, and if we as legislators can provide the sector with a more seamless framework and one which enhances their public standing then their work can only go from strength to strength. I want to acknowledge all the very many charities and not-for-profit organisations whose work is very often the glue that holds societies together. They provide hope when hope is thin on the ground.

Overseas experience demonstrates that setting up a charity regulator requires time, expertise and sector input. I ask the not-for-profit sector to stay engaged with this reform process and keep providing feedback and ideas about how we can keep improving the regulatory environment they inhabit. An independent one-stop shop regulator has been sought for many years by the sector and recommended in several recent reports and inquiries to reduce regulatory overlap and increase transparency.
To fully realise this ambition will require the support of the Commonwealth and each of the states and territories. To stay competitive and productive we do need reform, and we do need this parliament to drive the reform. We need to start thinking and acting like a nation, not a rag-tag bunch of colonies as per the George Reid arguments of over 100 years ago. We need to be more responsive and move quickly through the use of this chamber to build a national agenda. As in so many other areas, we need to overcome the roadblock of a fragmented federation with its various rules and regulations. This is, in this area, the chance to deliver on that goal.

Finally, given that in many jurisdictions here the scope of government is shrinking, the work of the not-for-profit sector is more important than ever. Our churches, our social and sporting clubs and our science and research foundations are meeting needs and bringing about positive change across so many aspects of our lives. That is why I think this is historic reform and a fine example of what we can achieve as a parliament when we think and act as a nation.

Mr NEVILLE (Hinkler—The Nationals Deputy Whip) (18:33): I too would like to talk about the two bills before us tonight, the Australian Charities and Not-for-profits Commission Bill 2012 and a related bill. In Australia, we have 600,000 entities carrying out various forms of charitable and not-for-profit work, and 400,000 of those have access to Commonwealth tax concessions. It is a very significant sector. On top of that we have 11,000 not-for-profit entities that are registered under the Corporations Act 2001. So there is already a fair field of people and organisations that operate in the charitable community.

I want to put a slightly different argument here tonight and I want to illustrate this by two examples of things that have happened in my electorate. It would still be happening to one organisation and would have happened to another. They would be caught up in this. I just want to illustrate how the lack of sensitivity from government—I am not talking about any particular party but government in the past—has led to a diminution of volunteerism and charitable enterprise.

The first one I want to talk about is the Rotary Hospital House at Hervey Bay. This is a marvellous organisation. It is a motel like structure with six units and a common lounge area. It took 12 years to raise the funding for this—and then, in more recent years, a lot of voluntary work, a lot of donations of material and a lot of purchase of materials by the Rotary Club of Hervey Bay. It was a huge effort. As they carried out their work, they were assisted by the Rotary clubs, Lions clubs, Zonta, the Hervey Bay Boat Club and the Hervey Bay RSL. All of these made significant contributions to Rotary Hospital House. It has given the Hervey Bay hospital a $700,000 facility. To build that today would cost anything from $700,000 to $800,000. But it cost those clubs, because of the cash donations, the volunteer work, the donations in kind, about—

Mr Albanese interjecting—
Mr Simpkins interjecting—
Mr NEVILLE: Could I have a go, please?

The DEPUTY SPEAKER (Ms Grierson): Yes, I draw members' attention to the fact that a member is on his feet speaking.

Mr NEVILLE: It cost $520,000 to build that facility. In that $520,000 there was about $250,000 worth of purchases of steel, materials, plumbing, fittings—all sorts of
things. In the normal course of events, if that building had been sold to the state government, the Rotary Club could have claimed GST of $22½ thousand. But there was no facility. As that particular Rotary Club was not registered for GST, there was no way they could get that money back.

I thought that was a terrible thing. I thought a volunteer organisation providing this huge facility for the parents of dying children, for sick relatives and for people who needed to be at the hospital, so that people reaching their last stages of life could be surrounded by their family, was a very worthy thing. It is something that governments should provide as part of a palliative care agenda. But they had not. So the volunteers at Hervey Bay, led by Neil Canning from the Rotary Club of Hervey Bay, went to all this trouble for Rotary Hospital House and were not acknowledged by government—a slap in the face for volunteerism.

Also in Bundaberg we had an organisation called Basic, a school-to-work transition organisation. I will not go into all the gory details. It was set up by a number of the schools, with parents and other interested community bodies, to be the administrative body for a number of schools to get their school-to-work transition in place. It was federal government funded. An early CEO in the organisation believed that as it served an educational function GST was not payable on donations. That went on for some years. A new CEO noticed this and felt that the organisation needed clarification. Despite the fact that Commonwealth auditors who had checked their books and the internal auditors of the organisation who had checked their books had never picked this up, there was $100,000 worth of GST. The Commonwealth, through the tax office, insisted that this money be refunded. It was not used for any nefarious purpose or any illegal purpose; it was simply getting kids into work situations whereby they do three days at school and two days in the workplace—a school-to-work transition.

I saw people in that organisation almost run into the ground trying to repay that money. In the end it was really a transfer from one federal government instrumentality to another. If one had paid the other the $100,000, it could have been wound up and put to one side. But those volunteers were pursued relentlessly, although they had no personal interest in this other than providing a function that, again, the federal government should have provided.

I wanted to give those two illustrations to say how important it is not to kill volunteerism and philanthropy. There are 600,000 organisations in Australia doing charitable work, not-for-profit work, education work, health work and community support work, helping the disabled, the sick and the dying, helping children at sport and recreation—all sorts of things. I think this proposal we have before us tonight is just going to be another layer of bureaucracy. I will not go into all the nooks and crannies that my colleagues spoke about earlier tonight, because a lot of it has been said and repeated endlessly. But it seems to me that what we should be doing is trying to dismantle bureaucracy. This is a very wide-ranging regulatory body. Some critics say it will have similar powers to ASIC—even more so, some say—as well as the tax office and so on. This will be a fairly heavy-handed organisation. It will have the ability to punish organisations, to de-register them.

We are talking about volunteers. We are talking about people who give their time. We are talking about people who are picking up the burden of government, not some slaves who can be rounded up with a weapon and told to do this, that and the other. I cannot
understand why the starting point of this was not to go to the states and the territories to try to harmonise at that level first, and then see how much overlay was needed, see if you needed some other regulations. It seems to me that most of these charities, other than the 11,000 I mentioned that are registered with ASIC, are registered in their states and territories under charities incorporation acts—as they are called in some states, I think—or volunteer incorporation acts or things like that. There are any number of acts in the states. Why not, at a ministerial council of the Commonwealth, state and territory ministers, get a simple set of harmonisation guidelines in place as a start to doing this, rather than use this heavy-handed, highly regulatory approach to a very simple issue?

It is getting harder and harder in the world today, for various reasons, to get donations. Those of us in public life know just how difficult it is. You will also notice that service clubs do not have the same numbers they had before. With the burden on people running their own businesses, and with the other pressures on their lives, they cannot give as much volunteer time as they did perhaps 20 years ago, so service clubs are not as big as they were, and some have closed.

What we need to be doing is reinforcing volunteer organisations, assisting them and encouraging them to do this work, because in the end the things they do not do fall back on government or do not get done at all, which is perhaps even worse. I did not want to politicise this too much tonight, other than to make the comment that the charities commission the coalition is promising will be in essence a simple organisation with a small educative and training role to help organisations build up their volunteer base, their expertise and their not-for-profit systems. It will give them the ability and the skills to deal with the requirements of government rather than having government come after them with a big stick saying, 'You will do this!' and, 'You will do that!' What a monumental presumption it is to tell 600,000 Australian organisations that they will come under the thumb or else the level of bureaucracy will increase and they will be punished and fined and so on.

Others have argued tonight that it is a very big field now and has to come under a national regulatory and registry regime. I heard all of those arguments a few years ago about the medical profession, about how we had to get all of the doctors and all the health professionals such as physios and podiatrists into a national registry. Let me tell you that I have more bureaucracy and more difficulty with that organisation than I ever had with the state body.

I think we should be trying to simplify these things. It was the role of the states, and in the debate from the government side it has not been clearly demonstrated that this measure is necessary. So my view is that we should oppose it and that the government should reconsider it. The fact that there are so many amendments coming is proof positive that the thing has been rushed and is not likely to achieve its ends.

Debate adjourned.

**Marriage Amendment Bill 2012**

**Reference to Federation Chamber**

Mr GRAY (Brand—Special Minister of State and Minister for the Public Service and Integrity) (18:47): by leave—I move:

That:

(1) the Marriage Amendment Bill 2012 be referred to the Federation Chamber for further consideration; and

(2) so much of standing and sessional orders be suspended as would prevent the Marriage Amendment Bill 2012 being called on and considered as the first item of business after
constituency statements on Wednesday, 19 September 2012.

Question agreed to.

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

Second Reading
Cognate debate.

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

Mrs ANDREWS (McPherson) (18:48): Australians have always prided themselves on their generous spirit and their capacity to give a helping hand. With the large number of community organisations spread throughout the country, we can say without question that volunteering is an unshakable part of our national life.

In 2010 the Australian Bureau of Statistics found that 6.1 million Australians, or 36 per cent of Australians, over the age of 18 participated in voluntary work. This means that one in every three Australians willingly gives their time to engage in unpaid work for the benefit of others. I also note that in the 12 months preceding the ABS report 58 per cent of volunteers worked for one organisation, with 23 per cent volunteering for two and 19 per cent volunteering for three or more organisations.

These organisations and their members work tirelessly and often thanklessly to help support the community and to raise awareness of important issues. They are not created for the purpose of making a profit but rather to create some form of support and assistance for those they are helping. I know that in my electorate of McPherson there are hundreds of organisations doing a wonderful job of building community spirit on the Gold Coast and helping those in need whilst contributing their fair share to the success of the Australian not-for-profit sector.

However, institutions such as independent schools and churches also fall under the broad heading of the not-for-profit sector. McPherson is home to a number of independent schools, which do a fantastic job in providing their students with the tools for success, and also many religious organisations that are very active in their local community in so very many ways.

For some people the term 'not-for-profit' signifies that the sector does not contribute to the economy, but the truth is quite the opposite. For instance, it was identified that 59,000 economically significant not-for-profit organisations contributed $43 billion to Australia's gross domestic product as well as providing eight per cent of employment in 2006-07.

It is against this background that we are debating the Australian Charities and Not-for-profits Commission Bill 2012 and the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012. The main focus of the bills is to create a new statutory body to regulate the not-for-profit sector, to be known as the Australian Charities and Not-for-profits Commission, or ACNC, as well as a regulatory framework for the sector. The bills propose to provide this new statutory body with the ability to register not-for-profit entities that will then allow these entities to access Commonwealth exemptions, concessions and benefits. After registration, the ACNC can then apply governance standards to those registered entities and enforce those standards through their information-gathering and enforcement powers afforded to them via the various provisions of the bills.

I have said many times before in numerous forums that the not-for-profit
sector does wonderful work and almost performs miracles for the Australian community with the limited resources that many of the groups find themselves with. What they do not need is more burdensome regulation; however, my concern is that these bills are proposing just that. Like many government schemes, these bills will only increase the amount of red tape that not-for-profit organisations will have to steer through. Since my election, I have been approached by numerous organisations in my electorate complaining bitterly about how much bureaucracy they have to navigate through just to continue to provide their local communities with the services that are so desperately needed.

As many members of this House will know, the existing framework for the not-for-profit sector is not solely governed by the Commonwealth. To give a very brief breakdown, the Commonwealth, the states and territories, as well as local government, all regulate various parts of the sector at the present time. At the Commonwealth level, the responsibility for regulating the sector is generally shared between the ATO and ASIC. The ATO regulates the access to tax concessions that not-for-profit organisations can receive, whilst ASIC regulates the small number of organisations that are incorporated as companies limited by guarantee. However, the states hold the power to regulate incorporated associations and charitable trusts. They also maintain the ability to regulate fundraising activities and can impose reporting and governance requirements on those organisations that receive funding out of state or territory government funds.

From this very quick summary, it would be plainly obvious to any person who intends to regulate the sector in the manner in which the government is seeking to that they need to get the states and the territories on board with the plan. This development has not yet been forthcoming, as the states have made no commitment to hand over the powers that they hold in regard to such regulation or to harmonise their laws. Without such a commitment, these bills will merely introduce another red tape jungle that not-for-profit groups will have to cut through.

There is also the consideration that, with the creation of the ACNC, other government departments will have to shed their responsibilities and pass them over to the new body or will have to harmonise their regulatory requirements so they operate in conjunction with the ACNC. This has raised concerns from some organisations, such as independent schools, that will now have to report information to the ACNC that they used to give to other regulatory bodies, such as the Department of Education, Employment and Workplace Relations and the relevant state education department. If these responsibilities are not handed over or procedures are not harmonised, it will mean that information is being reported multiple times and this is hardly a productive use of our resources, both time and money.

The Independent Schools Council of Australia stated in its submission to the House Standing Committee on Economics inquiry on these bills that:

… the regulatory burden will be increased on individual non-government schools creating costly and confusing duplicative governance and reporting situation.

They went on:

Requiring independent schools to report similar but different data to the ACNC is duplicating effort and adding to red tape.

I doubt that another layer of compliance and regulation will help independent schools deliver a quality education to their students when they could be allocating those resources to further developing their school.
I fail to see how duplicating systems will help the many not-for-profit organisations that work within the sector. For those organisations, such as independent schools, that employ people to ensure compliance and reporting standards are being met it will require the additional allocation of resources that could better be used for the benefit of the people that they are helping. For those community organisations that will be caught up in this new system, it will mean that the unpaid volunteers who sign up to help their community will spend more of their time making sure that their reporting is up to scratch rather than doing what they signed up to do. Clearly, that will take the volunteers away from where they are most needed—helping those who are in need.

The Australian Baptist Ministries well addressed this issue in their submission to the inquiry on the bills, where they stated: In our view the increase in compliance obligation will make it more difficult to fill volunteer roles within local congregations as well as requiring more time to be spent on compliance matters and therefore less time on matters that will provide a benefit to the community.

I am consistently told by volunteers in my electorate that they ‘didn’t sign up for this’, in reference to the increasing bureaucratic maze that needs to be navigated. I question the logic behind these bills. Why is the government trying to make volunteering harder for people, when common sense dictates that the government should be doing whatever it can to make it easier for volunteers to participate? If we want more Australians to help in their local area—and we should and do want that—then let us give them the incentive to do so and give them the help they need to ensure that they are doing the right thing when it comes to compliance and reporting. At the very least, we should not be putting obstacles in the way of their work.

The coalition has previously committed to the establishment of a small educative and training body for the sector. Many not-for-profit organisations are unaware of the various processes and the documentation, especially after changes such as committee handovers. That can happen as frequently as every year. Would it not be more helpful to give them the ability to ask how things need to be done, rather than create a more tangled mess they need to navigate their way through?

Also of concern are the powers that the new body will have in relation to information gathering, monitoring and sanctioning and, more specifically, the ability for the ACNC to remove a director of a not-for-profit organisation. David Gonski, the very man behind the government’s recent report on school funding, said at the public hearing for these bills that the sector:

… depends very much on the volunteering of directors. These are people who are not paid and who give back to society, something a lot of directors feel very strongly about and a lot of Australians also believe in generally.

He goes on to say:

It concerns me massively that we might be the first country in the world to make being on a not-for-profit as a director more onerous than being on a for-profit.

This is a very good point. Why should we make the liability for people who are essentially volunteers higher than that of their corporate counterparts? By virtue of their title as a volunteer, I think it is fundamentally wrong that a person who has given voluntarily to the community out of the goodness of their heart should be treated more harshly by regulators than a person who is engaged by a corporate entity. Why introduce heavy-handed punishments and onerous requirements when we could be
proactive and provide knowledge and assistance? It makes more sense to assist not-for-profit groups by guiding them through the system rather than place more burdens upon them.

Our not-for-profit sector does a fantastic job and I truly hope that it will continue to grow and remain strong, but I remain concerned that the measures prescribed in these bills will not help but simply serve to turn people away. I am a proud supporter of community groups in my electorate and I always have been. I am always meeting people who gladly and freely give up their time to make a difference to someone's life, and I want to be able to continue to give them the support they need so they can keep doing their great work. I oppose these bills.

Mr ROBERT (Fadden) (19:02): I rise to support my friend and colleague the member for McPherson in opposing these outrageous charities and not-for-profits bills. These bills are not only unnecessary; they are also burdensome and they attach an enormous amount of red tape to volunteer organisations—those unsung heroes that are the glue that keeps our community together. It should not have been hard for this government. All it had to do was do nothing—stay away from it and let Australia's volunteers continue to do the great work they do. The Gold Coast, which the member for McPherson, Karen Andrews, and I proudly represent, does more volunteering than any other commensurate community in the country. We are the volunteering capital of Australia. Karen Andrews, the member for McPherson, comes into this place with a proud personal history of volunteer work. All we ask is for the government to get out of our lives, for the government to get out of the charity sector, in fact for the government to get out of most sectors. But they could not help themselves.

The Australian Charities and Not-for-profits Commission Bill and the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill provide for the establishment of a new bureaucracy, new red tape—a new independent statutory office, the Australian Charities and Not-for-profits Commission. The ACNC would be a Commonwealth level regulator for the not-for-profit sector. There is nothing this government do not seek to regulate. If it is unregulated, they regulate it; if it is untaxed, they tax it. Ironically, they even call their taxation 'savings', which frankly I find hilarious.

The ACNC—the new regulatory body, the new burden of red tape for over 600,000 volunteers, the new onerous imposition on those who seek to serve our community—is set to start on 1 October 2012. We acknowledge that currently no single institution is responsible for the regulation of the not-for-profit sector. At present, Commonwealth, state and territory and local governments regulate different parts of the not-for-profit sector for different and overlapping purposes.

At the Commonwealth level, regulation governs access to taxation concessions and certain entity types such as companies limited by guarantee, Indigenous corporations and trustees. In the absence of a registration regime, the role of the de facto regulator at the Commonwealth level has generally been shared with the Australian Taxation Office, and if it is in the corporate sector ASIC is involved. The ATO deals with issues such as tax concessions, income tax exemptions, deductible gift recipient status, franking credits or the refunding of those, FBT, and GST concessions. ASIC deals with the approximately 11,000 not-for-profit entities incorporated as companies limited by guarantee, currently regulated under the Corporations Act 2001.
Not-for-profit concessions are regulated under law through the endorsement of the Australian Taxation Office. Thus the ATO, by default, is responsible for determining charitable status. There are around 600,000 entities in the not-for-profit sector—600,000 organisations made up predominantly of volunteers, hardworking Australians who want to serve the community and do not want government involved. If they did want government involved, they would belong to some quango or quasi-government organisation, but they have chosen to align themselves with voluntary organisations. Fellow men and women, boys and girls, are in their community to serve their community. Around 400,000 of them access Commonwealth tax concessions, as you would expect, either through self-assessment or through the ATO endorsement process. Just because they access those concessions does not mean they require the big hand of government coming down upon them.

These bills establish the new Australian Charities and Not-for-profits Commission and of course the commissioner for the body. Clearly, the commissioner has responsibility for the administration of these bills and has the rights, powers, responsibilities and obligations provided to the administrator of such laws under statute and common law.

The main bill purportedly aims to 'maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector' and to support and sustain a robust, vibrant sector. The thing is, I did not know that public trust and confidence in the sector had been undermined in any way. I do not see a media onslaught or anything else condemning the charitable sector. I do not see that that public and confidence in the sector had been undermined in any way. I do not see a need for a new regulatory body and a new commissioner to enhance the public's trust and confidence in the not-for-profit sector because I do not see any drop in confidence. I do not see that the community is disengaged or showing a lack of trust in the charitable sector. I do not see it. What I do see is a policy in search of a problem. I see a knee-jerk reaction by a Labor government to a High Court decision against a Christian organisation, but I do not see a problem. I am always nervous, and the nation should be nervous, about a policy change when there is no problem, especially when it purports to enhance something that already exists—the public's trust and confidence in the sector.

The bill will provide the commissioner with the power to register not-for-profit entities according to their type. It will allow those entities to access support in the form of Commonwealth exemptions and benefits. To be registered, charities must apply for registration, obviously, and operate consistently within the definition of 'charity' specified in law or the requirements of other law—all things they do now, all things that are required under regulation now in terms of statutory law, or by other bodies such as the ATO and ASIC. The bill also provides the commissioner with the power to revoke the registration of entities under certain circumstances—powers that already lie with the ATO and ASIC now.

The bill sets up a framework of governance standards and a set of external conduct standards which apply to most registered entities. The standards cover things such as governing rules, the conduct of the registered entity and the processes they must have in place, most of which exist now.

Reporting is a new part of the rules that these bills are putting in place. The entities will all be required to put in an annual information statement, the first in respect of the 2012-13 financial year, to be lodged with the ACNC by 31 December. The question is: when they each lodge their reporting
statement—all 600,000 of them—who is going to read it, what will they read and what are they looking for? Is this for the purpose of enhancing the public's view of the charities sector, with which there is no problem that the government can point to? What purpose is this large volume of red tape designed to achieve?

If the only purpose the government can point to is the enhancement of the community's view and acceptance of a sector with which they are already in love, one has to question the government's real motive—and here it comes. The Commissioner of Taxation's unsuccessful appeal to the High Court, in the Commissioner of Taxation v Word Investments Ltd, is the impetus for the provisions in the bill that amend the 'in Australia' requirement that applies to tax exempt entities and DGRs. Word Investments, a tax exempt charitable organisation, carried on a funeral business. It also received donations. It paid its overseas profits to another organisation, which was also an income tax exempt charity, which used the funds in its overseas missionary activities. Income tax exempt status required each entity to be endorsed by the ATO as exempt from tax, which they dutifully did. This continues to be the process for charities to be treated as tax exempt entities.

The government announced its response to the court's decision in the 2009-10 budget, stating:

The Government will amend the 'in Australia' requirements in Division 50 of the Income Tax Assessment Act 1997 to ensure that Parliament retains the ability to fully scrutinise those organisations seeking to pass money to overseas charities and other entities. This measure has an ongoing, unquantifiable revenue impact and will have effect from the date of royal assent.

A recent High Court of Australia decision held that charities may be pursuing their objectives principally 'in Australia' even where they merely pass funds within Australia to another charitable institution that conducts its activities overseas. The measure will reverse the decision that charities and other income tax exempt entities can direct funds to overseas projects outside the current restrictions. The measure will reinstate the principles underlying the current integrity rules.

There we had a great Christian organisation that ran a low-cost funeral business so that people could bury their loved ones when they could not afford the usual high costs. It made a modest profit, in the hundreds and thousands of dollars. It was tax exempt and used that to assist its work, predominantly in Bible translation. Such translation, through the Summer Institute of Linguistics and other organisations, is one of the principal reasons why Indigenous languages have been preserved—because those languages were codified and the Bible translated into those languages. Some 2,000 Indigenous languages have received such support from the Summer Institute of Linguistics and Wycliffe Bible Translators, and those languages have been preserved and not lost.

The High Court decision was against the tax office, but the government decided in its wisdom that this was a bad thing—that a low-cost funeral home was providing low-cost funerals to people who could not afford them and that the income resulting from that, which would be tax exempt, was used to translate the Bible. That is the same Bible that is here in the dispatch box from which I speak. Sure enough, I have here in my hand the very word of God, the Bible, that this organisation seeks to translate. I will put it back in the dispatch box from which I speak—the same dispatch box that every member of the frontbench puts their notes on and stands in front of to speak. The organisation has the temerity to do that! And what is the government's response? 'We need to change the law to stop the likes of them.
behaving in such an egregious way under the tax exempt status that they enjoy.’ There is only one degree of egregiousness here tonight in the House, and that is the Labor government seeking to stop such excellent work from occurring within the tax deductible regime of our tax law.

Stakeholder concerns regarding this process have been many, varied and loud. They have said it ‘imposes high burdens on cross-border philanthropy’ and that ‘it is too onerous and unclear’—that is from World Vision, by the way. Concerns have been expressed as to the effect that this will have: ‘it removes or impacts deeming provisions’ and ‘the donation of funds to other organisations should not jeopardise tax exempt status but this may indeed do that’. The criticism goes on and on and on. The inquiry by the House economics committee and a subsequent inquiry by the Parliamentary Joint Committee on Corporations and Financial Services exposed enormous concerns with the draft legislation.

Let me discuss a conflict of interest that I may have. I sit on the board of Watoto Child Care Ministries Australia. Watoto globally is the world’s largest non-institutional orphan care program. In Uganda, where there are two million orphaned children—the highest number per capita in the world—Watoto takes in little orphaned children. Many of them we pick out of pit latrines. They are born and dumped in garbage dumps. We run three babies homes. We have 4½ thousand orphaned children and widows caring for them in our Watoto villages. A village will have a little home with eight orphaned children and a mother. We will put eight of these little home together in a cluster and we have eight or 10 clusters. We have our own schools, hospitals, educational facilities and vocational care. We now have hundreds and hundreds of university graduates. We believe that, by rescuing children, we can raise leaders and rebuild nations. Organisations across the globe, of which I sit on the international boards, raise funds on which they get an income tax exempt receipt. Those funds are used overseas to care for the most vulnerable children on the planet—children born and dumped in pit latrines. We dig them out, care for them and love them because everyone is of value.

This bill seeks to say that that work would not enjoy tax-deductible status. The government gave $140 million to Uganda—the same place Watoto works in—to assist poverty; and here we are, not leaning on the government purse, seeking to do great work in Uganda, and we are looking at having the tax-deductible status taken away. The bill is wrong. It adds an enormous impost. It adds red tape. It burdens organisations and takes away from the great work they are doing. Government should simply get out the way and let community-minded men and women get on with what they do.

Mr MATHESON (Macarthur) (19:17): I am very privileged to follow the member for McPherson and the member for Fadden, who have been very passionate in relation to the consequences of this bill. They have very eloquently put their case in relation to the impact upon our communities and their communities. I rise today on behalf of the Macarthur community to speak on the Australian Charities and Not-for-profits Commission Bill 2012, the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012 and the Tax Laws Amendment (Special Conditions for Not-for-profits Concessions) Bill 2012. This bill represents yet another half-baked idea from this Labor government. Their stated intention and the actual reality are, once again, two very different creatures. This bill was sold to electorates and the wider public as relief from the burden of red tape facing charities and those organisations
operating in the not-for-profit sector. The
not-for-profit sector has traditionally
operated within the many regulations and
regimes of Commonwealth, state and
territory and local governments—each with
their own classifications, reporting
requirements and regulations.

At face value, a move to consolidate all of
these different regulatory and reporting
functions to one overarching body should in
time reduce the regulatory burden on our
charities and not-for-profit sector. But what
we have here is an underhanded move to
create an additional layer of federal
regulation for the charity and not-for-profit
sector without doing anything to reduce
existing layers of regulation. This bill is
Labor to its bootstraps; it is bureaucracy for
the sake of bureaucracy, creating additional
red tape without delivering on the promi-
se of removing or streamlining existing regulatory
arrangements.

Indeed, as my esteemed colleague the
member for Wright pointed out, the ACNC's
plan for reducing the regulatory burden on
the not-for-profit sector is to 'go to the states
and have them reduce their regulatory
burden on the sector'. What a plan! This
government's approach will add yet another
layer of bureaucracy to a sector that is
already overrun with reporting and
compliance burdens. And they ask us to
believe that, by adding this further
imposition on not-for-profit organisations,
other reporting and compliance bodies will
simply disappear or just reduce their levels
of compliance. This is nothing but policy on
the run. This is not new for the Labor-Greens
alliance—yet another knee-jerk response—as
the member for Fadden has said on
numerous occasions.

In my electorate of Macarthur, our
community is blessed with a large number of
well-supported charities and an abundance of
volunteers willing and ready to lend a hand
for the many worthy causes. I have had the
honour of visiting and spending time with
many of the different charities and not-for-
profit organisations during my time as
member for Macarthur. These people—our
community volunteers and organisations—
are the backbone of our society. I would dare
any representative from across the chamber
to try and justify this package. Those across
the chamber have struggled all day trying to
justify this new bill.

Across Australia there are 600,000 entities
which together play a major role in our
society. They support our community's poor,
sick and disadvantaged. They provide social,
cultural, sporting, religious, professional and
communal interests for millions of
Australians each year. A large number of our
independent schools are run by charities,
not to mention our sporting clubs and welfare
agencies, with many relying on the hard
work and time donated by volunteers. In fact,
it is estimated that the dollar value of the
hours worked by volunteers within these
organisations is in excess of $14.6 billion.
This is a huge contribution from this sector
to Australian society—a contribution that we
should be proud of and do all we can to
support and protect.

I think that most, if not all, Australians
would agree with the coalition's view that
these volunteers and their organisations
should be supported by, not hindered by, the
state. We believe that their ability to operate
and function should not be weighed down by
unnecessary red tape and regulations. That is
what we in the coalition, and our
constituents, want to see coming out of this
legislation. Yet sadly, but not surprisingly,
these bills before us today will achieve just
the opposite. It is for this reason that I and
the coalition cannot support this legislation.
This legislation has failed its core objective,
which is to cut red tape and regulatory
burden—not to mention the cost of complying with these regulations. It has even failed to meet its own regulatory impact statement.

Many speakers on the other side of the House have spoken about how this legislation has received sector-wide support. This is simply not true. A large number of well-respected, large and small, charitable organisations have voiced their concerns regarding these bills and opposed the wide-ranging changes the ACNC will bring in their submissions to various parliamentary committees and inquiries. As Mission Australia commented in their submission regarding this suite of bills:

We support the notion of the ACNC as a one-stop regulatory stop and support the notion of a Charity Passport that will see us provide our financial and governance information once, to be used often. Yet it is disappointing to see no evidence of how this is being achieved.

Our overriding concern is that rather than reducing red tape and compliance burden, the ACNC will add another layer of compliance and that nothing will be taken away.

The Australian Conservation Foundation stated in their submission:

… ACF is concerned that rather than remove duplication, the ACNC Bills will duplicate reporting obligations.

The Australian Institute of Company Directors stated:

We have had member feedback … all saying basically the same thing as we have said. I will quote from one which I think is very pertinent. It comes from an aged-care CEO:

Every hour we pay for compliance, we lose about 1½ hours of one-to-one support for our ageing residents.

The Australian Council of Social Service stated:

… the Bill does not yet contain any provisions that make it explicit that the reduction of unnecessary compliance and regulatory burdens is a core object of the Bill, nor does it identify these kinds of reforms as policy directions or drivers of the ACNC’s purpose or activities. There must be a direct link between the reduction of red tape and the objectives and functions of the ACNC.

While I am very concerned about the cost of complying with this added regulation and red tape, what concerns me even more are some of the more controversial changes proposed in this legislation, which come in the form of director liabilities, enforcement powers and penalties.

The reforms in these bills are insidious and far reaching. The government have tried to candy-coat their objectives so as to draw attention away from the more unpleasant aspects of their own legislation. Some of these reforms include giving the commission the power to remove responsible office bearers from charities and not-for-profit organisations—very disconcerting. These powers go so far as to give the commission power to remove ministers from churches and parishes through to the archbishop of a diocese.

Other aspects of this legislation give the commission the power to deregister an organisation if it is conducting its affairs in a way that may cause harm to or jeopardise the public trust and confidence in the not-for-profit sector. However, what this legislation does not do is give certainty as to what 'public trust and confidence' will be considered to mean. Churches and large charities, aged-care providers, Aboriginal welfare groups, conservation groups and even through to professional bodies such as the Institute of Company Directors have all tried to draw the government's attention to the very serious consequences for their organisations caused by this legislation. As David Gonski, a life fellow of the Institute of Company Directors, said regarding the plethora of changes within these bills:
It concerns me massively that we might be the first country in the world to make being on a NFP as a director more onerous than being on a for-profit.

It is very concerning. However, it seems that their genuine concerns have been met with the usual dismissive arrogance we see on a daily basis from the Greens-Labor government.

The coalition, on the other side, have a plan to help the charities and the not-for-profit sector. We support a smaller commission with a focus and core understanding to promote innovation, education and advocacy within the charities and not-for-profit sector. The coalition will cut red tape, not create additional layers of it, for our charitable organisations. One of the easiest and most effective ways of doing this is through contracting reforms, as demonstrated in our proposal in the family services area, which will make it easier for agencies operating in civil society.

Every Australian knows and appreciates the good work that our charities and not-for-profit organisations do for our nation. It is self-evident in the support they receive back from the community, through donations, through support for events like the 24-hour walk for cancer, the New South Wales cancer council's Relay for Life, and Red Cross and Salvation Army doorknock appeals among thousands of other causes. Our charities and not-for-profit organisations do not need these bills and their plethora of rules, regulations, penalties, restrictions and further red tape. They do not need the legal uncertainties created by unsupported phrases like 'public trust and confidence'. They do not need powers given to the ACNC to inflict penalties and controls that are greater than those already in the Corporations Act. As with any organisation, for-profit or not-for-profit, red tape costs money. For charities and not-for-profit organisations, this money does not come easily. I think many Australians would agree that it should be spent on delivering for our communities.

An old saying goes along the lines of, 'If it ain't broke, don't fix it.' This old truth underlines many of the concerns that have been raised by organisations about the far-reaching powers under the ACNC. The Corporations Act and case law that underpins the registration, directors' powers and responsibilities has served the not-for-profit sector well. While there is the issue of red tape and regulations caused by various levels of government regulation, it begs the question of why this government is trying to create a complicated and onerous set of new laws to oversee not-for-profit organisations. These new laws include powers to determine whether or not an organisation of this nature can be registered. Even more disturbingly, these new powers give the government the authority to deregister charities and organisations on a whim.

It is time that this government saw the light about what governments should be doing. It is not the role of government to expand their tentacles into every reach of civil society. This government should get out of the way of civic organisations and support our volunteers and not-for-profits, rather than tying a ball and chain around their ankles to hinder their activities. In fact, if we look at this conundrum from an international example, we are turning back the clock in terms of delivering positive outcomes for our civil society. Our closest neighbour, New Zealand, with which we share many similarities of regulation and legislation, is closing its charities and not-for-profits commission. As reported in *Civil Society*, the head of not-for-profit activities in the Australian Taxation Office has noted that efficiency initiatives in Scotland, Northern Ireland, Singapore and elsewhere are also reflecting this trend.
It is simply common sense and good government not to create endless reams of red tape for our not-for-profit sector. This legislation reflects this government's fundamental belief that more government, more bureaucracy and more red tape will solve any, and all, problems in society.

The government's heavy-handed approach will do nothing to help our not-for-profit sector. Instead, we need to support our volunteers and organisations that operate in civil society. We should be working with these organisations to lift standards through education and training, rather than imposing overbearing regulation and penalties. For these reasons, I cannot, and will not, support this legislation. I would urge all members of the House to do the same.

Mr COULTON (Parkes—The Nationals Chief Whip) (19:30): I too rise tonight to speak on the Australian Charities and Not-for-profits Commission Bill 2012 and the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012. These bills establish the a new national regulator and regulatory framework for the not-for-profit sector, and provides the powers that the commissioner will have in regulating registered bodies.

The Australian Charities and Not-for-profits Commission is supposed to reduce red tape and to simplify the interaction between not-for-profits and government. The bill has the opposite effect. The Smith Family has raised concerns that multiple compliance, reporting and regulatory requirements do not necessarily provide the type of transparency that would strengthen the sector.

From all over my electorate I am getting reports from not-for-profit organisations that are concerned about this compliance issue. We have to remember that organisations in the not-for-profit sector have mostly started on a very small basis and then grown. The not-for-profit sector relies on the goodwill of volunteers. The last thing they need is extra red tape to deal with.

The bill does not have the support of the not-for-profit sector. I was a little surprised to hear, in some of the speeches from the other side and from the minister, before they gave up speaking on this bill, that the not-for-profit sector was in support. I wonder where they got that information and who they have been speaking to.

This commission will put an onerous level of compliance on this sector. I am not saying that the situation that we have at the moment is perfect, but to bring in another level of red tape and compliance is certainly not the way to go. The national Secretary of the Salvation Army Australia has said:

The promise of the ACNC that lured us all together and in support of it was the significant savings in red tape reduction and simplification of our life, and that is still yet to be seen.

The other issue is that the states are not on board. If we are going to have a system that is truly going to streamline the not-for-profit sector it will require all levels of government. Without the support of the states I feel that this will be very difficult to get off the ground.

Take as an example Meals on Wheels. I am a convenor of the Parliamentary Friends of Meals on Wheels. The Meals on Wheels organisation is one of the largest groups of volunteers in the country. There are over 50,000 volunteers in the organisation, and it has been going for some time. While the term 'meals on wheels' is fairly generic and would be well known across the country, some may not know that the way it is managed is a condition of the way it has grown. Meals on Wheels was started by a lady who was delivering meals to elderly and frail aged people on a tricycle. Can you
imagine, in this day and age, under the onerous compliance conditions of this commission, someone starting up a charity, which was going to grow into one of the biggest charities in this country, delivering meals to people around the district on a tricycle?

As Meals on Wheels has grown, nearly every town has a different system of management. Some Meals on Wheels, like the one I have in Dubbo, seem to have a wholesaling role. They have a large amount of cold storage. Just as an aside, they are getting absolutely hammered by the carbon tax—with taxes on refrigerants and increased electricity costs—but that is by the bye.

The Dubbo Meals on Wheels supplies frozen food to other Meals on Wheels centres across a large area. In other towns the Meals on Wheels centres have their own kitchen. The meals are cooked by volunteers and delivered by volunteers. And that is done completely within those towns.

In other areas, Meals on Wheels is managed by HACC, Home and Community Care, and in some places Meals on Wheels is attached to the local hospital. Indeed, in my home town of Warialda Meals on Wheels are delivered through the kitchen at the local hospital. And that is what makes this organisation special: each community has its own committee, and those committees have volunteers who have been doing this for a long time.

I ran a competition within the Meals on Wheels organisation a couple of years ago. The winner of that competition, Mrs Pearson from Walgett, came down to a Meals on Wheels morning tea in Parliament House and had a tour of Parliament House in Canberra as a reward. She had been delivering Meals on Wheels in Walgett for 50 years.

Those sorts of organisations are already starting to have difficulties with some of the compliance issues aside from this commission. They are having issues with police checks. They are having occupational health and safety issues as they enter houses. They are having issues around how they interact and the amount of time they can spend in these houses. These sorts of regulations are starting to creep in. But having the whole organisation having to come under this national commission would be like a wet blanket for these fabulous volunteers.

I think there is no better organisation than Meals on Wheels to encapsulate the Australian volunteer and not-for-profit sector. They do great work. Meals on Wheels is not just about delivering nutrition to the frail, aged and elderly; Meals on Wheels is about society, about community, about caring for those that need our help. Quite often, for the people that get those meals delivered to them, it is the only contact that they have with the outside world on a daily basis. This legislation would put organisations like this in jeopardy. It would just become far too onerous for those volunteers to do the work necessary to for compliance, and those organisations would have to pay for a lot of the work they would have to do for compliance. It would be a shame to see that happen.

In the not-for-profit sector—the local clubs, sporting organisations and the like—compliance is already onerous. To add this extra burden would mean that in our communities we would really struggle to get coaches, managers and people to look after sporting teams. We already have police checks and other requirements. To have to deal with compliance with a national regulator would be the straw that broke the camel's back.

These charities have generally started from the idea of just one person or a couple
of people and then grown into the organisations they are today. I will use the example of Can Too. Anyone that witnessed the Sydney marathon on the weekend would have seen a whole heap of people running in orange Can Too T-shirts. They were running to raise funds for cancer. I will mention my two daughters—one ran in the marathon and one ran in the half-marathon. In the last couple of months, those two girls have raised $4,000 for cancer research. Every cent that Can Too raise goes into cancer research, and corporate sponsorship covers the running costs of the organisation. Can Too was started in 2005 by Anne Crawford. One lady started Can Too and, by the time they get to Christmas this year, Can Too will have raised $10 million for cancer research.

I would like to pose a question. This is an organisation started by one lady, who was driven to this by the premature death of her father—who, incidentally, grew up in my electorate, in the town of Condobolin. One lady, inspired to do something because of the premature death of her father, started a charity that not only has raised $10 million for cancer research but has promoted health and wellbeing in hundreds if not thousands of people throughout the country. With this legislation in place, how would such a charity get off the ground? How would they start? The red tape would be too much.

Do we only want our charities to be supercharities? Do we want the larger charities to become almost semi-government organisations? Any community assistance that has to be delivered from the federal government to the community is going to go through a not-for-profit bureaucracy. Basically, it will only be the very, very large charities—that we all know and that do a great job, I might add—that will have the wherewithal and financial ability to deliver this. This is the mindset of this government.

I tie that into regional development. At the moment, the only organisations that can attract regional development funding are those that have large amounts of money. Funding came to my electorate for an athletics field—no doubt a very worthwhile project—but the council that applied for that funding spent $50,000 on the application. So only the big organisations would be in a position to deal with this government. That would be the real tragedy of this legislation.

As with a lot of legislation that this government introduces, I do not doubt that it was done with the best intentions. I am not critical of the intent of the government to try and streamline the not-for-profit sector and reduce red tape. But, as with nearly every program this government has put in, the opposite will be the case. Instead of helping the not-for-profit sector, I believe that this legislation has the potential to be the death knell of some of the smaller organisations. I suspect that, under this legislation, some of the larger charities will grow and prosper and some of the smaller ones will shrivel up and die. Unfortunately, the ones that will shrivel up and die will be in the towns that I represent, the small rural communities where people who do not have services from the government get together to provide these services through charitable organisations, through goodwill and hard work, putting in their own time. They are the ones that are not going to be able to jump through the hoops required by this legislation. They are the ones that are going to pay the price.

If the larger charities get even larger to deal with the compliance requirements of this bill, I do not see how they will be able to relate to the small communities. No-one knows the needs of the Meals on Wheels, for instance, of a small town with 400 people better than the people that live there. A charity based in a capital city could not possibly be connected enough to know
where that assistance needed to go. I just ask
the government: please, look at this. Nearly
everything that this government has
implemented has come back to bite the
people in the bush, the people that I
represent, the people that do not seem to be
understood in this place. I thoroughly reject
this bill.

Mr CHRISTENSEN (Dawson) (19:45):
I rise to speak on the Australian Charities
and Not-for-profits Commission Bill 2012
and associated bill. This legislation seeks to
provide for the establishment of a new
statutory office, the Australian Charities and
Not-for-profits Commission. The ACNC, as
it is known, would be the Commonwealth
regulator for the not-for-profit sector.
Apparently the Gillard Labor government
have decided we do not have enough red
tape already in this sector. For the first
time in this place I see the government
continuing to move forward and ignoring the calls from
the general public, who are trying to tell
them that they are facing the wrong way.

When I talk to charity groups and not-for-
profit organisations in my electorate we
often discuss a range of things. One of the
recurring themes is the amount of red tape
that they are forced to deal with—the
regulations, the compliance and the
administration. The charity workers and
volunteers understand that some level of
regulation is necessary, but at the back of
their minds they know that every hour spent
doing paperwork, filling in some red tape, is
an hour that is not spent delivering a service
to the community or to individuals. So, if red
tape is the monkey on the back for
most charities and not-for-profits, why is this
government trying to load a 300-pound
gorilla on top of them? This is what charities
and not-for-profits think of this 300-pound
gorilla. Robert Wicks, the Diocesan
Secretary of the Anglican Diocese of Sydney
said in his submission:

It is likely that we will need to employ someone
on a full-time basis to deal with the compliance
issues that this legislation is likely to raise for the
Diocese of Sydney. I am sure we will not be
alone in this regard.

He certainly will not be alone. I know that
there will be several in my community doing
the same thing. What is more, Mr Wicks
raised doubts that the legislation could even
work. He said:

… one of the requirements currently proposed for
being a basic religious charity is that the entity is
not entitled to be registered as any subtype other
than for the advancement of religion. This
restriction is practically unworkable …

The Australian people are big supporters of
charities. They are big supporters of
organisations that work hard to make a better
life for all, especially organisations that help
those most in need. When I say 'those most
in need' I am talking about the people that
most Australians see as most in need. I am
not referring to what the Labor Party calls
those most in need but the underprivileged,
the disadvantaged or society’s most
vulnerable. I am certainly not talking about
down-on-their-luck union officials or former
union officials like the minister for industrial
relations, who finds it difficult to make ends
meet on $300,000 a year.

The CEO and Managing Director of the
Australian Institute of Company Directors,
John Colvin, said in his submission to the
consultation on this legislation:

… if we get this wrong, then the people who
suffer are the most disadvantaged people in
society which these people are trying to assist.

His view was backed up by the Australian
Institute of Public Directors. In their
submission they said:

It is clear that some of the measures contained in
the bill will hurt rather than foster the activities of
charities.

Charities, the not-for-profit organisations
who help Australians most in need, do a very
good job. They do the best job that they possibly can, given the circumstances. Every community in every corner of this country is made a better place because someone gives a damn and does something to help. Sometimes they are paid for their services but often they are not.

I recently conducted a forum for charities and not-for-profit organisations in Mackay. We got a bevy of people from all different sectors who came along. There was MADEC who do work for youth and in the disability sector. There were conservation volunteers who obviously do work in the environment. There was Engedi who are doing work in the disability sector. There was the George Street Neighbourhood Centre who do fantastic work with a range of people that are disadvantaged, including providing emergency relief.

A minister earlier today in question time quoted a section of my letter to her. I put on the record that the letter was, in fact, to the minister who is sitting at the table now. It was asking for more emergency relief funding on behalf of that organisation. There was a statement made today that there is going to be $800,000 over the next two years for the Mackay region, but my question still remains: will that organisation, which is oversubscribed, get that extra money?

The DEPUTY SPEAKER (Dr Leigh): Order! The member for Dawson is reminded to remain relevant to the legislation before the House.

Mr CHRISTENSEN: I will, Mr Deputy Speaker. I could go on with the different organisations that turned up to this event. There was the Community Accommodation and Support Agency who do a fantastic service for those in need of emergency accommodation. There was UnitingCare Community, the Uniting Church, the Youth Information Referral Service, which is one of the first-class organisations dealing with young people in Mackay, who I know are going through a difficult time financially. There was the Kidney Support Network and the Regional Social Development Centre, for which I had the privilege to serve as vice-chairman for a while. There was Autism Queensland and the National Seniors Association Mackay Branch. There was HTM Community Transport, which is another organisation where I served as chairman for a while. There was Colin McPherson from Community Solutions, which do a fantastic job dealing with young people in our community particularly on the issue of suicide. We also had the Suicide Awareness Mackay group and the Salvos turned up. There are others, of course, in the Mackay region and throughout the electorate. There is the Bowen Flexi Care centre, the Bowen Neighbourhood Centre and the Burdekin Community Association. They are all great organisations doing a great job for their communities.

I thank those organisations that turned up to the Mackay forum. Mackay would not be the great community it is today without those organisations and without the people that work in them and volunteer their services. The contributions they make every day are actually helping people. It is people helping people, groups helping people, and the community helping the community.

I note that many volunteers and people who find employment in this sector and the organisations they work with are linked, in some cases, to religious organisations. I have had a great association with the Maltese Sisters of St Francis of Assisi, who work out of the St Francis of Assisi aged-care centre in Mackay. I have been amazed at their dedication, their devotion to service and the mission they have engaged in. When you walk into the nursing home there you see how pleased the residents are at the service
they are getting. They have beaming smiles on their faces, the nuns beam back at them, and you know they are doing a fantastic job. It concerns me when I see governments bring in policies which seek to attack those kinds of groups.

It concerns me even more greatly that one of the government partners, the Greens, do not care one ounce about the work these organisations do and the service they provide to the community. According to the Greens, an organisation is not worthy unless it is pushing the same agenda as the Greens. I was bewildered to read on the front page of the Weekend Australian earlier this month that Greens leader Christine Milne had launched a scathing attack on the Catholic Church, accusing it of being more concerned about cash for schools than social justice. I think what she means is that the Catholic Church is failing to sufficiently advocate for Christine Milne's brand of social justice—because if it is not about the Greens and their agenda then the Greens think it is wrong. The article in the Weekend Australian makes that quite clear. She said:

You have the Catholic Education Office sending letters home to parents in Melbourne about Catholic school funding, but nothing about the social justice of the current political debate on homelessness (or) on asylum-seekers.

So here we have the Leader of the Greens, the one who dictates policy to this dysfunctional government, complaining because the Catholic Education Office is only talking about Catholic school funding. The Catholic nuns in my electorate are doing a brilliant job and are certainly engaged in social justice for the elderly. It infuriates me to hear comments like that. But what infuriates Senator Milne—what sticks deep down in her craw—is that Catholic schools are not shoving Greens policy down kids' necks. There is nothing more pathetic than a lapsed Catholic who wants to heap opprobrium on the Catholic Church to justify the emptiness of their own conviction—they are two bob a dozen. There is more good done by those Maltese Sisters of St Francis of Assisi in Mackay than will ever be done in the entire existence of the Greens.

This bill will introduce another layer of red tape and costs to Catholic and other independent schools. The Independent School Council of Australia made the point very clear in their submission when they said:

The regulatory burden will be increased on individual non-government schools creating costly and confusing duplicative governance and reporting situation. Requiring independent schools to report similar but different data to the ACNC is duplicating effort and adding to the red tape.

But a more disturbing issue was raised by Dr Geoff Newcombe, who is the Executive Director of the Association of Independent Schools of New South Wales. He said:

Currently, around 70 per cent of independent schools are not-for-profit public companies limited by guarantee. The commentary—it is not advice—that we have received from the AICD and our lawyers is that the proposed legislation is likely to shift the obligations from the company to the directors or, if you like, it will erode the concept of limited liability of directors … I have been in this game over 40 years. This will decimate school boards. There is enough concern out there now.

It is interesting that Labor and the Greens would want to hamstring charity work with this legislation. Deep down, they do not want people looking after people. That is not the socialist way. That way is for the government to look after people. They want full and utter dependence on government for everything. They want the control that brings: tighter control, tighter regulations. Everybody should be doing what the government tells them to do and only what
the government tells them to do. That is what Labor and the Greens think.

But the back end of the blade on this legislation will inflict a wound on the Greens bedfellows as well because many of the organisations that fund the Greens and push their agenda are also listed as charities and not-for-profit organisations. They too will be subject to a layer of red tape—or maybe they will not. We might see the Greens get up here and try to move an amendment to have their organisations exempt. As an aside, there is something wrong when we have environmental groups that play such an active role in lobbying and public debate—enjoying the gift-deductibility status. Worse still is when some of these groups engage in illegal and dangerous acts such as Greenpeace activists scaling coal loaders in Dalrymple Bay, bringing work to a halt for people in my electorate.

I would like to draw a distinction here between green groups with a political agenda and environmental groups that actually get out there and make a difference. Conservation Volunteers and Eco Barge in the Whitsundays, for instance, are about real projects that deliver real outcomes in our environment. That is what a real charity or not-for-profit is about: real service to the community in the real world.

While this government removes itself from the real world and refuses to deal with real issues raised by real people, the Labor Party is changing the world's view of Australia. The Labor Party has taken a masochistic approach to the economy, introducing bill after bill of economic self-harm and carbon taxing our own industries into oblivion. Our competitors around the world must laugh at how Australia gifts them competitive advantage. But this legislation will also be another joke on the world stage. You can imagine the conversation among heads of state at the next whatever summit they have: did you hear the one about Australia? An embarrassed silence as the Prime Minister, the member for Griffith—or whoever it may be at the time—walks into the room. John Colvin from the Australian Institute of Company Directors, whom I quoted earlier, describes the joke like this: fundamentally why should we have a system in Australia which would make us a laughing-stock around the world of having liabilities for volunteers greater than those for for-profits? He was paraphrasing the government's champion, David Gonski, who said, 'It concerns me massively that we might be the first country in the world to make being a not-for-profit, as a director, more onerous than being a for-profit.' That is what this legislation will do. This legislation places an unfair burden on volunteers, an unfair burden on charity workers, an unfair burden on the not-for-profit sector. It will mean less service delivery and it will drive people out of the sector. It will mean less work being done for the community and more work being done on red tape, on paperwork. So in no way, shape or form can I commend these bills to the House—in fact, I absolutely condemn them.

Mrs BRONWYN BISHOP (Mackellar) (20:00): As many of my colleagues have pointed out, this legislation is, to put it mildly, heavy-handed. But I think we have to frame it in the context of our different approaches to the philosophy of the volunteer. Those of us who follow the philosophy of individualism as distinct from the philosophy of collectivism, which is the philosophy of the Labor Party, believe that the accent must always be on the individual, allowing the individual to reach their maximum potential, having an obligation to put your hand out to assist a neighbour to reach their potential. At every aspect it is looking at the improvement of life.
Collectivists will always look at putting regulation on people and look for a collectivist outcome where the individual can be sacrificed to that outcome—and this is classic legislation of a collectivist type.

I often like to describe the volunteer sector, and volunteers, as being like the mortar between the bricks of an edifice, that holds it together. The edifice is our society, and it is the volunteers that hold it together—without them, it would collapse. At every turn in our life we look somewhere where someone is volunteering to assist someone else. That degree of altruism, which is part and parcel of that volunteering spirit, is something that enriches our community as a whole. And anything that sets out to diminish that ought to be condemned; hence, I condemn this legislation.

The 2011 census showed that 1.3 million people over the age of 50 had volunteered for a charitable organisation in the previous 12 months. That says something pretty terrific about the Australian people, and that is without even going to organisations like surf-lifesaving, like the rural fire services, like Rotary, like Soroptimists—like the myriad organisations which all find there is a way they can serve their fellow beings and part of their community. The statistics tell us that there are 600,000 entities in Australia that call themselves not-for-profit. Around 11,000 of them are incorporated under the Corporations Act, federal legislation, and 400,000 of them enjoy tax exempt status of one form or another, usually income tax.

That means it has been part and parcel of our policy always, for those of us who have followed the development of the common law and the development of where religious and charitable purposes became part of that construct, to say that where good works were being done they ought not be subject to the sorts of tax impositions that people who are doing it for commercial purposes should be. The whole law of trusts has evolved over hundreds over years, and we have certain meanings, even in our tax act, for education purposes and hospitals, just to give examples. But these are all organisations where people are volunteering their time and their effort to ensure that something good happens in our community. I suspect that the real intent of this legislation is to move a number of entities that currently enjoy tax-free status to become taxpayers instead. Instead of people giving and contributing their time, which is just as important as the government giving out grants, that will start to be curtailed.

I notice that, within not-for-profit entities we do include trade unions and employer organisations. It is interesting. I can give personal experience along the way that, in a certain organisation of which I have been a part, where volunteers have been carrying out particular tasks, there has been a complaint from an organised union against those volunteers saying: ‘That should become paid employment’—when the generosity and the interaction between the people who are giving the service and the people who are receiving it is fulfilling for both parties.

So it is terribly important that we continue to characterise the essential nature in Australian life of the volunteer. Whenever I attend my citizenship ceremonies—and I attend as many as I can, because I think it is such an important decision that people are making in their lives, to decide to give their allegiance to this wonderful country—I point out that part of being Australian, part of getting to know your community and becoming part of it, is becoming a volunteer and there are myriad opportunities to do it. But, of course, when we go into the hospital sector, when we go into people who are looking after people with disabilities and when we are looking at schools, these are
areas where again this concept has grown through the common law that people who are grouped together to carry out something that is considered worthwhile in our community should be given preferential tax treatment or allowed to be exempt therefrom.

It is interesting that the comments from a wide group of people about the very legislation itself, I think, have become quite critical to the debate. One of the main aims that is said to be in favour of the legislation is that it will reduce red tape. There is not a single comment that I can lay my hands on that says this legislation will actually reduce red tape. By setting up this commission, we are once again setting up a very large bureaucracy, and it will have punitive powers. Whereas some people have said that this legislation aims to have universality of treatment of the entities that make up the not-for-profit sector, in fact that is not true in the intrinsic nature of the legislation itself. In fact, the legislation allows by regulation a minister to discriminate against some groups in favour of other groups—that is my language. The language of the legislation is that you can give exemptions and treat some not-for-profit entities different from others, but we are yet to see this regulation.

I think it is important to quote the Australian Institute of Company Directors, who say:
The Bill lacks detail about the proposed interaction between the ACNC, the Corporations Act and other legislation, and about governance and external conduct standards, which we consider make it impossible to provide meaningful comment on the Bill as a whole.

Key parts of the Bill are confusing and overly complex and need to be redrafted.
The Bill in its current form will represent a major retrograde step by imposing substantial and unwarranted compliance costs on charities.
The Bill will make it harder for charities to attract or retain experienced directors due to the heavy-handed approach taken in respect of director responsibilities.

In addition:
It is clear that some of the measures contained in the Bill … will hurt rather than foster the activities of charities.

They also say that this premise of reform will 'create a complex maze of requirements which will be unintelligible to most individuals they are intended to apply to' and that the liability which attaches to individuals in unincorporated bodies is potentially much higher than it is for incorporated bodies. On this basis it may be that many unincorporated bodies will choose to incorporate where this is possible, with additional cost.

Carers Australia say:
We also had serious reservations regarding the constitutional validity of legislating on governance requirements for organisations that are not federally regulated agencies, and the apparent disregard of important administrative law concepts such as procedural fairness.

That eminent body created as an Australian innovation and taken up by the British parliament—the Scrutiny of Bills Committee—had a few things to say as well.

It looked at the governance standards and said, regarding clauses 45-10 and 50-10:
These clauses provide, respectively, for the making of governance standards and external conduct standards by regulation. The bill thus sets up a framework for the making of the key accountability and conduct standards for not-for-profit entities, leaving the standards to be developed in regulations. Compliance with these standards is a condition of registration and breach of the standards may lead to enforcement action.

I think enforcement action is pretty drastic. It can remove people. It can virtually put the organisation into administration. It can even proceed against some people with imprisonment of one year as a penalty. It says specifically about the external-to-
Australia conduct standards to be developed that they should be in primary legislation, not in regulation. Therefore, they have recommended as follows:

The Committee therefore seeks the Treasurer's advice as to whether the external conduct standards can be included in the bill …

Pending the Treasurer's reply, the Committee draws Senators' attention—

because it reports to the Senate—

... to the provisions, as they may be considered to delegate legislative powers inappropriately, in breach of principle 1(a)(iv) of the Committee's terms of reference—

that it should indeed be placed in the primary legislation and not in secondary legislation.

They also make comment on strict liability provisions. They say that for a responsible entity—that is, one who has been removed, who has been suspended because of a number of offences and who attempts to influence the operation of the registered entity—the offences are strict liability and carry a maximum penalty of a one-year imprisonment, 50 penalty points or both.

Again, the committee says:

... given that the offence is punishable by imprisonment the Committee seeks the Treasurer's further advice as to why strict liability is appropriate, taking into account the principles stated in The Guide to Framing Commonwealth Offences, Infringement Notices and Enforcement Powers.

Again, strict liability comes in in subclause 100-71 and subclause 100-75. It says that there is a very brief explanation regarding the commissioner—that is, the commissioner of this new charities commission—making a property vesting order:

Subclause 100-70(1) provides that if the Commissioner makes a property vesting order to vest the property of a registered entity in an acting responsible entity, that the former trustee or former trustees are required to give the acting responsible entity all books relating to the registered entity's affairs that are in the former trustee's or former trustees' possession, custody or control. Failure to comply with this obligation within 14 days of the Commissioner making the order is an offence of strict liability.

Again, the committee wants to know why it has to be a strict liability offence and, again, why it should not be in the enabling legislation.

Concern after concern is registered. There is an item relating to independent schools. It says that the smooth functioning of this new commission is 'dependent on a number of Commonwealth departments agreeing to either hand over their regulatory powers' to the new commission or 'harmonise their regulatory requirements' with the commission. It says:

This issue is of particular concern to independent schools, which will be required to report much of the information to the ACNC that they currently report to the Department of Education and Workplace Relation (DEEWR), as well as to state education authorities.

If an information-sharing agreement is not reached between the ACNC and DEEWR, the ACNC will effectively serve as an additional layer of regulation and red tape for independent schools many of whom are already drowning in compliance.

Again, the powers and penalties that are to be placed leave a lot to be desired.

This is an ill-thought-out bill. This bill is heavy handed. I can wave pages and pages of quotes from people in the not-for-profit sector who simply say that this bill does not cut red tape, that it indeed adds to compliance requirements and that it will do nothing for the sector as a whole. Again I say very simply that it is designed to turn many of the non-taxpaying entities into taxpaying entities.

It also provides, with regard to the external test—or, rather, the 'in Australia' test, on which of course the High Court ruled
in a particular way which the government did not like and so the government is now, in this legislation, overturning that High Court decision—that once again the commissioner may vary the 'in Australia' requirements in the act by regulation, to favour some people over others. For instance, could it possibly be that a Labor Party minister would favour the trade unions in activities out of Australia, acting in another country with regard to industrial relations? There are so many questions that are unanswered. It is very well that the not-for-profit sector, which is carrying out good works with the aim of assisting our fellow Australians, should find that this is oppressive legislation and that it has good reason to fear it.

Should we be elected we will abolish this act. We will repeal it and replace it with a policy that has been outlined by our relevant minister, which means that there will be benefits to charities and not-for-profits so that we can see that the wonderful work volunteers do is well and truly revered by the people who serve in this place.

**Dr STONE** (Murray) (20:15): I too wish to speak on the Australian Charities and Not-for-profits Commission Bill 2012 and the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012. Like the other speakers in the coalition I am quite concerned about the potential impacts of this bill, if it goes through as currently written.

In Australia we depend on the not-for-profit sector, the voluntary sector, particularly in rural and regional Australia, where the sector does much of the heavy lifting when it comes to such things as disaster support and looking after our education, sports related and faith related issues. In my electorate of Murray, I have to say, we have an enormous dependency on the not-for-profit sector for the delivery of aged care. We have towns of 400 people, quite typically, with over 100 voluntary organisations. Many of those would be classified as not-for-profit organisations and they will be caught up in this particular legislation.

This is also very lazy legislation. It is a lazy bill in that much of the intended action will appear in the regulations. We do not have the details. We are told to wait and see. But that is always a danger, particularly with this government. It is essential that we know exactly all of the details of the regulations. Much of what is to be in the regulations should of course be in the legislation itself.

The first bill I referred to establishes the Australian Charities and Not-for-profits Commission, a brand-new commission for Australia. I would have thought that our country was already groaning under the new commissions that have been established to overdo, over-regulate and overscrutinise so much of our way of life. We are told we need this new commission because it will reduce red tape. It implies, of course, that the sector is untrustworthy and that the people involved are pathetic amateurs who will need a lot of heavy and careful watching. We are concerned that this business tends to be disguised by saying that this commission will reduce red tape.

We also are told—and this is quite extraordinary—that one of the reasons for this new commission is that it will provide the public with information on the not-for-profit sector commensurate to the level of support provided to the sector by the public. I have never heard any of my not-for-profit organisations—whether it is Meals on Wheels, VicRelief FoodBank, Warramunda Village, which runs huge aged care facilities, the Zaidee's Rainbow Foundation, which was set up by the parents of a young girl who died for the purpose of promoting organ
donation, the St Vincent de Paul Society or the Anti-Cancer Council—say that they really would like a national commission to publicise what they do, rather than doing it themselves without restrictions. It is quite extraordinary that that is one of the key reasons we are told we need this new commission.

The problem is that a lot of what the commission intends to do in terms of information gathering and reporting is already required by the states and territories. Our independent schools in particular are in despair as they look at the potential impact of these bills. They are already required to report to the Department of Education, Employment and Workplace Relations much of the information they will have to report to the ACNC. They also have to report to the state education authorities the sort of information they are told they will have to supply to the ACNC. A lot of our independent schools are small. I have a number of small Christian schools in my electorate of Murray. They do not have big secretariats in a capital city, but they are being told, 'Don't worry—this is about cutting red tape. But, by the way, the states and some other departments have not yet agreed to relinquish their interest in the data they are collecting, so just hold your breath and wait and see what happens.' I do not think that is good enough.

I think Australia's civil society is one of its strengths. Our civil society depends on volunteering. It depends on board members who give of their precious family time or take time from their own businesses to commit to a public good. Those board members are already burdened with extraordinary levels of compliance requirements in regard to information and their own education. They have been required to cover their backs in regard to their own legal liabilities and the liabilities of their various board activities.

This new commission will have sanctions and penalties associated with it in case someone steps off the straight and narrow path. Those penalties will include imprisonment or very substantial fines. I can imagine someone who is pressed for time, who has a family to look after and perhaps has their own sporting and church interests saying, 'Well, of course I would love to be a board member of my local not-for-profit,' but they then look at the extra work they will have, with the demands from the new commission for more information than they currently have to provide to other agencies. I think it is an absurdity.

You have to wonder what it is all about, because the system is not broken. As it is, a lot of people are already very concerned about extra red tape, so what is this all about? We know that this government has a great deal of difficulty on so many fronts. It has incredible indebtedness that is getting worse every day, most of its policy initiatives have failed and new policy initiatives like the National Disability Insurance Scheme and the new dental scheme are not funded. Why are we now being asked to introduce this new commission, which will cost a lot to run? What is it all about? I think the member for Mackellar and other speakers opposing this bill might have nailed it. They have all come to the conclusion that probably what this is about is having another way to tax these not-for-profit organisations. What a tragedy that is. What movement by stealth this represents.

While a lot of these agencies are not-for-profit, it is true that some collect a lot of revenue in order to keep their giving going.

The DEPUTY SPEAKER (Dr Leigh): Order! The honourable member is reminded that the bill before the House does not relate
to matters of taxation. There is a separate bill before the House relating to the taxation of not-for-profits.

Dr STONE: I certainly understand that, Mr Deputy Speaker. The point I was making was about trying to understand the key reason for this new commission, and the suspicion of the not-for-profit sector is that perhaps this is preparation for a new era of taxation for these not-for-profits. That is a very live and real concern for a number of these agencies.

I have to say too that a lot of these not-for-profits and charities do enjoy the fact that they are their own people. They were established to meet a need in society which was not met by the governments of the day, whether state, local or federal. We should not smother them with more national regulation and legislation. We should be proud of the fact that they are independent, that they have a very high moral code, that the people who are engaged in them are people who for a very long time looked up to as embodying the great values and spirits of Australia in that they do not constantly look for a handout. They are the sorts of people who collect blood. They are the people of the Foodbank Victoria who drive around and deliver food parcels, particularly these days, to the growing numbers of families who cannot make ends meet. The people who established Warramunda Village in my electorate, and the people who established the other not-for-profit aged-care facilities we have in almost every small country town, usually at least 50 or 60 years ago, did so because there was a gap, because no-one else would do it.

We should not strangle them with additional reporting requirements, additional red tape. We should not say to them, 'Look, you really do need this; it's good for you.' They do not see it. They have been complaining to me that they do not think they can employ an additional secretary or someone to do the paperwork they can see coming down the line at them.

I am most concerned about this legislation. Like my fellow members of the coalition, I will be opposing it if it is presented at the end of the day in its current form. I can see that it means more jobs for some senior bureaucrats—the commission no doubt will pay very well. I can see that it will give someone a real sense of more reach into the minds and hearts of the voluntary sector, the not-for-profit sector, the charitable sector. I do not think that is a good thing for Australia.

When we look at such memorable episodes as the Olympic Games that were held in Sydney, the lasting legacy of those games and the memory that lingered longest was the amazing work of the volunteers, many of them stepping forward out of the not-for-profit sector and the charities. Those volunteers stood up straight and proud and said: 'We're here because we want to be. No-one's paying us. We're here because we think it is Australian to welcome others and to do a job that could be done for pay but is done better by a volunteer.' Let's not throw out what is good about Australian society. Let's not make it harder for charities and not-for-profits to exist and survive. Let's not put off those stunning Australians who do put their hands up and volunteer their time because the difficulty of meeting the red tape requirements and the other scrutiny is just too much for them. They will walk away and say, 'Look, we have other things to do with our lives.'

I ask this Labor government to think very hard about the legislation before us. I say
comprehensively that we do not need an Australian Charities and Not-for-profits Commission. I am very concerned that there is an indecent haste in getting this commission up and running. I suggest that those hundreds of thousands, if not millions, of dollars required for setting up this commission be instead put into greater support for the not-for-profit and charitable sector. Let's distribute those moneys across a number of charities in Australia that do such great work. With my coalition colleagues, I condemn the whole notion of this commission, and I say it does nothing for the great Australian not-for-profit and charitable sector. They themselves are in despair about this. I strongly suggest the Labor Party rethinks this.

Mrs GRIGGS (Solomon) (20:27): I rise to contribute to the debate on the Australian Charities and Not-for-profits Commission suite of bills before the House. Charities and not-for-profit organisations—such as our local sports clubs, our local community clubs, the local church congregations, the local disease support groups such as the Heart Foundation and the cancer councils, the locally based scientific institutions—are organisations that underpin our community. Volunteers provide their precious time, out of their out-of-work time, their valuable family time and the time they need to escape and relax from the rigours of employment. Why do they do that? It is to volunteer selflessly to the community, to do their part to be socially responsible. It is an acceptance that without their efforts in whatever charity or not-for-profit organisation they are involved in, without their assistance and that of every other volunteer, the activities they provide or support would not occur.

I am sure that all of us in this place have been or still are involved in a number of local clubs or organisations which battle to fill office bearer positions or continue to rely upon the generosity of those few core members who are always there to get the job done. From my own perspective, I continually engage with charities and not-for-profit organisations and I did that even before I came into this place. At the moment I am the ambassador for SIDS and Kids in the Northern Territory, I am the vice patron of Surf Life Saving Northern Territory and I am a champion for Alzheimer's Australia NT—to name a few. This suite of bills could potentially have a negative impact on all of these organisations that I am involved with, and that is why it is important that I make the voice of those organisations heard.

Let's not be flippant about the impost being a member of such organisations has on individuals, particularly in terms of personal time consumed not only by those engaging in volunteer activities on the ground but also by those who hold office and must attend to the administrative duties necessary for the effective and efficient running of their organisation.

As members of the coalition we believe that the government should not focus on issues that are best dealt with by way of civil society. I might add that government needs to encourage and commend the efforts of charities and not-for-profit organisations, and it must implement measures which serve to assist in the reduction of compliance and red tape roadblocks and not do as this government is proposing to do—which is to seek to add a further level of compliance, a further level of red tape and more unnecessary blockages.

To further emphasise the points I have just made, the states have not agreed to hand over powers relative to charities and not-for-profit organisations to the Commonwealth. Without this, the new regulator proposed will, in real terms, be an additional layer of red tape and not the mechanism to reduce
regulation, as has been put forward by the Gillard Labor government.

To further the concerns I hold in respect of the bills before the House, I echo the words of the member for Menzies and other coalition colleagues who quoted the views of the Australian Institute of Public Directors on this legislation. They stated:

The Bill lacks detail about the proposed interaction between the ACNC, the Corporations Act and other legislation, and about governance and external conduct standards, which we consider make it impossible to provide meaningful comment on the Bill as a whole.

Some of my colleagues have referred to the comment from David Gonski, a life fellow of the Institute of Company Directors, who said:

It concerns me massively that we might be the first country in the world to make being on a not-for-profit as a director more onerous than being on a for-profit.

Comments from Mission Australia indicate that they are not too happy with this legislation either, commenting that the bill:

… is not sufficiently well balanced by a commitment to enable the not-for-profit sector to reduce duplication of reporting and to provide public confidence in the sector.

Carers Australia have said:

We also had serious reservations regarding the constitutional validity of legislating on governance requirements for organisations that are not federally regulated agencies, and the apparent disregard of important administrative law concepts such as procedural fairness.

Australia is a country with a rich history cast upon the value attained from those that volunteer and provide the many services needed to maintain standards within our community. Volunteers, charities and the Aussie ethos of giving your mate a hand are almost a cultural foundation which holds this country aloft. They are examples of a populace willing to pull together when the going gets tough and when shallow pockets and long arms are needed to find the funds to help those in need. We have seen over and over again the generosity of Australians, especially in natural disaster situations such as the recent Queensland, Victoria and New South Wales floods.

We are a nation that gives, a nation that digs deep to help when help is needed and jumps in and assists when assistance is needed. However, we are also a nation that believes money given to charities, money given to help above and beyond when the call goes out, is money that goes to those in need. It should not be lost to administration costs resulting from government introducing more red tape and compliance mechanisms such as those proposed in these bills.

Currently tax concessions exist for organisations with DGR status. I question the broader implications that potentially exist for those organisations in terms of compliance with the 'in Australia' test, a requirement of this bill.

The coalition believe trust underpins the volunteer sector—trust in civil society and trust in those who work in charitable endeavours. How far is this legislation going to go? Potentially the following not-for-profits and charities in my electorate could be impacted by this suite of bills: the Australia Day Council, Council on the Ageing (NT) Inc., Crime Stoppers Northern Territory Ltd, Darwin Symphony Orchestra Inc., General Practice Network NT Ltd, Government House Foundation of the Northern Territory Inc., Junior Police Rangers Land Association, the National Heart Foundation of Australia's Northern Territory Division, the Northern Territory Christian Schools Association, the Northern Territory Council of Law Reporting Inc., Northern Territory Police Legacy Inc., NT Breast Cancer Voice Inc., Northern Territory
Fishing Industry Training Advisory Board Inc., the Northern Territory Writers' Centre Inc., Relationships Australia Northern Territory Inc., the Returned Services League of Australia (South Australia Branch) Darwin Sub-Branch, the Top End Association for Mental Health Inc., Total Recreation Northern Territory Inc., Victims of Crime NT Inc., Alzheimers Australia NT Inc., Cancer Council of the Northern Territory Inc., Carpentaria Disability Services Inc., Diabetes Association of the NT Inc., Down Syndrome Association of the Northern Territory Inc., the Family Planning Welfare Association of the Northern Territory Inc., Foster Care NT Inc., Friends of the Darwin Symphony Orchestra Inc., Kidsafe NT Inc. and Palliative Care Northern Territory Inc.

There are more: Somerville Community Services Inc., St John Ambulance Australia (NT) Inc., Surf Lifesaving Northern Territory Inc., the Rotary Club of Darwin and School Children's Arts Education Foundation Inc., Disabled Sports Association (NT) Inc., Dragons Abreast Australia Ltd, Girl Guides NT Inc., HPA Inc., Royal Life Saving Society Northern Territory Branch Inc., Northern Territory Police and Citizens Youth Clubs Association Inc.; and Riding for the Disabled NT Inc. There are hundreds more charity and not-for-profit organisations in my electorate that could potentially be impacted. I have listed just the ones that I am involved in, that I am concerned about. This suite of bills is going to have major impacts on them. It will impose burdensome red tape on these organisations, which in many cases are already struggling to survive and trying to get volunteers to help out.

But the coalition have a plan. The coalition approached the charities commission and have given an undertaking that we will establish a small educative and training body for the not-for-profit sector. The coalition will not support the creation of a heavy-handed regulatory body that would add more red tape for charitable organisations. We would also seek to retain the regulatory powers that already exist in the ATO and ASIC. This would ensure simplicity and an easy understanding of the regulatory framework. We on this side understand that the regulatory framework should not be complicated by the powers and duties of key Commonwealth regulators.

We do not need this commission, and I concur with my coalition colleagues who have suggested that the money being put into establishing it should be used to support these very important charitable organisations that provide services in our community that are vital to our society. So I cannot support this suite of bills before the House.

Mrs Markus (Macquarie) (20:40): I rise to speak on the Australian Charities and Not-for-profits Commission Bill 2012, the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012 and the Tax Laws Amendment (Special Conditions for Not-for-profit Concessions) Bill 2012. The charitable and not-for-profit sector in our nation forms an integral framework of support and services that is woven into the fabric of all our communities. The role of government and indeed its responsibility is to assist, not place barriers and obstacles in the path of, those seeking to deliver good outcomes and real, practical support and assistance to our communities. With this legislation, the current Labor government not only fails to assist the charitable and not-for-profit sector but introduces a policy framework that will harm the sector's capacity to deliver services. The proposed new regulation of charities and not-for-profits will not reduce red tape. It treats the sector as untrustworthy, it will hinder their activities and it will also
discourage the involvement of volunteers in particular.

This suite of bills establishes a new statutory office, the Australian Charities and Not-for-profits Commission. As detailed in the bills, this commission would be the Commonwealth level regulator and add further red tape to Australian charities and not-for-profit organisations. The sector does not support the proposed creation of a large new regulator for charities and not-for-profits. The states have not agreed to hand over any of their powers with respect to charities and not-for-profits to the Commonwealth. In effect, the new regulator will impose an additional layer of red tape, thus not achieving the main objective. What this will mean, particularly for small charities, is that they will have to divert some of their resources from face-to-face, grassroots contact to additional administrative assistance.

There are approximately 600,000 charitable entities in the not-for-profit sector, and all members of this parliament would agree that these play an integral role in our communities. As I have already said, they provide vital services and fill service gaps on a daily basis. I would like to mention just a few such organisations that operate across the nation and in my community: Anglicare, the Australian Conservation Foundation, Catholic Social Services Australia, UnitingCare, the Red Cross, Mission Australia, the Salvation Army, Surf Life Saving Australia, the RSPCA, World Vision and Relay For Life. Locally, we have Nova Employment at Richmond and Springwood, Blue Mountains Cancer Help, Hawkesbury Community Kitchen, the Blue Mountains World Heritage Institute, Slow Food Blue Mountains, Salvation Army clothing stores and one ADTC. These are only a few of the organisations that deliver face-to-face, grassroots assistance to our local communities.

This suite of bills introduced by the government is set to decimate the not-for-profit and charitable organisations in my local community. By again refusing to work with the states and territories, the Gillard government is adding yet another roadblock to this incredibly important sector. The states have not agreed to hand over any of their powers with respect to charities and not-for-profits to the Commonwealth, so this regulator would be an additional layer of red tape. Under the commission, Australian charities would now need to report to the appropriate state or territory and the Commonwealth commission.

Martin Laverty, the CEO of Catholic Health Australia, stated:

At the moment, we actually do have a degree of harmonisation in that an organisation can choose one of two options: regulate under the Corporations Act or regulate under a state or territory association. This will create a third. As a result, this bill does not even come close to reaching its primary objective of reducing regulation. Instead it sets about to stifle the industry and the incredible volunteers who dedicate their time and personal resources to ensuring that these organisations remain successful. Unless and until the states and territories agree to hand over their powers to the Commonwealth regulator and harmonise their laws, these bills are going to add an additional layer of red tape.

It has been made clear throughout the course of the inquiry by the House economics committee and coalition discussions with stakeholders that no real progress has been made by the government in its attempts to have the states and territories agree to harmonise their laws. Moreover, based on our discussions with
relevant state ministers, the coalition does not believe it is likely that they are going to submit to handing over their powers in this space to the Commonwealth in the foreseeable future.

The Australian Council for International Development stated:

The present drafting of the ACNC Draft Bill does not reassure the ACFID or its members that it will actually reduce red tape because the drafting indicates that there is yet to be agreement with the states and it does not deliver a 'one-stop shop' for the establishment of a charity or reporting by a charity.

Susan Pascoe, from the Australian Charities and Not-for-profits Commission Implementation Taskforce, stated:

You are only going to achieve full red tape reduction with the involvement of the states and territories.

The Conservation Council of South Australia said:

Whilst there is a national 'one-stop shop' and a 'report once, use often process', there remains a major problem in that at this stage state regulation will continue to apply.

The establishment of the commission is effectively telling the sector that they need a watchdog to promote transparency and trust in the sector. The community already trusts this sector and there is no identification by the government of the mischief that warrants the suite of powers that would be granted to the new commission. Labor's approach reverses the cornerstone assumption of trust, essentially creating legislation that assumes people who volunteer to be involved in such organisations are untrustworthy, that they seek to misuse rather than serve their communities.

The ACNC will have far-reaching powers, elevating it to being one of the most powerful Commonwealth regulators. The bill provides the ACNC Commissioner with a range of enforcement powers. These powers are modelled on those given to other Commonwealth regulators such as ASIC, the Australian Prudential Regulation Authority and the Australian Competition and Consumer Commission.

These bills provides the ACNC with the authority to issue warning notices, issue directions, enter into enforceable undertakings, apply to the courts for injunctions, suspend or remove responsible entities and appoint acting responsible entities. The bills specify the conditions that must be satisfied before the ACNC Commissioner can use the enforcement powers, the scope and range of the ACNC's enforcement powers, and the associated penalties for contravening enforcement powers issued by the ACNC Commissioner. The ACNC Commissioner would be able to exercise enforcement powers only over registered entities.

The Australian Catholic Bishops Conference said:

The lengthy list of powers proposed in the ACNC bill focuses on matters which appear more appropriate for a criminal investigation authority rather than a body which is intended to promote and educate.

The Australian Council of Social Service stated:

The bill contains no requirement on the ACNC to inform or hear an organisation before it makes an adverse decision against that organisation.

Carers Australia said:

There is a lack of remedial compensation for an organisation wrongly deregistered unless they take action in the Federal Court. We also have serious reservations regarding the constitutional validity of legislating on governance requirements for organisations that are not federally regulated agencies and that apparent disregard of important administrative law concepts such as procedural fairness.
World Vision Australia said:

World Vision Australia considers that the tone and structure of the enforcement powers continue to suggest a heavy-handed approach weighted against the interests of registered entities and responsible entities. Further efforts should be made to ensure that the powers are better targeted, fairer, are not used to inappropriately interfere with an organisation's legitimate operations and do not impose undue costs on an entity in taking action against the ACNC.

The bill will have an impact on schools also. The smooth functioning of the commission is also dependent on a number of Commonwealth departments agreeing to either hand over their regulatory powers to the ACNC or harmonise their regulatory requirements. The issue is of particular concern to independent schools, which will be required to report much of the information to the ACNC that they currently report to the Department of Education, Employment and Workplace Relations, as well as to state education authorities. Because the government is not willing to work with the states and cannot ensure that they will harmonise existing procedures within the department, these schools will be placed under additional pressure and red-tape burden.

The Australian Catholic Bishops Conference, in referring to this issue, is quoted as saying:

All groupings of systemic schools, independent Catholic secondary schools and many primary schools will be classified as "large charities" and therefore be subject to the highest level ACNC financial reporting and accountability requirements.

The outcome for schools is an unreasonable compliance burden …

The associated Tax Laws Amendment (Special Conditions for Not-for-profit Concessions) Bill 2012 has a range of broad-reaching objectives, most of which are the 'in Australia' special conditions. The ‘in Australia' test will require tax-exempt entities to operate principally in Australia and pursue their purposes principally in Australia. The controversial amendments relate to situations where a tax-exempt institution provides money, property or benefits to another entity that is not itself an exempt entity. In this case, if the donee entity uses the money, property or benefits outside Australia, the exempt entity must take that into account in determining whether it is operating principally in Australia. This government's solution to every problem is red tape, roadblocks and regulation. Since 2007 this government has introduced more than 18,000 new regulations which they claim will increase productivity and create more efficient processes. Yet they have removed only around 80 regulations.

But the coalition has a plan. In June 2012 the member for Menzies announced the coalition's approach to the charities commission, which will be a small educative and training body for the not-for-profit sector, as opposed to supporting the creation of a heavy-handed regulatory body that would add to the red-tape burden for charitable organisations and duplicate state and territory regulations.

This piece of legislation is not about empowering charitable organisations and institutions to deliver better service. It is not about accountability. It is about placing burdens of additional red tape, disincentives and barriers, to them being able to deliver the real practical services that they do not just to our local community but also in raising funds from generous Australians for assistance overseas.

Mr FRYDENBERG (Kooyong) (20:55):

I rise to speak on the Australian Charities and Not-for-profits Commission Bill and the Australian Charities and Not-for-profits
Commission (Consequential and Transitional) Bill 2012. This is an important topic. Not-for-profits, charities and volunteer organisations are at the heart of our society. Indeed, they are as old as society itself, and they reflect the best of us—a commitment to helping others who are in need. That is why we, as members of this chamber, should do all that we can to help, not to hinder, the work of these organisations, to create an environment where they can do their work without being overburdened by compliance and red tape.

This is the essence of the debate and this is why the coalition opposes these bills, because these bills before the House will see the establishment of an independent statutory office, the Australian Charities and Not-for-profits Commission, a new Commonwealth level regulator for the not-for-profit sector, and a commissioner, who will actually increase the red tape, not reduce it. Instead of standardising terms, codifying conditions, clarifying rules and creating a one-stop shop for regulation, this legislation that we are debating before the House tonight will increase the compliance burden on Kooyong’s clubs, its congregations, its schools, its volunteer groups and all of those that help in the not-for-profit sector.

Mr Acting Deputy Speaker Scott, you do not have to take my word for this. You just have to look at the testimony before the parliamentary committees where these bills were debated. Take the Australian Conservation Foundation. It said:

… ACF is concerned that rather than remove duplication, the ACNC and its Bills will duplicate reporting obligations.

The Australian Council for International Development said:

The present drafting of the … Bill does not reassure ACFID or its members that it will actually reduce red tape …

And there is more. Mission Australia said:

Our over-riding concern is that rather than reducing red tape and compliance … the ACNC will add another layer of compliance and that nothing will be taken away.

The Independent Schools Council of Australia said:

… the regulatory burden will be increased on individual non-government schools creating costly and confusing duplicative governance and reporting situation.

This is pretty damning stuff from organisations as diverse as environment groups, not-for-profits, aid groups and schools—and there are more. The Australian Baptist Ministries said:

… the reporting requirements for medium sized entities are too onerous. In our view the increase in compliance obligation will make it more difficult to fill volunteer roles within local congregations as well as requiring more time to be spent on compliance matters and therefore less time on matters that will provide a benefit to the community.

That quote goes to the heart of the problem with these bills. By increasing compliance and red tape we are handcuffing these organisations and reducing their ability to do the work that they want to do. The Australian Catholic Bishops Conference have said:

The lengthy list of powers proposed in the ACNC Bill focuses on matters which appear more appropriate for a criminal investigation authority rather than a body which is intended to promote and educate.

The Anglican Diocese of Sydney has not missed the opportunity to put in its twopence worth. It said:

Well, I have news for the diocese: they are not alone in this regard.

The Australian Council for International Development said:
None of these organisations have a political axe to grind. They represent a diverse range of interests in our local community. They do not represent a political party; they represent members, volunteers and people who want to help others less fortunate than themselves. In fact, they represent our community. They do not want this new body, and they do not want what comes with it: a complex web of obligations.

The piece de resistance in my opinion is the quote from the architect of the government's school policy, Mr David Gonski, a man who is well respected in commercial circles and a Life Fellow of the Australian Institute of Company Directors. He said: 'It concerns me massively that we might be the first country in the world that makes being a director of a not-for-profit more onerous than being on a for-profit.' The member for McEwen, who is sitting opposite, knows the truth. He knows what this bill is about to do. If passed in the House, this bill will restrict the ability of the not-for-profit sector—the volunteer organisations, the community sector—from doing what it wants to do, and that is help others.

Under these provisions this new commission will have the authority to inspect and to seize records, to remove parish ministers, to disqualify a director without a court order and to suffocate community organisations in a web of red tape. This again denies these organisations the ability to do what they want to do. And it does not sound right to have a not-for-profits commission that is governed by legislation which explicitly sets out its 'information gathering powers', its 'monitoring powers' and its 'powers to gain warrants'.

This is all pretty heavy handed. What is more, the premise of this legislation before the House tonight is based on the states and the territories winding back their own red tape, but this has just not happened. Memorandums of understanding between all territory and state governments and the federal government are not in place. Despite this, the Gillard government is pursuing this heavy-handed approach when it does not have its prerequisities in place.

This legislation is being introduced before government departments, which already impose heavy reporting obligations on the not-for-profits, have promised to remove their own red tape. For example, the Department of Education, Employment and Workplace Relations will still require non-government schools to fill in financial questionnaires and data collection materials under My School on top of the requirements to comply with state and territory governments. How many layers of red tape do you want? As the shadow minister, the member for Menzies, has said, we are going down the path of a commission when other countries like New Zealand are walking away, announcing that they are closing their commissions.

It is interesting that the Assistant Treasurer is in the chamber right now, because he has said that this legislation will not solve all the problems overnight. Well, that is an understatement if ever I heard one! This legislation is going to create problems overnight, not solve any problems overnight.

It is time that the Gillard government got out of the way of the volunteer sector and did not introduce increased uncertainty and increased compliance. What is more, they should get the process right. They should get agreements from the states and territories before they pursue this path. They should get their own federal departments in order and allow a sufficient time for these bills to be debated.
Instead, the government have conducted this process in secret and allowed only nine working days for people to make submissions on the exposure draft. In a democracy, when you introduce heavy-handed legislation with wide-ranging effect, you have to do better than that. But we should not expect better from this government, because right across every portfolio they have increased regulation. So I say that if we get into government—I am hoping that we do, sooner rather than later—the coalition will repeal this legislation and it will retain the regulatory powers of the ATO and ASIC to do their job. We will ensure a one-stop shop for these not-for-profits. We will ensure one contact in each department rather than multiple contacts. We will simplify the auditing process and we will set up a small charities commission as an education and training body for the sector—not this big regulatory body which is going to over burden the not-for-profits.

I said before that this government has an atrocious record when it comes to regulation. Would you believe that since Kevin Rudd came to power in 2007 this government has introduced more than 18,000 new regulations and repealed fewer than 100? They promised to do exactly the opposite when they came to power in 2007. Again, they were misleading the Australian people.

This is a very important bill before the House. It is no wonder so many colleagues of mine on the coalition side have taken the opportunity to express their concerns, because they have their ear to the ground in their electorates. They understand that the sporting clubs, the schools, the congregations, the groups helping people with disabilities and the socially disadvantaged, and the international aid groups do not want this legislation. They want a simplified process, not a more complicated one.

What this government is doing is going to make the job of our not-for-profit and charity sector and their hardworking volunteers that much harder, because the money that they raise will be spent on compliance, and the time that they currently devote to their important work will be spent on compliance. The coalition is committed to repealing these bills. It is committed to doing so for very good reason. It is committed to helping the not-for-profit sector, the volunteer organisations and our charities. First and foremost, we will get out of the way and let them do their job.

Mr CHESTER (Gippsland) (21:09): I join the debate, like all of my colleagues on this side of the House, to express my great concerns about the Australian Charities and Not-for-profits Commission Bill 2012 and the related bill. We have had speaker after speaker on this side of the House raise their concerns. Like the member for Kooyong, I make the point that this is not intended to be a partisan debate; it is more about speaking on behalf of our communities, where, quite rightly, the not-for-profit sector and charitable organisations have expressed their concern about the direction being taken by the government. We are not taking our position lightly or, as I said, for any party-political reason. We simply do not believe this government has got it right, and we do not trust this government to get it right during the regulation stage either. We simply do not believe the not-for-profit sector will flourish under the proposed reform.

The not-for-profit sector and charitable organisations in a community like Gippsland are critically important for emergency services, aged care, education, faith based communities and churches, and sporting organisations. The government quite naturally relies very heavily on the goodwill of the millions of Australians who are prepared to donate their time to, or work in,
the not-for-profit sector. The sector is based on the goodwill of Australians who are prepared to make a commitment to helping those in their society who are less fortunate or in need.

While the government should be encouraging and empowering people who are prepared to make that sort of commitment to their community, this legislation is in fact placing more obstacles in their way. Time is one of the most precious gifts that a person can give to their community. It is a resource that should be treated with respect by our government. If people give their time willingly, it is because they want to try and make a difference in their community; it is not because they want to do more paperwork for a federal bureaucracy. Adding to the compliance burden adds to administration costs and reduces the amount of good work these organisations are able to do on the ground.

I think the member for Solomon made a valid point when she looked at the issue from the other side of the equation, from the perspective of people who are prepared to make donations to the not-for-profit sector. When people make a donation to a not-for-profit organisation, they expect it to be used to make a difference on the ground, not to be absorbed in administration costs.

It bothers me—and the member for Kooyong touched on this in his speech here tonight—that since 2007 the Rudd and Gillard governments have managed to introduce 18,000 new regulations. That is a staggering record, and it is a shameful record. The Australian people have every right to be sceptical when this government claims it is reducing red tape when, in fact, since 2007 it has introduced 18,000 new regulations.

The coalition oppose the government's proposed big new regulator for charities and not-for-profits because we fear it will not reduce red tape. We believe it treats the sector as untrustworthy and that the people involved in it are somewhat tainted by the approach being taken by the government. We fear also that it is going to hinder the activities of our charities and not-for-profit organisations and actually discourage involvement in those organisations into the future. I do not make that point lightly. At a time when it is already difficult to attract and retain volunteers or people prepared to work in the not-for-profit sector, placing any more barriers in front of them will just make it more difficult into the future.

We believe that the government should be getting out of the way of this sector and letting them do what they do best, and that is helping people and helping our communities. I fear that this government—and I am not for a second suggesting that it is its deliberate intention—is actually creating a roadblock to the operation of the charitable and not-for-profit sector and people's involvement in it.

The states also generally do not support the direction being taken by the government of a new regulator. In fact, they have not actually wound back the compliance burden as was intended by the government in this place. The states have not agreed to hand over any of their powers with respect to charities and not-for-profits to the Commonwealth, so the new regulator will be an additional layer of red tape and thus not achieve its primary objective of reducing regulations.

My concern directly relates to my community of Gippsland, where we have an extraordinary number of people who are prepared to give their time and effort to volunteer and to work in the charitable and not-for-profit sector, but, as I said, it is getting harder and harder to attract and retain those people. Anything we do in this place...
that makes it more difficult to volunteer or work within the not-for-profit sector should be opposed.

The coalition believes we should be trusting the voluntary sector and trusting those working in charitable endeavours, whereas this approach from the government reverses that cornerstone assumption of trust. Essentially we are creating legislation that assumes people who are involved or who volunteer are untrustworthy and tainted. I believe that the government has taken quite a punitive approach to this matter. I believe the coalition's approach to help the sector to support a small commission to focus on innovation, education and advocacy is a better way to go.

I refer to the shadow minister's contribution in the debate when he made many important points that I think the government should take on board. In his contribution the shadow minister highlighted that what was proposed as simplification by the minister in his address turns out to be costly and burdensome additional reporting requirements with no reduction in red tape and no reduction in duplication. He gave the example of the Baptist Church, which said in its submission to the legislation that it had estimated that it alone will have to spend an additional $1 million per annum of scarce resources to meet the new requirements. That is a staggering amount of money for an organisation which is set up to help our communities. If the Baptist Church alone is expecting to spend an additional $1 million per annum of its resources to meet these requirements, imagine what the compliance costs will be if we extrapolate that across all the associations upon which this regulatory system will be enforced. The cost to the community will be enormous both in direct monetary costs and also in the opportunity cost in what is lost and what could have been delivered with those resources.

As I also pointed out in my opening remarks, the other great concern of the sector is that much of the burden of this new legislation will be in the regulatory requirements. The government is really asking the Australian people and asking this parliament to take them on trust. The government's record in relation to trust is not one that anyone should be proud of. No-one in the Australian community, if asked the question, 'Do you trust this government to get it right in relation to this legislation?' would be confident in saying that, yes, they can trust this government.

We view the government's approach as both heavy handed and unnecessarily intrusive to such an extent that we believe that it would diminish the work of charities and of the not-for-profit sector. We are concerned that the government has failed to consult properly with the sector and we fear it needs to go back to the drawing board. That is not just our view; that is the view that many organisations have raised concerns about.

I will refer to a few of those comments for the benefit of the Leader of the House. We had the Australian Conservation Foundation—

Mr Albanese interjecting—

Mr CHESTER: It is not my view, Leader of the House; it is actually the view of the Australian Conservation Foundation, which said:

ACF is concerned that rather than remove duplication, the ACNC bills will duplicate reporting obligations.

The Australian Baptist Ministries made a submission to the inquiry and said:

The reporting requirements for medium sized entities are too onerous. In our view the increase in compliance obligation will make it more difficult to fill volunteer roles within local congregations as well as requiring more time to
be spent on compliance matters and therefore less time on matters that will provide a benefit to the community.

This is direct feedback from people directly impacted by the government's legislation and highlights the point that has been raised by the coalition and by the many, many speakers who have spoken against the legislation over the past 24 hours. Catholic Health Australia said:

… the effect of the Bills would be to add additional regulation to the operation of most not-for-profit organisations.

That is in direct contrast to the government's claims. We have Catholic Health Australia saying that the effect of the legislation would be to add additional regulation. This is meant to be a streamlining process and this is meant to be reducing red tape and reducing regulation. But the feedback from the people directly affected, like Catholic Health Australia, is that they will be faced with a higher regulation burden and higher compliance costs. The CEO, Martin Laverty, said:

… we cannot look to the bill today and have any confidence or indeed certainty as to how in the future those organisations currently governed under the corporations law would be governed in the future.

He went on to say:

Companies would not settle for governance standards being changed by way of regulation. BHP Billiton and Rio Tinto would not allow a government to create an ability to use regulation to change the way in which their governance operates. Why should the not-for-profit sector be any different to that?

I have a long list of similar comments and I will not prolong the House any further by reading them out.

Mr Albanese interjecting—

Mr CHESTER: I can if the Leader of the House would like me to. Mission Australia said that the legislation:

… is not sufficiently well balanced by a commitment to enable the not-for-profit sector to reduce duplication of reporting and to provide public confidence in the sector.

The National Disability Service said:

NDS supports the concept of a national regulator but is concerned that during the early stage of implementation it is possible that the reporting burden will increase for those organisations that retain a requirement to report to a state or territory regulator. Negotiations between governments to eliminate or minimise any duplication of reporting requirements arising from dual regulation need to be fast-tracked.

It goes to the heart of our concerns. The government claims to have consulted, but it is not consultation if you are not listening. It is not consultation if you are not prepared to take the submissions from organisations raising legitimate concerns to do with the compliance burden, duplication and additional costs that are going to be incurred.

It is not consultation at all if you are not prepared to look at the very real issues raised by people on the ground dealing with this government's heavy-handed approach to compliance.

Adding to the red-tape burden and adding to the compliance costs means that every dollar diverted for compliance with this new regulatory environment and the duplication involved will result in fewer services in our communities. Like the member for Parkes said earlier this evening, I fear that it is the services in regional areas, which tend to have smaller staff numbers, that will suffer the most as precious staff resources are diverted away from the core business of those organisations. I say again, every single dollar diverted, every staffer or volunteer that is tied up in red tape and compliance burdens enforced upon it by government, in this case possibly the duplication of state and federal government burdens, will result in less service, less support and less activity in the
not-for-profit and charitable sector in our community.

I will close by referring to the minister’s second reading speech. He said:

The introduction of this bill represents a significant milestone in delivering reforms that strengthen and support the sector so it can continue to grow and flourish into the future.

I genuinely believe the minister was well intentioned but I do not believe this legislation achieves his claimed objectives.

He went on to say:

Ensuring that the sector can consolidate its standing in the community through enhanced transparency and accountability is essential to its ongoing growth and sustainability.

A regulatory system that promotes good governance, accountability and transparency for NFP entities will help to maintain, protect and enhance the public trust and confidence that underpins the sector.

In closing, the sector already has good standing in the community. It does not need the heavy hand of this government driving people out of the sector. There is a great amount of public trust in the sector already and there is also a great amount of confidence. I acknowledge the sector is not perfect and the coalition does support reforms but this heavy-handed, overly regulated approach will create more problems than it solves. I oppose the bill.

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (21:22): I thank those members who have contributed to the debate—more than 30 of them from the other side. I do not wish to indulge the filibuster any further by responding in great detail other than to simply make this point: the sector wants this. They have wanted it for decades and we are going to give it to them. For all the quotes you have wheeled out, we know they are quotes that were provided prior to the three parliamentary committees this has been subjected to. After three parliamentary committees and more than 30-odd speakers, the sector wants it and we are going to deliver it. I commend the bill to the House.

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

The House divided [21:27]

(The Deputy Speaker—Ms AE Burke)

Ayes ...................... 67
Noes ...................... 65
Majority ............... 2

AYES

Albanese, AN
Bandt, AP
Bird, SL
Bowen, CE
Bradbury, DJ
Brodman, G
Burke, AS
Butler, MC
Byrne, AM
Champion, ND
Cheeseman, DL
Clare, JD
Collins, JM
Crean, SF
D’Ath, YM
Dreyfus, MA
Elliot, MJ
Ellis, KM
Emerson, CA
Fitzgibbon, JA
Garrett, PR
Georganas, S
Gibbons, SW
Gray, G
Grierson, SJ
Griffin, AP
Hall, JG (teller)
Hayes, CP
Husic, EN (teller)
Jenkins, HA
Jones, SP
Kelly, MJ
King, CF
Leigh, AK
Livermore, KF
Lyons, GR
Macklin, JL
Marles, RD
McClelland, RB
Melham, D
Mitchell, RG
Murphy, JP
Neumann, SK
Oakeshott, RJM
O’Neill, DM
Owens, J
Parke, TF
Perrett, GD
Piliberg, TJ
Ripoll, BF
Rishworth, AL
Rowland, MA
Roxon, NL
Rudd, KM
Saffin, JA
Shorten, WR
Sidebottom, PS
Smyth, L
Snowdon, WE
Swan, WM
Symon, MS
Thomson, CR
Thomson, KJ
Vamvakas, M
Wilkie, AD
Windsor, AHC

Zappia, A
The House divided. [21:37]

(The Deputy Speaker—Ms AE Burke)

Ayes .................. 65
Noes .................. 67
Majority ............... 2

AYES

Alexander, JG
Andrews, KL
Billson, BF
Bishop, JI
Broadbent, RE
Christensen, GR
Cobb, JK
Crok, AJ
Entsch, WG
Forrest, JA
Gash, J
Hartsuyker, L
Hunt, GA
Jensen, DG
Katter, RC
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Moylan, JE
O'Dowd, KD
Prentice, J
Ramsey, RE
Robert, SR
Ruddock, PM
Scott, BC
Smith, ADH
Stone, SN
Truss, WE
Turnbull, MB
Vasta, RX
Wyatt, KG

NOES

Andrews, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Chester, D
Ciobo, SM
Coulton, M (teller)
Dutton, PC
Fletcher, PW
Gambiaro, T
Griggs, NL
Hawke, AG
Irons, SJ
Jones, ET
Keenan, M
Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
Neville, PC
O’Dwyer, KM
Pyne, CM
Randall, DJ
Roy, WB
Schultz, AJ
Secker, PD (teller)
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Walsh, MJ

That the House do now adjourn.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (21:32): I require the question to be put immediately without debate.

The DEPUTY SPEAKER: The question is that the House do now adjourn.

The House divided. [21:37]

(The Deputy Speaker—Ms AE Burke)

Ayes .................. 65
Noes .................. 67
Majority ............... 2

AYES

Alexander, JG
Andrews, KL
Billson, BF
Bishop, JI
Broadbent, RE
Christensen, GR
Cobb, JK
Crok, AJ
Entsch, WG
Forrest, JA
Gash, J
Hartsuyker, L
Hunt, GA
Jensen, DG
Katter, RC
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Moylan, JE
O’Dowd, KD
Prentice, J
Ramsey, RE
Robert, SR
Ruddock, PM
Scott, BC
Smith, ADH
Stone, SN
Truss, WE
Turnbull, MB
Vasta, RX
Wyatt, KG

NOES

Andrews, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Chester, D
Ciobo, SM
Coulton, M (teller)
Dutton, PC
Fletcher, PW
Gambiaro, T
Griggs, NL
Hawke, AG
Irons, SJ
Jones, ET
Keenan, M
Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
Neville, PC
O’Dwyer, KM
Pyne, CM
Randall, DJ
Roy, WB
Schultz, AJ
Secker, PD (teller)
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Walsh, MJ

Question agreed to.

Bill read a second time.

ADJOURNMENT

The DEPUTY SPEAKER (Ms AE Burke) (21:31): Order! It being after 9.30 pm I propose the question:

The House divided. [21:37]

(The Deputy Speaker—Ms AE Burke)

Ayes .................. 65
Noes .................. 67
Majority ............... 2

AYES

Alexander, JG
Andrews, KL
Billson, BF
Bishop, JI
Broadbent, RE
Christensen, GR
Cobb, JK
Crok, AJ
Entsch, WG
Forrest, JA
Gash, J
Hartsuyker, L
Hunt, GA
Jensen, DG
Katter, RC
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Moylan, JE
O’Dowd, KD
Prentice, J
Ramsey, RE
Robert, SR
Ruddock, PM
Scott, BC
Smith, ADH
Stone, SN
Truss, WE
Turnbull, MB
Vasta, RX
Wyatt, KG

NOES

Andrews, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Chester, D
Ciobo, SM
Coulton, M (teller)
Dutton, PC
Fletcher, PW
Gambiaro, T
Griggs, NL
Hawke, AG
Irons, SJ
Jones, ET
Keenan, M
Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
Neville, PC
O’Dwyer, KM
Pyne, CM
Randall, DJ
Roy, WB
Schultz, AJ
Secker, PD (teller)
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Walsh, MJ
Consideration in Detail

Bill—by leave—taken as a whole.

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (21:39): I present a supplementary explanatory memorandum to the bill and seek leave to move amendments (1) to (9) as circulated together.

Leave granted.

Mr BRADBURY: I move:

(1) Clause 45-5, page 22 (line 21), omit "give", substitute "promote the objects of this Act by giving".

(2) Clause 45-5, page 23 (after line 3), at the end of subclause (1), add:

Note: The objects of this Act include supporting and sustaining a robust, vibrant, independent and innovative Australian not-for-profit sector (see subsection 15-5(1)).

(3) Page 23 (before line 31), before subclause 45-10(5), insert:

Basic religious charities

(4)Clause 45-10, page 23 (after line 33), at the end of the clause, add:

Political advocacy

(5) The regulations must not require a registered entity not to comment on, or advocate support for, a change to any matter established by law, policy or practice in the Commonwealth, a State, a Territory or another country, if:

(a) the comment or advocacy furthers, or is in aid of, the purpose of the registered entity; and

(b) the comment or advocacy is lawful.

(5) Page 23 (after line 33), at the end of Division 45, add:

Consultation

(1) Before the Governor-General makes a regulation for the purposes of subsection 45-10(1), the Minister must be satisfied that:

Question negatived.

BILLS

Australian Charities and Not-for-profits Commission Bill 2012

Message from Governor-General recommending appropriation announced.
(a) appropriate consultation has been undertaken with:

(i) the not-for-profit sector (such as through entities that represent parts of the sector); and

(ii) entities having expertise in fields relevant to the proposed regulation; and

(iii) entities likely to be affected by the proposed regulation; and

(b) relevant input received as part of that consultation has been taken into account adequately.

(2) Without limiting, by implication, the form that consultation mentioned in paragraph (1)(a) might take, such consultation could involve notification, either directly or by advertisement, of the entities mentioned in that paragraph. Such notification could invite submissions to be made by a specified date or might invite participation in public hearings to be held concerning the proposed regulation.

(3) The fact that consultation does not occur, or that input is not taken into account, does not affect the validity or enforceability of the regulation.

(4) Part 3 of the Legislative Instruments Act 2003 does not apply to a regulation proposed to be made for the purposes of subsection 50-10(1) of this Act.

(6) Page 25 (after line 27), at the end of Division 50, add:

50-15 Consultation

(1) Before the Governor-General makes a regulation for the purposes of subsection 50-10(1), the Minister must be satisfied that:

(a) appropriate consultation has been undertaken with:

(i) the not-for-profit sector (such as through entities that represent parts of the sector); and

(ii) entities having expertise in fields relevant to the proposed regulation; and

(iii) entities likely to be affected by the proposed regulation; and

(b) relevant input received as part of that consultation has been taken into account adequately.

(2) Without limiting, by implication, the form that consultation mentioned in paragraph (1)(a) might take, such consultation could involve notification, either directly or by advertisement, of the entities mentioned in that paragraph. Such notification could invite submissions to be made by a specified date or might invite participation in public hearings to be held concerning the proposed regulation.

(3) The fact that consultation does not occur, or that input is not taken into account, does not affect the validity or enforceability of the regulation.

(4) Part 3 of the Legislative Instruments Act 2003 does not apply to a regulation proposed to be made for the purposes of subsection 50-10(1) of this Act.

(7) Clause 115-55, page 98 (line 22), omit "of the ACNC", substitute "who is a member of the staff assisting the Commissioner as mentioned in subsection 120-5(1)".

(8) Page 141 (after line 8), at the end of Subdivision 190-B, add:

190-40 Returns etc. given by registered entities that can change the governing rules of other registered entities

For the purposes of section 190-35, and without limiting that section, treat a registered entity (the lodging entity) that gives a return, notice, statement, application or other document to the Commissioner in the approved form on behalf of another registered entity as doing so as the agent of the other registered entity, if:

(a) the lodging entity can amend the governing rules of the other registered entity in relation to a matter; and

(b) the return, notice, statement, application or other document relates to that matter.

Sections 190-25 and 190-30 do not apply to the giving of the return, notice, statement,
application or other document by the lodging entity.

(9) Clause 205-35, page 149 (after line 14), after subclause (3), insert:

(3A) Subsection (3) does not apply at a time in a financial year if:

(a) paragraph 30-227(2)(a) of the Income Tax Assessment Act 1997 does not apply to the entity at any time in the financial year; and

Note: Paragraph 30-227(2)(a) of the Income Tax Assessment Act 1997 applies to funds, authorities or institutions endorsed as deductible gift recipients or mentioned by name in the table in section 30-15 or Subdivision 30-B.

(b) the entity is endorsed under Subdivision 30-BA of that Act as a deductible gift recipient for the operation of one or more funds, authorities or institutions at any time in the financial year; and

(c) the total revenue of the entity for the financial year in relation to the operation of the funds, authorities or institutions is less than $250,000.

Mr PYNE (Sturt—Manager of Opposition Business) (21:40): Typically, the government has introduced landmark legislation to regulate charities and not-for-profits which has been debated in this House. Then the government has felt the need to come in and amend their own legislation, because they are so incompetent that they were incapable of getting their legislation right in the first place.

One of the amendments the government is moving tonight has to do with the schools portfolio, which is my portfolio. In the so-called consultations they had with the education sector, they discovered very quickly that the changes to the treatment of charities and not-for-profits dramatically increased the red tape requirements of charities and not-for-profits, which meant that every single school—every single non-government school as well as government schools with trusts and foundations and not-for-profit instruments—suddenly found itself overwhelmed with red tape that it would not have otherwise have to comply with. They also found that a bill that was designed to harmonise state and federal regulations in fact introduced an entirely new level of regulation.

The Assistant Treasurer did not even do the House the courtesy of explaining the amendments he was moving in the House tonight. He simply stood up and moved that amendments (1) to (9) as circulated be agreed to. He did not even do the House the courtesy of explaining what these amendments mean to the national charities and not-for-profit sector. So I assume that these are the amendments that affect schools. He did not explain them, because he does not know what he is doing. And I was making the point—

Mr Perrett interjecting—
Mr Dreyfus interjecting—

Mr PYNE: Oh, come on, Rumpole. You have only been here one term; you do not really know what you are doing.

Mr Perrett: Two, actually.

Mr PYNE: And you have been in trouble before for your foolish interjections across the chamber. But let me say this: charities and not-for-profits across Australia realise that these amendments do not repair the holes in this bill. Before the government introduced this new level of regulation, charities and not-for-profits in this country were travelling along perfectly well. The government then decided, in negotiation with the states, that they would implement new rules for charities and not-for-profits. But all that has happened is that the states have kept all their regulations and the Commonwealth has imposed a new raft of regulations across the sector. The Catholic sector and the independent schools have stood up and said:
'We already comply with 50 state bills; we already comply with about 20 Commonwealth bills. All you are doing is introducing a new level of regulation with which you expect us to comply.'

So the government, with their facade consultation, went away and came back with these amendments, which they think will solve the problem. But when is the government going to get one bill right in this House so that it does not require amendment upon amendment, even when it is being introduced? We have already voted on the second reading. In the consideration in detail the government so incompetently introduced its own amendments.

Mr Snowdon: Oh, shut up.

Mr PYNE: You can say shut up, rudely, because of your complete incapacity to understand the basic requirements of this House.

Honourable members interjecting—

The DEPUTY SPEAKER (Ms AE Burke): Order! The member for Sturt will resume his seat. I am having difficulties. I do not believe my microphones were working, but now they are. They need to stay on. The member for Sturt has the call and he will not be interjected on. He has the call and he will get another 10 minutes.

Mr PYNE: That is very generous, Madam Deputy Speaker. I am so grateful for the opportunity for another five minutes to finish my remarks. I was making the point that this is a very important bill. These are very important changes. The Labor Party think it is tremendously amusing to put every volunteer organisation—whether they are local parishes across Australia, whether they are non-government or government schools—at risk of being unable to continue. They think it is tremendously funny.

The philosophies behind the Labor Party's reforms are that they always assume that someone is doing the wrong thing. They never assume that volunteers could be doing the right thing. The Labor Party's ideological position is that we must regulate it. If it is not regulated we must get government involved. The bureaucracy always advises them: 'There are one or two examples of mistakes that have been made, so let's regulate the whole sector. Let's cover the field.' And Labor always follows. But there are hundreds of thousands of volunteers out there in the community, across Australia, not just in schools but in parishes and local communities, who will now be subject to draconian regulation, draconian legislation that interferes in every aspect of their trust or their charity. This is a big mistake the government is making.

Why aren't we trying to encourage volunteering? Rather than giving out certificates, which we are pleased to do, and rather than giving out more medals, which we are pleased to do, the Labor Party pays lip-service to volunteers. But when it comes to the on-the-ground activities of volunteers they say, 'Let's regulate them; let's bring in the heavy hand of government,' as if they are not already following the rules and as if they are not already following regulations at the state level. The government said, 'We will regulate and the states will give away their rights,' but they have not. So the government has found itself in this terrible bind where it is now introducing a whole new level of regulation for charities and not-for-profits, and it is in the embarrassing situation yet again of coming into this House and amending its own original legislation on the very night when it is being passed by the House of Representatives.

As the shadow minister for education I will stand up on behalf of the coalition for all the schools across Australia, both
government and non-government schools, that have trusts, charities and foundations and use all of those resources to improve infrastructure, to pay scholarships, to hire extra teachers, to support disabled children. They are already overcome and overburdened with regulation and they have lobbied me and counselled me about how they would like to see this legislation not proceeded with.

Mr Bradbury: Name them.

Mr PYNE: You asked me to name them. The Australian Catholic Bishops Conference made very strongly worded submissions to the draft round of consultations. They are still not happy, even with the amendments the government has made, because they take exception to the assumption that somehow they are trying to do someone in, to do someone down, just because they are charities, parishes, school foundations or school trusts.

The coalition will campaign on this issue right through to election day, whenever that might be, whether it is in October or November, whether it is in February or March next year or whether the government is even prepared to hand down one more budget.

Mr Dreyfus interjecting—

Mr PYNE: Hand down one more budget, Rumpole, and we will see that you have a $25 billion deficit and no surplus at all. I will take money on the government not handing down another budget in this place and having to face the wrath of the people for the things they have told the Australian public that they know are not true.

Behind me there is a plethora of speakers who want to stand up on this issue and stand up for their charities, their parishes, their trusts and their foundations in government and non-government schools and to support parents who put money into these organisations from their after-tax income. They do not want to see that money being spent on more regulation, more government control, more form filling, more red tape and more green tape. They want their hard earned after-tax dollars to be spent on looking after the children, the disadvantaged and the underprivileged who are served by all of these charities and parishes. I urge the House to reject these amendments and reject this legislation. (Time expired)

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (21:51): I would like to address the question of the amendments that are being brought forward. But first and foremost I would like to set out in some detail the process of consultation that occurred in the lead-up to the introduction of this bill and indeed the introduction of these amendments tonight.

I begin by saying that in the first instance an exposure draft of this legislation was released and there was widespread public consultation in relation to that exposure draft. I also indicate that since coming into the role of Assistant Treasurer in March of this year I have personally consulted extensively with the sector. I say this because I hear various quotes being brought forward and parroted by speaker after speaker in the chamber tonight.

Being close to the action, I know that these particular quotes are quotes that were provided in earlier contributions and submissions that were made through this process. In fact these amendments in part respond to some of those concerns. The bill as it stands at the moment takes into account the product of those consultations. The second exposure draft was sent off to the House of Representatives Standing Committee on Economics, and in responding to the issues raised by that committee we
made some substantial changes to the bill, and they are reflected in the bill that has been introduced in the House.

Can I also advise the House that in addition to those two exposure drafts, including one that was considered by the House economics committee, there has also been an inquiry into this bill by the Joint Parliamentary Committee on Corporations and Financial Services. Indeed, there were recommendations made by that committee and we have acted and responded to those concerns with the amendments that are before the House tonight. I also advise the House that in addition to that second parliamentary inquiry there was a third parliamentary inquiry, and that was by the Senate Community Affairs Legislation Committee. There are some suggestions that were made by that committee that are also dealt with in part by the amendments that are before the House tonight.

I heard the Manager of Opposition Business talk about his concern about the regulatory burden on parishes and not-for-profit organisations. I draw the House's attention to the specific exemption that is provided for basic religious charities. This is an exemption that has been inserted into the bill. It is very much targeted towards ensuring that those entities operating basic religious charities at the parish level that are not currently subject to regulatory oversight in the way in which this bill provides for uniform national regulation there will be an exemption. Some of the amendments that are now before the House seek to clarify and extend that exemption to ensure that some of the concerns that were raised by the various church groups and parish communities have been responded to. I advise the House that in the discussions I have had with the representative bodies of those religious organisations it has been indicated to me that these amendments have addressed their concerns to their satisfaction. I think it is important that I bring that to the attention of the House.

We believe that these are significant reforms. There will come a time when those opposite—who I know are committed to opposing this bill today and to repealing this legislation if it is brought into effect—will recognise that this is one of the most significant reforms of the charitable sector. The logic of a national regulator of charities is something that will overwhelm them in time. They will appreciate that and they will also come to appreciate—

Mr Tehan interjecting—

The DEPUTY SPEAKER (Ms AE Burke): The member for Wannon is warned!

Mr BRADBURY: They will also come to appreciate that this is something that is overwhelmingly supported by the charitable sector, and that is because at the moment there is a de facto regulator of our charities at the national level. It is the Australian Taxation Office. Our charitable organisations have been saying for decades, 'We need a national regulator that understands our needs, that is not solely focused on the question of tax concessions.' Inquiry after inquiry has recommended that. This government has acted on those recommendations. This will be a lasting reform that the charitable sector will look back on as a turning point in strengthening their sector. (Time expired)

Mr ANDREWS (Menzies) (21:56): We are in the extraordinary position tonight in this parliament that we are debating some amendments that have been moved by the minister opposite, Minister Bradbury, who has not actually outlined what those amendments are.

Mrs Bronwyn Bishop: He doesn't know.
Mr ANDREWS: He may not know, but let me not presume he does not know. We are in the extraordinary position where a minister at the table has moved amendments (1) to (9) and has not spoken about the amendments before the House. One wonders why a minister would move amendments in this place and not have the seriousness to outline to the chamber what—

Mr Bradbury: I did brief you.

Mr ANDREWS: He interjects and I take the interjection. He says that he did brief me. Yes, he did. But did he do the courtesy tonight of outlining to the parliament, outlining to the House of Representatives, outlining to the people of Australia why amendments (1) to (9) were needed? I could ask members on either side of the chamber what they are and I suspect not one person in this House apart from the minister and me could actually tell you what those amendments are.

Let me say something about the amendments which have been moved, because they are so concerning to the minister that he cannot outline them to the chamber tonight. These amendments reinforce the very reasons why we on this side of the parliament believe that this legislation should be absolutely rejected. The amendments fall into three categories. The first amendment is to say to congregations, to parishes and to church and faith groups around Australia: 'If your building fund—put it in lay language—does not exceed $250,000, we are not going to force you, as the legislation currently does, to establish a separate DGR status, a tax deductible status.' That is what the first amendment does, but what it does not do is index that $250,000. So the minimum reporting requirement under this legislation does not move from $250,000 to $300,000 or $350,000 over time, as one would expect. It will be kept at the same level. This amendment does not deal with the future, so far as this is concerned. This is an attempt by the government to placate the churches, who have said, 'This is an absolutely unacceptable contribution so far as we are concerned, on what we normally do, that nobody has ever complained about.'

The second measure here—the minister has not outlined it to the parliament, so I might as well—deals with non-government schools. The government has a plethora of reporting obligations for the education departments, and those reporting requirements for the Charities and Not-for-profits Commission will be for three years only. That just reinforces our objection to this, because after three years what happens? You have the duplication of reporting to the education authorities and also the charities commission. It reinforces our objection to this legislation.

Then, finally, there is something which is common sense which should have been part of the legislation in the first place, but this is to placate the Greens and the objection of the member for Melbourne. In terms of the actual regulatory requirements for government standards, they now say, essentially, that the minister has to sign off that the government standards have been agreed to by the sector. That should have been part of the legislation from the outset.

These are essentially minor transitory changes that are not going to change our fundamental objection to this legislation. This is flawed legislation. We will not oppose these amendments. Why will we not oppose them? Because they are sensible amendments that should have been there in the first place. The minister should have explained them. Our objection to this legislation is that it makes the charitable sector in Australia an instrument, an agency,
of the government. That is unacceptable and we will vote against it. (Time expired)

Mrs BRONWYN BISHOP (Mackellar) (22:01): It is almost without precedent that a minister at the table should present amendments to a bill of the complexity of the ACNC bill without explaining what the amendments are about. There are 2½ pages of amendments and a supplementary explanatory memorandum of 15 pages, so we know why the Assistant Treasurer and Minister Assisting for Deregulation has not explained what they do—simply, I do not think he comprehends what they do. The supplementary explanatory memorandum says this about amendments (1) to (4):

To ensure the ongoing independence of the sector in any future governance standards, amendments 1 and 2 make a minor change to the objects clause of the Division on governance standards to ensure that the standards are to be developed in accordance with the object of this ACNC Bill, which include, amongst other things, to support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector.

The only thing is, the whole tenor of the bill does not support those words. It is designed in essence to turn those charitable and not-for-profit institutions—some 400,000 of them across Australia—from non-taxpaying entities doing things that are good for society into taxpaying entities. At the end of the day, this government will do anything to prevent what happens with regard to those people who are of good conscience and good heart who develop a voluntary culture and want to assist their fellow human beings in their community. The government wants to turn them into taxpaying entities. Hence regulation after regulation after regulation.

Even the Scrutiny of Bills Committee points out, as I said in my speech on the second reading, that this legislation provides for the power to make regulations that should properly be in the primary legislation. Again we see in these amendments that the government is trying to fetter the power of the regulation making framework to make it look more palatable. The fact of the matter is it has not yet been worked out, and it is punishment at every turn for volunteers.

As I pointed out in my second reading speech, 1.3 million people over the age of 50—this is relevant to my shadow portfolio of seniors—were volunteers in charities, according to the 2011 census. These are people of good heart who do not want to be fillers-out of forms, who do not want to be made subject to the penalties that are entailed in this form of legislation. People who are skilled at administrative levels, who are directors of corporations, under this legislation will be subject to harsher penalties than they would as a director of a simple business which is incorporated under the Corporations Act.

We have someone at the table who is purporting to be responsible for these amendments but he cannot even tell us why they have chosen to bring in these amendments and what they mean. There are 2½ pages of amendments and 15 pages of explanatory memorandum. Again and again we see incompetent drafting—bad instructions for the drafters, bad understanding by the government of what it is trying to impose on the Australian people. So here we are, after the regular time for the adjournment, starting to look at amendments which should properly have been explained by the person at the table who was responsible for so doing. The supplementary explanatory memorandum says:

This will protect the independence of registered entities …

Would they need protection if this bill were not passed? No. Should we be successful in being elected, this legislation will be for the
scrap heap and a good system will be brought in by the shadow minister, who outlined that earlier.

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (22:06): I must set the record straight. What we just heard was a grievous misrepresentation of what this bill and these amendments propose. The member for Mackellar indicated that somehow this was a part of the government's plan to bring non-taxpaying entities into the tax net. What a load of rubbish. The only way someone could say that was the conclusion to be drawn is if they were deliberately misleading people or if they had not read the bill or any of the amendments. I repeat: this does not in any way seek to change the taxation status of any entity. Let me be clear about that. Any entity that is currently entitled to a tax concession, whether they have deductible gift recipient status, tax-exempt status, GST concessions or any of the other concessions under PBI status, will not be affected by virtue of this bill or these amendments. So let us put that scare campaign to one side.

For the benefit of members, if this is a matter that is of such great interest to those opposite, I will advise the House of what the amendments do address. As opposed to what has been suggested, these amendments are not about correcting the results of poor drafting instructions. They are about responding to the product of genuine consultation. I make no apologies for that, because I am sick and tired of coming into this place and hearing those opposite say that the consultation that occurs is simply lip-service. It is not lip-service. We have had genuine consultation, legitimate issues have been raised by a number of groups, and we are responding to the product of that consultation.

To correct, once again, what the member for Sturt had to say in relation to basic religious charities, the fact is that parishes will be exempt from this regime. Basic religious charities will be exempt. These amendments seek to extend that exemption so that, where a basic religious charity is also engaged in running other funds that might have deductible gift recipient status and have an annual turnover of less than $250,000, those entities will not lose the value of that exemption under the basic religious charity exemption. That is something that was put to us by, amongst others, the Catholic Bishops Conference. It was an issue that was the subject of ongoing consultation with stakeholders, and we have responded. As far as I am aware, from the discussions I have had with representatives of the Catholic Church and other churches, we have addressed that issue to their satisfaction.

In relation to other changes, we are moving an amendment that seeks to provide greater independence for the charitable sector. This is a matter of great interest to people at the moment, because they have seen what the Newman government is doing in Queensland, particularly with gag clauses. It is bad enough that they come in and rip the guts out of vital front-line services, but they then want to try to shut people up by imposing gag clauses. We believe that a strong not-for-profit sector is an independent one. People should not be bullied or intimidated into silence and into accepting the harsh realities of what Liberal governments do to front-line services. So we think it is important that there be some independence. That is why we are moving one of the amendments that are before the House at the moment.

In relation to the consultation requirements—

Mrs Bronwyn Bishop: What a joke!
Mr BRADBURY: I heard from the member for Menzies that—

Mrs Bronwyn Bishop interjecting—

The DEPUTY SPEAKER (Ms AE Burke): Order! The member for Mackellar was heard in silence. The Assistant Treasurer has the call.

Mr BRADBURY: Before I address that point, I will put something on the record. The member for Menzies made what I thought was an outrageous slur when he said that the amendment we are making is to placate the Catholic Church. It is not about placating anyone; it is about listening to the concerns that have been raised—

Mr Andrews interjecting—

The DEPUTY SPEAKER: The member for Menzies!

Mr BRADBURY: and responding to them. Frankly, I found that to be rather insulting. With regard to consultation, we have set out an even stronger consultation process for the making of governance standards. We think that that is appropriate and that is something that came through in the consultations. We are confident that these amendments respond to genuine concerns raised by stakeholders within the sector. They have asked for these things, but let's not forget they have also asked us to implement these reforms. The opposition should remember that. (Time expired)

Mr Andrews: Madam Deputy Speaker Burke, I formally withdraw what I said.

Mr TUDGE (Aston) (22:11): If there is one word that describes this government in putting forward these amendments, it is this: incompetence. I cannot remember the last bill they brought into this place that was complete, that had been done properly—where the government had gone through a proper consultation process, discussed it with the relevant sectors and stakeholders, actually got a finished product that they could be happy with, that everybody could be happy with, and presented it to the parliament for consideration. I cannot remember the last time they did that.

If this were an urgent measure, you could possibly forgive the government for rushing this bill through and maybe making a couple of minor mistakes which they needed to fix up on the floor of the parliament. But there is no urgency for this bill. There is no immediate crisis confronting the charitable and non-profit sector in Australia. There is no disgraceful situation that has occurred within one of the community organisations which the public is demanding the parliament fix immediately and, therefore, which we are rushing a bill through to address.

If this were a bill that addressed some of the disgraces occurring within the union movement—within the HSU, the AWU and others—then maybe we could understand the need to rush it through to address some of the things that are going on and that, consequently, we might need to correct one or two measures through amendments on the floor of this parliament. But there is no such thing here. This should have been a deliberative process that the government went through over a period of weeks, if not months. They should have sat down with the charitable and non-profit sector, described what they were planning to do, got feedback, put forward their revised proposal and, once they had some sort of agreement, taken that proposal to the parliament. Then we would have been able to consider this bill. But, no, they did not do that—of course they did not do that. Instead, there are nine individual amendments to this bill because of the incompetence of the government.

As the member for Menzies pointed out, we will agree to these amendments. In many
ways, they are an improvement on the bill. One such improvement is that the school sector will no longer—at least, not for the next three years—have to report to another entity on top of their reporting to state government agencies, My School and various federal agencies. Of course, their ultimate accountability is to the parents themselves, who are paying the fees and sending their children to the school in the first place. So that amendment which has been put forward is a positive step, and we are happy with it. Of course, the three-year limit is still there, so in three years time the schools will still have to report to this commission, adding an additional layer of red tape.

But, at their heart, these amendments do not fix the fundamental problem with this bill. The problems are threefold. Firstly, they add an additional layer of red tape to a sector which is already overburdened with regulations, paperwork and red tape. Indeed, the Baptist Church of Australia said that, just to satisfy this bill, they will have to spend an additional $1 million per annum. From this day forward, when every Baptist Church across the country passes around the offertory bowl on a Sunday morning, part of their money will be going towards paying for the red tape which this bill imposes. That is a disgrace. They give that money to pay for the good work that the Baptist Church does in the community. And it is not just the Baptist Church; this applies to every church across the community. The second problem is that the detail is not provided in the bill; rather, the detail is going to be provided in the regulation. And, finally, the bill gives too much power to this commission in part to remove ministers of the church, which is a disgrace. This bill should be rejected. (Time expired)

Mr FLETCHER (Bradfield) (22:16): I am pleased to have the opportunity to rise in the consideration in detail stage of the bill to ask the minister to explain a number of aspects of the amendments which he has put before the House at this late stage. I am particularly interested in amendment (5), which would add clause 45(15) in relation to consultation, and amendment (6), which would add clause 50(15), also in relation to consultation. The first question I would like the minister to answer is: why was it that the idea of requiring that there be consultation with the affected sector should only have occurred to the government that made them say at this late stage: "We've got a tremendous idea. Let's add in a provision which allows for consultation before we make governance standards or external conduct standards'? And why is it that the idea of consultation did not occur at an earlier stage?

I would like to ask the minister to address a question in relation to the wording of the proposed amendment. In proposed clause 45(15) there is a requirement that the minister must be satisfied that appropriate consultation has been undertaken. I would be interested to know from the minister what would constitute appropriate consultation. I am also interested to note that proposed clause 45(15)(ii) would require that the relevant input to that consultation process must have been taken into account adequately. Again, I am interested to know from the minister what would satisfy the standard of being an adequate taking into account of consultation. I am interested to know how those two provisions under clause 45(15)(i) are to be reconciled with the wording of clause 45(15)(iii), which reads as follows: 'The fact that consultation does not
occur or that input is not taken into account does not affect the validity or enforceability of the regulation'. So I would ask the minister, as he goes through this very comprehensive and impressive process of demonstrating his detailed knowledge of these amendments and how they operate, to continue his process of impressing all of us in the House by explaining how we are to reconcile proposed clause 45(15)(iii) with the requirement for appropriate consultation. Is it not the case that the requirement is a mere sham when the clause goes on to say the fact that consultation does not occur or that input is not taken into account does not affect the validity or enforceability of the regulation?

I would also like the minister to answer a broader question which I think arises when we consider the late addition of these provisions requiring consultation with the affected sectors before governance standards and external conduct standards are made. What was the substance of the complaint that the government received which caused it to come up with the idea, at this late stage, of imposing a requirement for consultation? In other words, the government clearly envisages that, by adding amendments (5) and (6) requiring consultation, it has solved a problem which it perceived to have existed. It would be interesting to know exactly what the nature of that problem is and how that problem is solved by a requirement for consultation when the new clause, if passed into law, will say on its face that the fact that the consultation does not occur or that input is not taken into account does not affect the validity or enforceability of the regulation. It might be thought that this suggests that the consultation requirement is a sham because the provision, on its face, is that if you consult and then ignore the consultation, or in fact if you do not consult, it does not matter—that if you do not consult, even in a clause headed 'Consultation', it does not matter. I would welcome the minister's clarification on those points.

Mr McCormack (Riverina) (22:21): The amendments to the Australian Charities and Not-for-profits Commission Bill 2012, the ACNC Bill, seek to do a number of things. Firstly, they protect the independence of registered entities by ensuring that the governance standards cannot prevent or constrain a registered charity from undertaking important advocacy functions.

We have heard tonight that this government rushed in the bill to begin with. But it also rushed through these amendments, like everything this government does, at the eleventh hour, without proper consultation. The minister at the table says he has consulted. If that is so, why weren’t these amendments part of the original bill? Why weren’t these amendments part of the original bill so that when we were considering the bill in the first instance we could have read what was being put forward and voted accordingly? But, no, this government does everything in haste. It does things without thinking. It does things without proper consultation. Here we are again tonight, at this late hour, seeing yet another example of this.

The second point is that it makes the government's commitment to consultation on the governance standards an express requirement of the ACNC Bill. Interestingly enough, on the government's not-for-profit website the ACNC, the Australian Charities and Not-for-profits Commission, is actually seeking people to put forward their resumes for positions on the ACNC. Without this bill even having passed the lower house of the Australian parliament, already on the government's not-for-profit website they are advertising for positions. That is simply outrageous.
Also, the bill seeks to allow basic religious charities to operate deductible gift recipient funds as authorities or institutions which generate annual revenue of less than $250,000 without the need to obtain a separate Australian business number. We have heard tonight that the Australian Baptist church is going to be paying more than $1 million if this bill goes through. It is simply outrageous. This is a church, a faith based organisation, which provides moral counsel and support for so many people—people in need, people at their most vulnerable—that this government now seeks to bring down, to make sure they have to pay even more tax. This is one of the highest taxing governments this nation has ever had the misfortune of having in place.

The amendments seek to streamline the process of providing notifications about changes to governance standards for multiple registered entities using the approved form. Again, it is just more red tape, more bureaucracy, more absolute mangling of things by this government which just wants to put another layer of bureaucracy over faith based organisations, sporting clubs, cultural organisations and voluntary groups. It might be all well and good for the government to be talking about these things in here, but out there in voter land people are rallying against it. They are railing against what this government is trying to do, the bureaucracy that this government is imposing upon them. People just want to be left alone to get on with their jobs. When they dig deep to pay money to charities, to schools, to private schools, to public schools, they do not want to have another level of bureaucracy placed upon them so that their after-tax income is paying for things that really should not be put into place.

The absolute beauty of it all is the final point here: 'make other technical corrections'. Why is it necessary for these amendments to come into place to make other technical corrections? Surely if the government were that intent on putting legislation to this parliament it would be correct, thought through and have had proper consultation? Why the need at this late hour to be then producing amendments that 'make other technical corrections'? It is all well and good if this is going to improve the legislation. Mind you, I think the legislation is ill-thought-through in the first place, and that is why the coalition is opposing it. But surely the minister at the table would have had proper consultation with all the key stakeholders, with all the necessary people, to ensure that everything was in place before the legislation was brought to the House.

But, as I say, as with everything with this government—and we are seeing it at the moment with late-hour changes to the Water Act, before the Murray-Darling Basin legislation is put—and like every other piece of legislation that comes before this House, it is never properly thought through. This is a government on the run bringing decisions about with haste and total incompetence.

Mr CRAIG KELLY (Hughes) (22:27): I must admit that when I first saw the Australian Charities and Not-for-profits Commission Bill 2012 and the Australian Charities and Not-for-profits Commission (Consequential and Transitional) Bill 2012 the first question I asked was: what is the problem? What evil is occurring that these bills need to address? Where is the problem in our charities sector, our non-profit sector, that needs an explanatory memorandum that is 325 pages long? Where is the problem? What do we need to fix with our charities sector? Maybe we have one or two problems at the edges, but do we really need this verbose piece of legislation, this detailed explanatory memorandum, which every not-for-profit organisation in the country will now have to go through and read?
We heard about the estimated additional cost to the Baptist church of $1 million to comply with this legislation. That is $1 million less they will have to spend on assisting people with disabilities. That is $1 million less they will have to assist people with aged care. How can we here in this parliament even suggest legislation that makes groups like the Baptist church have to spend another $1 million on their bureaucracy?

An opposition member: Shame!

Mr CRAIG KELLY: Shame, exactly right. This is just an example that shows this government do not know what they are doing. They are simply making things up as they go. But at the end of the day it is all about the Labor way of creating a new bureaucracy. Instead of allowing the citizens of our country to get in and do the good work they do in charities, without the government on their backs, this is all about creating more red tape, tying them up and stopping them from doing the productive work they actually need to do.

I would like to also support the questions asked by the member for Bradfield. I hope the shadow Treasurer might take the opportunity to advise on some of these questions.

Mr Irons: Assistant Treasurer.

Mr CRAIG KELLY: The Assistant Treasurer. We look at amendment (5), which was only circulated in the last hour. It talks about appropriate consultation. I hope the Assistant Treasurer could give us a definition of exactly what is meant by 'appropriate consultation'. There is no definition I have been able to see in the explanatory memorandum. So I hope the Assistant Treasurer can take this opportunity.

The other words are in paragraph 1(b), where it says that relevant input received as part of that consultation has been taken into account adequately. What is the definition of 'adequately'? Who decides this? I hope, again, that the Assistant Treasurer will take this opportunity to explain the definition of 'adequately'.

Now I move on to proposed subsection (3) of the fifth amendment. This says that the fact that the consultation does not occur, or that that input is not taken into account, does not affect the validity or enforceability of that regulation. I hope the Assistant Treasurer will explain what the purpose of that clause is, because it simply makes the entire rest of the amendment completely redundant. If the consultation does not occur and input is not taken into account it does not affect the regulation's validity or enforceability—that makes the other sections completely redundant. It is complete gobbledygook language.

Again, this is all about creating more red tape and more bureaucracy. So, instead of the charities—the not-for-profit sector—going out and doing the good work they do in our society and helping people, they will now have to have accountants and lawyers to work their way through 325 pages of this nonsense.

I hope, in the remaining time we have in this debate in the consideration in detail, that the Assistant Treasurer will get up and explain the evil that this bill is trying to fix, he will explain to us the definitions in amendment (5) and he will explain to us why proposed section 3, which simply makes the rest of that amendment completely redundant, should be included.

Mr ANDREWS (Menzies) (22:36): This is an interesting debate, because no reason whatsoever has been advanced. We are now past the point where this House would normally have concluded for the night. We are now past the point where the adjournment debate would have been over,
and yet no reason has been advanced by the government why this vote needs to be brought on tonight.

Mr Windsor: It's the carbon tax.

Mr ANDREWS: I say to the honourable member for New England, who made a comment that I did not quite hear, and the member for Denison and the member for O'Connor, that there is no reason why this debate needs to be extended tonight. Firstly, no mischief has been made out in terms of this bill, whatsoever.

The minister suddenly tonight introduced amendments to this House. I have been here for 21 years. It is unprecedented—I say this genuinely—

An honourable member: It's a conspiracy!

Mr ANDREWS: No, it is not a conspiracy, my learned friend, but it is unprecedented in over two decades of my being in this place that a minister has come in here and moved amendments and has not stood up at that dispatch box and explained why the government was moving the amendments.

And we have not yet heard tonight why the amendments that are being moved by the government are so important. There are nine amendments. In response to what I said and what other people on this side have said, we have had a cursory, at best, explanation as to why there should be amendments. I say to the people in this chamber, including the honourable member for New England and the honourable member for Denison: if debate in this chamber means anything then surely this chamber should have an explanation as to what these amendments are at the outset, not some hurried explanation after I have spoken now because of the embarrassment of the government. We should have some explanation as to why these amendments are necessary. That is the first point.

The second point is that there has been no mischief made out by this government about this bill. I challenge everybody in this chamber to ask, in terms of their local communities: what is the mischief from their charities and not-for-profits such that this bill is required? What is it? I have not heard it. There is a deafening silence as to why this bill is so important and, even more so, why it is so important that this bill be passed tonight.

Indeed, the lack of consultation with the charitable sector in relation to this bill is quite significant. This is a government that has already employed 90 staff, according to the media reports, in terms of this commission, without any legislative authority from this parliament. Are we, in the House of Representatives, just going to wave all this through without any due consultation and without any due consideration of this matter?

Am I about to be gagged on an important matter? Am I about to be gagged on something that goes to the heart—

The DEPUTY SPEAKER (Hon. BC Scott): The member for Menzies will resume his seat. The member for Menzies does not have the call.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (22:36): I move:

That the question be now put.

The DEPUTY SPEAKER (Ms AE Burke): The question is that the question be now put.

The House divided. [22:40]

(The Deputy Speaker—Ms AE Burke)

Ayes ...................... 66
Noes ...................... 62
Majority ................. 4
Question agreed to.

The DEPUTY SPEAKER (Ms AE Burke) (22:44): The question now is that the amendments be agreed to.

Question agreed.

The DEPUTY SPEAKER: The question now is that the bill, as amended, be agreed to.

The House divided. [22:47]

(The Deputy Speaker—Ms AE Burke)

Ayes .....................67
Noes .....................63
Majority.................4

AYES
Albanese, AN
Bird, SL
Bradbury, DJ
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
D’Ath, YM
Elliot, MJ
Emerson, CA
Garrett, PR
Gibbons, SW
Grierson, SJ
Hall, JG (teller)
Husic, EN (teller)
Jones, SP
King, CF
Livermore, KF
Macklin, JL
McClelland, RB
Mitchell, RG
Neumann, SK
Owens, J
Perrett, GD
Ripoll, BF
Rowland, MA
Rudd, KM
Shorten, WR
Smyth, L
Swan, WM
Thomson, CR
Vamvakinou, M
Windsor, AHC

NOES
McCormack, MF
Morrison, SJ
Neville, PC
O’Dwyer, KM
Pyne, CM
Randall, DJ
Roy, WB
Schultz, AJ
Secker, PD (teller)
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Washer, MJ

McCormack, MF
Morrison, SJ
Neville, PC
O’Dwyer, KM
Pyne, CM
Randall, DJ
Roy, WB
Schultz, AJ
Secker, PD (teller)
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Washer, MJ

PAIRS
Adams, DGH
Combet, GI
Danby, M
Ferguson, LDT
Ferguson, MJ
Gillard, JE
O’Connor, BPJ
Smith, SF

Buchholz, S
Simpkins, LXL
Frydenberg, JA
Haase, BW
Robb, AJ
Abbott, AJ
Andrews, KL
Hockey, JB

Ayes .....................67
Noes .....................63
Majority.................4

AYES
Albanese, AN
Bird, SL
Bradbury, DJ
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
D’Ath, YM

Bandt, AP
Bowen, CE
Brodmann, G
Butler, MC
Champion, ND
Clare, JD
Crean, SF
Dreyfus, MA

Bandt, AP
Bowen, CE
Brodmann, G
Butler, MC
Champion, ND
Clare, JD
Crean, SF
Dreyfus, MA
### AYES

| Elliot, MJ | Ellis, KM |
| Emerson, CA | Fitzgibbon, JA |
| Garrett, PR | Georganas, S |
| Gibbons, SW | Gray, G |
| Grieves, SJ | Griffin, AP |
| Hall, JG (teller) | Hayes, CP |
| Husie, EN (teller) | Jenkins, HA |
| Jones, SP | Kelly, MJ |
| King, CF | Leigh, AK |
| Livermore, KF | Lyons, GR |
| Macklin, JL | Marles, RD |
| McClelland, RB | Melham, D |
| Mitchell, RG | Murphy, JP |
| Neumann, SK | Oakeshott, RJM |
| O’Neill, DM | Owens, J |
| Parke, M | Perrett, GD |
| Piibersek, TJ | Ripoll, BF |
| Rishworth, AL | Rowland, MA |
| Roxon, NL | Rudd, KM |
| Saffin, JA | Shorten, WR |
| Sidebottom, PS | Smyth, L |
| Snowden, WE | Swan, WM |
| Symon, MS | Thomson, CR |
| Thomson, KJ | Vamvakinou, M |
| Wilkie, AD | Windsor, AHC |
| Zappia, A |

### NOES

| Ruddock, PM | Schultz, AJ |
| Scott, BC | Seeker, PD (teller) |
| Smith, ADH | Southcott, AJ |
| Stone, SN | Tehan, DT |
| Truss, WE | Tudge, AE |
| Turnbull, MB | Van Manen, AJ |
| Vasta, RX | Washer, MJ |
| Wyatt, KG |

### PAIRS

| Adams, DGH | Buchholz, S |
| Combet, GI | Simpkins, LXL |
| Danby, M | Frydenberg, JA |
| Ferguson, LDT | Haase, BW |
| Ferguson, MJ | Robb, AJ |
| Gillard, JE | Abbott, AJ |
| O'Connor, BPJ | Somlyay, AM |
| Smith, SF | Hockey, JB |

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

### Third Reading

**Mr BRADBURY** (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (22:50): by leave—I move:

That this bill be now read a third time.  
Question agreed to.  
Bill read a third time.

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

### Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

**The DEPUTY SPEAKER (Ms AE Burke)** (22:51): The question is that this bill be now read a second time.

The House divided [22:53]

(The Deputy Speaker—Ms AE Burke)

Ayes ..........................67  
Noes ..........................63  
Majority .........................4
AYES

Albanese, AN
Bird, SL
Bradbury, DJ
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
D’Ath, YM
Elliot, MJ
Emerson, CA
Garrett, PR
Gibbons, SW
Grierson, SJ
Hall, JG (teller)
Husic, EN (teller)
Jones, SP
King, CF
Livermore, KF
Macklin, JL
McClelland, RB
Mitchell, RG
Neumann, SK
O’Neill, CA
Parke, M
Pitbersek, TJ
Rishworth, AL
Roxon, NL
Saffin, JA
Sidebottom, PS
Snowdon, WE
Symon, MS
Thomson, KJ
Wilkie, AD
Zappia, A

NOES

Bandt, AP
Bowen, CE
Brodmann, G
Butler, MC
Champion, ND
Clare, JD
Cren, SF
Dreyfus, MA
Ellis, KM
Fitzgibbon, JA
Georganas, S
Griffin, AP
Hayes, CP
Jenkins, HA
Kelly, MJ
Leigh, AK
Lyons, GR
Melham, D
Murphy, JP
Oakeshott, RJM
Owens, J
Perrett, GD
Ripoll, BF
Rowland, MA
Rudd, KM
Shorten, WR
Smyth, L
Swan, WM
Thomson, CR
Vannvakinos, M
Windsor, AHC

Baldivis, KG
Bowen, CE
Brodmann, G
Butler, MC
Champion, ND
Clare, JD
Cren, SF
Dreyfus, MA
Ellis, KM
Fitzgibbon, JA
Georganas, S
Griffin, AP
Hayes, CP
Jenkins, HA
Kelly, MJ
Leigh, AK
Lyons, GR
Melham, D
Murphy, JP
Oakeshott, RJM
Owens, J
Perrett, GD
Ripoll, BF
Rowland, MA
Rudd, KM
Shorten, WR
Smyth, L
Swan, WM
Thomson, CR
Vannvakinos, M
Windsor, AHC

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (22:55): by leave—I move government amendments (1) to (6) as circulated together. These amendments seek to ensure that the ACNC Commissioner must accept specified reports lodged under the Schools Assistance Act 2008 as meeting the annual financial reporting obligations under the bill during the transitional period. These amendments also seek to make a number of minor consequential amendments that would allow the Commissioner of Taxation to collect administrative penalties on behalf of the ACNC Commissioner and would also make other technical amendments.

Question agreed to.
Bill read a second time.

Consideration in Detail
Bill—by leave—taken as a whole.
Mr ANDREWS (Menzies) (22:56): Isn't it significant that the Assistant Treasurer has actually explained on the second consequential bill in very brief detail what the amendment is about? This is a night in which we have had the government move significant amendments and not even had the courage to come into the chamber and explain what the amendments were about. I will be brief. I will not hold the chamber up.

Government members interjecting—

Mr ANDREWS: I will keep talking for my whole five minutes, if you like. This is the night the government has sold out the charitable sector in Australia. The government has failed, week after week and month after month, to explain to this chamber and to the people of Australia what the great mischief is that this bill is required for. It has not come out it in here tonight. Look behind me. I say to the people behind me: do we reject this legislation? Yes, we do. Do we think this legislation is unnecessary? Yes, we do. Look behind me: yes.

Why couldn't the government tonight get more than one or two or three speakers to stand up and defend this legislation? Because the reality is when they went back to their own electorates, consulted with the charitable sector and asked the surf club, the sporting club, the cultural club and the service organisation what it was that demanded this legislation, what did they get? They got a resounding silence. Why? Because this is legislation which has been foisted upon the charitable sector in Australia which they do not want, which there has been no case made by the hapless minister at the table—and I do not blame him because he is the third minister in line to bring this legislation forward. The reality is there is no support for this legislation within the charitable sector within in Australia.

What we proudly say tonight is that we stand to oppose this legislation. Yes, we have allowed the amendments to go through because what they do is add some slight improvements to bad legislation. But the reality is this is bad policy. This is bad law—and not only do we oppose it tonight, not only will we vote against it now but, if we get the chance to be entrusted to government in the future, we shall repeal it.

Question agreed to.

The DEPUTY SPEAKER (Ms AE Burke) (23:00): The question now is that the bill, as amended, be agreed to.

The House divided. [23:04]

(The Deputy Speaker—Ms AE Burke)

Ayes ......................66
Noes ......................64
Majority ..................2

AYES

Albanese, AN
Bandt, AP
Bowen, CE

Bird, SL
Bowdtnn, G

Bradbury, DJ
Butler, MC

Burke, AS
Champion, ND

Byrne, AM
Clare, JD

Cheeseman, DL
Crean, SF

Collins, JM
Dreyfus, MA

D'ath, YM
Ellis, KM

Elliot, MJ
Fitzgibbon, JA

Emerson, CA
Georganas, S

Gibbons, SW
Gray, G

Grierson, SJ
Griffin, AP

Hall, JG (teller)
Hayes, CP

Husic, EN (teller)
Jenkins, HA

Jones, SP
Kelly, MJ

King, CF
Leigh, AK

Livermore, KF
Lyons, GR

Macklin, JL
Marles, RD

McClelland, RB
Melham, D

Mitchell, RG
Murphy, JP

Neumann, SK
Oakshott, RJM

O’Neill, DM
Owens, J

Parke, M
Perrett, GD

Plibersek, TJ
Ripoll, BF

Rishworth, AL
Rowland, MA

Roxon, NL
Rudd, KM

Saffin, JA
Shorten, WR

Sidebottom, PS
Smyth, L
AYES
Snowdon, WE
Symon, MS
Thomson, KJ
Wilkie, AD
Swan, WM
Thomson, CR
Vamvakinou, M
Zappia, A

NOES
Alexander, JG
Andrews, KL
Billson, BF
Bishop, JI
Broadbent, RE
Christensen, GR
Cobb, JK
Crook, AJ
Entsch, WG
Forrest, JA
Gash, J
Hartsuyker, L
Hunt, GA
Jensen, DG
Keenan, M
Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
Neville, PC
O’Dwyer, KM
Pyne, CM
Randall, DJ
Roy, WB
Schultz, AJ
Secker, PD (teller)
Southcott, AJ
Teahan, DT
Tudge, AE
Van Manen, AJ
Washer, MJ
Andrews, KJ
Baldwin, RC
Briggs, JE
Chester, D
Ciobo, SM
Coulton, M (teller)
Dutton, PC
Fletcher, PW
Gambare, T
Griggs, NL
Hawke, AG
Irons, SJ
Jones, ET
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Moylan, JE
O’Dowd, KD
Prentice, J
Ramsey, RE
Robert, SR
Ruddock, PM
Scott, BC
Smith, ADH
Stone, SN
Truss, WE
Tumble, MB
Vasta, RX
Wyatt, KG

PAIRS
Adams, DGH
Combet, GI
Danby, M
Ferguson, LDT
Ferguson, MJ
Gillard, JE
O’Connor, BPJ
Smith, SF
Buchholz, S
Simpkins, LXL
Frydenberg, JA
Haase, BW
Robb, AJ
Abbott, AJ
Sonley, AM
Hockey, JB

Bill, as amended, agreed to.

Third Reading

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (23:03): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

ADJOURNMENT

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (23:05): I move:
That the House do now adjourn.
Question agreed to.
House adjourned at 23:07

NOTICES

The following notices were given:

Mr Gray to move:
That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Upgrade of On-Base Housing for Defence at Larrakeyah Barracks, Darwin, Northern Territory.

Mr Gray to move:
That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Upgrade of Housing for Defence at RAAF Base Tindal, Northern Territory.

Mr Gray to move:
That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Base Infrastructure Works Project under the Base Security Improvement Program.
Mr Gray to move:
That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Moorebank Units Relocation, Holsworthy, New South Wales.

Mr Gray to move:
That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: High Voltage Electrical Distribution Upgrade, Liverpool Military Area, New South Wales.

Mr Gray to move:
That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Development and construction of housing for Defence members and their families at Kellyville, Sydney, New South Wales.

Mr Combet to present a bill for an act to amend legislation relating to clean energy, and for other purposes.

Ms Bird to present a bill for an act to amend the law in relation to higher education and vocational education and training, and for related purposes.

Mr Shorten to present a bill for an act to amend the law relating to superannuation and taxation, and for other purposes.

Mr Shorten to present a bill for an act to amend the law in relation to superannuation and for related purposes.

Mr A. S. Burke to present a bill for an act to amend the Water Act 2007 in relation to long-term average sustainable diversion limits, and for related purposes.

Ms Plibersek to present a bill for an act to amend the law relating to food regulatory measures, health, Medicare and industrial chemicals, and for related purposes.

Ms Plibersek to present a bill for an act to amend the National Health Security Act 2007, and for related purposes.

Mr Bowen to present a bill for an act to amend the law relating to migration, and for other purposes.

Mr Clare to present a bill for an act to provide for testing the integrity of staff members of certain enforcement agencies, and for other purposes.

Mr Ripoll to present a bill for an act to amend the law relating to personal liability for offences committed by corporations, and for related purposes.

Mr Dutton to move:
That the Health Insurance (Dental services) Amendment Determination 2012 (No. 1), dated third of September 2012, made under subsection 3C (1) of the Health Insurance Act 1973, be disallowed.

Mr Hayes to move:
That this House:
(1) notes that:
(a) 25 November is observed as White Ribbon Day, a day aimed at preventing violence against women through a nation-wide campaign to raise public awareness of the issue; and
(b) the current statistics indicate that one in three women will experience physical violence and one in five will experience sexual violence over their lifetime;
(2) encourages:
(a) all Australian men to challenge the attitudes and behaviours that allow violence to continue, by joining the ‘My Oath Campaign’ and taking the oath: ‘I swear never to commit, excuse or remain silent about violence against women’; and
(b) Members to show their support for the principals of the White Ribbon Day by taking the oath and wearing a white ribbon or wristband on the day; and

(3) acknowledges the high economic cost of violence against women and their children, estimated to be $13.6 billion in 2008-09 and, should no action be taken, the cost will be an estimated $14.6 billion in 2021-22.
CONSTITUENCY STATEMENTS

Cowper Electorate: Cost of Living

Mr HARTSUYKER (Cowper) (15:59): Today I would like to take the opportunity to remind members of the House about the impact of the cost of living on households in my electorate and across the nation. What has become apparent in recent years is that, while the headline inflation rate has remained within the two to three per cent range, the real increase in the cost of living for Australian families is much higher. We all know about the increase in the cost as a result of the carbon tax, but the reality is that power price rises and increases in the cost of fuel plus more government fees, charges and taxes have delivered a cocktail where many people struggle to afford life's basic necessities. Indeed, this was reflected in a survey which I conducted earlier this year where 4,100 of my constituents responded. The cost of living was a major cause of concern. Some 37.3 per cent blamed the federal government for the rise in the cost of living; 21.7 per cent blamed state government; and 14.4 per cent, local government.

I recently received a letter from a pensioner from Nambucca Heads in my electorate. The 75-year-old lady requested that I table a list of her annual expenses so that parliamentarians are aware of how difficult it is to live on the age pension. The lady asked that I not name her, which of course I will respect. But I would like to read members a short letter and table the breakdown of her personal expenses. The letter reads:

Dear Mr Hartsuyker

I am an old age windowed pensioner, 75 years old. I receive $735 per fortnight. I have bad arthritis. I was losing my eyesight and paid up front for implant operations. The Labor Government says keep the elderly in their homes but I'm sure they don't know how much that costs. … you should table the expenses an old aged pensioner has.

I receive around $5000 income and Centrelink says my pension and interest plus $300 from a few shares are all taxable. So I have to pay tax—what a joke.

This is what I paid out for the full year.

And I will table the list, Madam Deputy Speaker, which I have.

Would you like to add this up and table it in Parliament. When I draw on my investment Centrelink wants to know what I have done with the money.

It is certainly of concern, so today I would like to take the opportunity to table a copy of this letter and the list of expenses of this 75-year-old lady. This list provides a comprehensive breakdown of the expenses, which amount to $19,130. Given that this lady received $19,110 in payments from Centrelink, one can understand how hard it is to make ends meet. This is something that all members from both sides must consider when they have an opportunity to vote on increasing the cost of living for families. For many Australians every cent counts and any additional impost the government places on household budgets succeeds in inflicting more pain and despair on those who are most vulnerable. This is an area of concern right across Australia and it is something that we— (Time expired)
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The DEPUTY SPEAKER: Is the member seeking leave to table a document?

Mr Hartsuyker: I seek leave to table the document.

Leave granted.

Blair Electorate: Murri Courts

Mr NEUMANN (Blair) (16:03): During the hearings of the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs in 2010-11 and onwards, which I chaired, we discovered that Indigenous juveniles were 28 times more likely to be in detention than non-Indigenous juveniles. Indigenous juveniles make up more than half of the detainee population on any given day here in Australia, and Indigenous young adults are 15 times more likely to be imprisoned than non-Indigenous young adults, so we made a number of recommendations which the government accepted in whole or in part.

In that context we looked at the Murri courts in Queensland. The Murri courts sentence Aboriginal and Torres Strait Islander offenders who plead guilty of an offence which falls within the jurisdiction of the Magistrates Court in Queensland. Assistance is given by Aboriginal elders during that time, including one of the local Aboriginal elders in the Western Corridor, Uncle Albert, who lives in Inala in the electorate of Oxley. I have known him through his work in the local community, particularly as, virtually, the patron of Hymba Yumba, an Indigenous school in Springfield in my electorate.

The really tragic thing about all of this is that the Campbell Newman government in Queensland has abolished the Murri courts. The Murri courts operate in Brisbane, Cleveland, Cherbourg, Rockhampton, Townsville, Mount Isa and other places, including in Ipswich. It is a disgrace, because it means that Indigenous young people and young adults are more at risk of incarceration. Ipswich Children of the Dreaming spokeswoman Rosemary Connors, who gave evidence to the Doing time—time for doing report, said the Murri Court would wrap up at the end of December and expected the number of people to end up in jail to skyrocket. Children of the Dreaming look after 1,600 young Murri a year—men, mainly, but some women also—who are charged with offences and are sentenced. She said:

It's pretty much devastating … The cost to run the Murri Court bail program is a quarter of the cost of sending an offender to prison.

The program, she said, was a great help to the local Murri people. The Queensland Law Society President, Dr John de Groot, said the calculation by the Queensland Attorney-General in saying that it was not a good program was 'based on a false economy' and that the outcome of the move would 'end up costing Queenslanders far more than the government's expected savings'. The Queensland Law Society are very critical of this decision, and I agree with them. Locally the Murri Court sitting magistrate, Matthew McLaughlin, praised the program as 'generating positive results'. It is so short-sighted of the Campbell Newman LNP government and it shows their disregard for Indigenous people in the state of Queensland.

Leichhardt Electorate: Ecotourism

Mr ENTSCH (Leichhardt—Chief Opposition Whip) (16:06): I rise today to welcome to Far North Queensland an event which is a fantastic opportunity for our tourism industry: the 20th Global Eco Asia-Pacific Tourism Conference. Taking place in Cairns from 15 to 17 October this year, the conference will see industry leaders from around the world offer their insights into responsible tourism, sustainability, Indigenous tourism and successful

FEDERATION CHAMBER
ecomarketing. I congratulate the organisers for choosing Leichhardt and Cairns to host the event, especially as 2012 marks the 20th conference for Ecotourism Australia and 10 years since the International Year of Ecotourism.

Personally I am very supportive of moves towards being ecoconscious in the tourism industry. This region is built on its natural beauty, unique ecosystems and rugged wilderness areas, and they are certainly our most valuable assets. I congratulate operators who have moved to embrace sustainability. Not only will their actions help to protect these assets but they will be adding an extra bow to the tourism product already on offer. It is clear that ecotravel is a booming market as people's awareness of it rapidly grows, as does their enthusiasm to seek out eco-friendly activities and accommodation.

Last month I was very pleased to attend the opening of the first eco-friendly cabin in the BIG4 Cairns Crystal Cascades Holiday Park, owned and operated by Russell and Jenine Drayton. It was a huge financial investment that they have put into it, and it is set in the beautiful Redlynch Valley. I commend the Australian government's T-QUAL grants program, which certainly helped them in accessing funding to embrace these sustainable practices. In the World Heritage Daintree Rainforest, tourism operators have carried out eco-friendly activities for many years so as not to compromise their surrounding environment. Most well known is the Daintree Eco Lodge, which has won over 40 major awards and just last year was named Best Luxury Eco Tourism in the World. The lodge operates at the highest standards to ensure its natural and cultural environment is managed ethically and operated profitably while offering guests a unique experience. A personal favourite of mine is the boutique motel Lync Haven, which showcases the area's unique animal species and helps to educate visitors about the value and diversity of the rainforest. Scott and Jodie Hamill do an outstanding job there.

In closing, I have no doubt that the speakers attending next month's ecoconference will bring with them a wealth of expertise and ideas, but I also know that they will leave Far North Queensland with a new insight into ecotourism opportunities thanks to the experience and knowledge of our local operators.

**Learn Earn Legend! Program**

**Mr HUSIC** (Chifley—Government Whip) (16:09): Last week I had the great pleasure of having Rhiannon Pace from Grafton, New South Wales, work in my office for two days as part of the Learn Earn Legend! Work Exposure in Government program. Rhiannon, a student in year 11 at South Grafton High School, says she would like to study law and international studies at the University of Queensland when she finishes school. During her placement, Rhiannon had the opportunity of sitting at a committee meeting, sitting in the gallery at question time and taking a tour with David Field from my office through the entire Parliament House, as well as gaining a general insight into what I do on a day-to-day basis. I am hoping she can report back to me on that. The LEL WEX program is designed and implemented for the purpose of reaching Indigenous senior high school students from across the Australian continent, particularly from remote and rural areas, to offer them a taste of what it is like to work in Parliament House and to expose them to the vast, diverse, ever-changing field of government. With our forever-increasing emphasis on the significance of education and our aims of the Closing the Gap campaign between Indigenous and non-Indigenous in the areas of education, employment and health, the program is certainly an excellent mechanism, providing a real insight and, thereby, incentive for our Indigenous students to demonstrate...
where a comprehensive education can take them—in this case, perhaps a position in the public service.

Many of the students, including Rhiannon, had never set foot in Canberra, let alone Parliament House, before, so for many it was a truly eye-opening and all-encompassing week. Throughout the week students had the opportunity to see some of the sights of Canberra itself and to meet some spectacular people with an admirable passion for what they do and who thus provided them with a source of inspiration. On a number of occasions through the week the students had the chance to hear from several notable Australians including Preston Campbell, Evonne Goolagong Cawley, Scott Prince and Libby Cook-Black, all outstanding Indigenous leaders in their fields and thus excellent ambassadors for the campaign. Each of these spokespeople shared their experiences and journeys to where they are now, raised points that many of the students could relate to and really reiterated the fact that any dream can be achieved with determination and consistency, the fundamental principle of the campaign. Furthermore, it is one of the hopes of the program that the students will return home equipped with a range of unforgettable experiences they can share with their communities. Hopefully, we can see this program expand and flourish in the years to come.

Another aspect of the program is that the students have the rare opportunity to gain work exposure in a federal government agency. Each of the students was matched with the department or agency which appeared to suit their interests and capabilities as specified in their application forms, and Rhiannon spent her placement in the Department of Immigration and Citizenship.

We fervently hope to see the program continue and grow, reaching Indigenous students from across Australia and influencing their career prospects. Hopefully, we will see some of the students join us in the public sector in the future, ultimately increasing Indigenous political representation in the long term. I want to thank Rhiannon for drafting this terrific contribution to the Federation Chamber.

**Learn Earn Legend! Program**

**Forde Electorate: Community Events**

Mr VAN MANEN (Forde) (16:11): I too rise to reflect on the fact that last sitting week I had the pleasure of hosting one of our local Indigenous students, Ashleen Romano from Chisholm Catholic College, who also took part in the Learn Earn Legend! work experience program. I had the pleasure of having Ashleen in our office for the couple of days, and we also took her for a tour around Parliament House with the other students who were taking part in the program. Ashleen had the opportunity to enjoy question time—although I wonder sometimes whether we can use that word in conjunction with question time!—and she also had the opportunity to visit the Australian Institute of Sport and the Australian War Memorial. It was a great opportunity to spend some time with Ashleen while she was here, and it is the second year that we have taken part in it. Ashleen hopes to pursue a career in environmental science and become an environmental officer in the mining industry. Ashleen said that the week in Canberra had given her a motivational boost and had made her realise that being Indigenous could open a lot of doors and that she actually did have an enormous opportunity that she had not realised. Ashleen hopes that one day she will be able to address the environmental issues such as chemicals in rivers and waterways that we face in some of our
mining towns. I wish Ashleen all the best for her future aspirations. She is a lovely, bright young lady, and it was a pleasure to have her in my office for those few days.

Also over the weekend we had the pleasure of attending the annual Beenleigh Show. As always, there were a couple of days of fun filled activities, camel rides—which I did not take part in this year—fireworks and the old tug of war competition. I think Queensland won this year; hooray for the Queenslanders! But it was a fun filled weekend for everybody, and my congratulations go to Annette Mundt and the Beenleigh Show society for the work they did.

I also had the pleasure on Friday of attending Saint Stephen's College for the opening of their iCentre and Japanese garden. The iCentre is a fabulous new addition to the school, with state-of-the-art learning and research space for prep to year 12, and the Japanese garden was a fabulous example of how well that school is maintained and looked after.

I also attended on Saturday the Australian Peacekeeper and Peacemaker Veterans' Association celebration of the 65th anniversary of Australia's involvement with peacekeeping operations around the world. My thanks go out to all who have been involved in our peacekeeping operations over those past 65 years. It is a tremendous heritage that we hear little about. I hope that we retain those people in our memory as well as we do all others who have served this country. (Time expired)

Ms KING (Ballarat—Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing) (16:15): At the end of this month I will be joining my colleague the member for Newcastle in her home town for the 13th Australian Transplant Games. The Transplant Games are a fantastic celebration of the life-transforming gift of organ and tissue donation, and I am very grateful for the opportunity to be involved. In the words of Transplant Australia:

The Australian Transplant Games are a celebration of life received through organ and tissue donation. They unite all those touched by donation including transplant recipients, donor families, living donors and those waiting for a transplant. Through sport and games, competitors benchmark their renewed health and wellness and say thank you to organ and tissue donors.

In 2008 the Labor government committed to a $151 million reform to improve organ and tissue donation rates in Australia. After two full years of implementation we have seen some solid growth that we are continuing to build on this year. In 2011 the lives of 1,009 were transformed after receiving a transplant. This is the highest number of transplants for any year on record, representing a 25 per cent increase over the 2009 outcome. This represents a donation rate of 15.1 donors per million population, also the highest result on record. It compares favourably with the baseline figure and is a significant improvement on the 2009 outcome of 11.3 donors per million of population. There is much more, however, to be done.

I am very concerned about some potential impediments to continuing improvements in Australia's donation rate, particularly in Queensland. Late last week the Organ and Tissue Donation Authority was informed by Queensland's chief health officer of a number of seriously troubling changes the state proposes in the Newman government's outrageous health cuts—changes like moving the donor family support officer, the person who plays a vital role for grieving families, into a 'quality and governance team' in the state bureaucracy, and changes like moving a number of organ donor coordinators, the people who ensure organs are allocated as quickly as possible, into the ever-shrinking Queensland health department. Over
100 people are involved in an individual organ transplant. I therefore say to the Newman government: how can you possibly cut over 4,000 jobs in Queensland Health without having an impact on those services? The Newman government needs to explain itself to the 230 people on the waiting list for a transplant in Queensland.

Reforms to organ and tissue donation are part of a COAG agreement that all governments signed onto, but one that the Newman government is clearly walking away from. The direction the Queensland government is heading in is but a small taste of what an Abbott-led government would look like—cuts to health, cuts to education and cuts to essential services that hardworking Australian families rely on. The Gillard government commits millions of dollars to organ and tissue donation in Queensland every year, in good faith, while the Newman government to date has brought nothing but pain, suffering and misery when it comes to health in Queensland, and I condemn them for the decision they have taken, and will certainly be talking more to them about that.

**Parliamentary Friends of Science**

*Mrs ANDREWS (McPherson) (16:18):* I rise today to speak about the great success of last night's launch of the Parliamentary Friends of Science. I am privileged to be a co-chair of Parliamentary Friends of Science, along with the member for Corio. As a graduate in mechanical engineering I am very passionate about science, engineering and education. I am confident that this new friendship group can be used as a vehicle to increase the dialogue that currently exists between our community science leaders and parliamentarians. I also believe that through Parliamentary Friends of Science, parliamentarians can work together to encourage more students to take up science in school and in their tertiary studies. It is a sad reality that, although many more students are going onto higher education after school, the rates at which they are taking up science and engineering disciplines is decreasing. We need to be able to inspire and excite our students, starting in primary school, to give them the greatest chance of what I believe will be a very worthwhile career for them to pursue in science or engineering.

To launch the group last night we were privileged to take part in a master class in astronomy with Australia's most recent Nobel Laureate, Professor Brian Schmidt. I cannot think of a more fitting person to be a guide to the skies, as he led us through a 20-minute journey of our nearby celestial neighbours, the galaxy and the universe. Although the patches of cloud last night did give us a little bit of trouble it was, nonetheless, a fascinating and captivating presentation. I would sincerely like to thank Professor Schmidt and his students for providing us with this fabulous opportunity.

At this stage, Parliamentary Friends of Science boasts 50 members and senators from all sides of parliament. It was fantastic to see so many of them attend the masterclass and also the gala dinner that followed as part of Science meets Parliament. I look forward to seeing the number of members and senators joining the Parliamentary Friends of Science grow over the coming months.

I also appreciated the opportunity last night to address the attendees of the Science meets Parliament gala dinner and to speak to them about their research and to listen to their thoughts and views on the state of science in Australia. I have had the opportunity to meet today with some of the scientists who were taking part in Science meets Parliament. It gave me and, I hope, the scientists an opportunity to talk openly about the issues that they are facing in their
research, particularly with regard to research grants, and where science in Australia is heading and what our science community here can do to assist us.

I would like to take the opportunity to thank Science & Technology Australia and the Australian Academy of Science for their support in establishing the Parliamentary Friends of Science.

**Centenary of Canberra**

**Capital Edge Church**

Ms BRODTMANN (Canberra) (16:21): Earlier this month the program for the Centenary of Canberra was launched by the fabulous Robyn Archer. It was one very big launch for one very big year. As members will be aware, Canberra turns 100 on 12 March next year. Over our birthday long weekend there will be major celebrations. I hope that all members will encourage their constituents to visit Canberra during the centenary year of our nation's capital.

The birthday long weekend will be spectacular and include the longest bubbly bars in the world. It is planned that people can sip centenary bubbles and taste some tapas in frequent short sittings. Music stages will be set up and the world premiere of Andrew Schultz's *Symphony Number 3-Century* will be performed. The Museum of Australian Democracy will host a range of events, including Lights! Canberra! Action! We will have our first look at the newly restored footage of the laying of the foundation stone, on 12 March 1913, and the Naming of Canberra Ceremony in the old Senate Rose Garden. There will be marching bands and folk festivals, and the Black Opal Stakes will be on that weekend as well.

On the actual day, those who have lived for 50 years or more in the nation's capital will receive the Canberra Gold Award and the Citizen of the Year Award. And those who turn 100 during the year will also receive a centenary medallion.

I sometimes hear members whingeing about the lack of access to meals in Canberra after 9 pm. Well, in 2013 that will be rubbish. King O'Malley's will be the pub of the centenary and it will be open late for dinner throughout our 100th year. The Hyatt Hotel will become the centenary supper club, providing a snack menu from 8 pm until midnight, together with entertainment. I guarantee that members and their families will have a fantastic time here in the national capital. I urge everyone to come here and celebrate our centenary next year.

I would also like to talk about Capital Edge Church, which is in my electorate. In August this year I attended its Celebrate the Nation event. I had a wonderful time. Capital Edge Church is committed to making a real and practical difference in my community. We often hear these words from community organisations, but it is actually putting it into practice.

Capital Edge Church run a range of programs that benefit the community, including every Thursday when they run a breakfast program at Wanniassa High, which feeds up to 100 children. They have a seniors program, Young at Heart, and I visited it a couple of times. They also have a weekly program where they provide food, fun and fellowship for up to 80 seniors. They run a Little Taks program each Tuesday morning for parents and toddlers and about 18 families are involved in that. Each Tuesday afternoon the church operates an after-school-care program, Kinetics, for primary aged children. About 35 kids attend that. They also hold an annual Pretty in Pink event and raise money for the Breast Cancer Support Agency. They provide countless people with food cards and bills support when they can.
Capital Edge Church are making a significant difference in the Canberra community and I congratulate them on their outstanding work. (Time expired)

Citizenship

Ms O’Dwyer (Higgins) (16:24): It is a great privilege to be a federal member of parliament. One part of my job that I love the most is being able to participate in local citizenship ceremonies, to welcome Australia's newest citizens to this nation. The immense pride, satisfaction and pleasure is visible for all to see, with many unable to control their excitement with cheers, as well as many tears of joy and emotion.

What is it about Australia that makes people want to live here? Why do so many uproot their lives and families in their native land to share in what we take for granted every day? I believe that it is because of Australia's values: the values of opportunity and freedom, in particular, individual liberty, and the values of economic opportunity and equality of opportunity. It is because of the freedom of individuals to say what they want, to worship and to associate. It is because women have these freedoms, the same as men. It is because this liberty is tempered by the need to respect the liberty of others. It is because of the fact that we have a free and democratic government. Although we are one of the world's youngest nations, we are one of the world's oldest democracies and have been a democracy since our inception. It is a democracy that is accountable to the people and allows government to change without bloodshed but rather through secret ballot. It is because we have the ability to live in peace and security upheld by the rule of law and in the knowledge that the law applies to all without fear or favour.

What we witnessed in Sydney over the weekend did not characterise these values. It did not represent what it means to be Australian. When we saw signs held up by children that read: 'Behead all those who insult the prophet,' we saw a very dark side of discourse in this country. While it may be that the film that was supposedly the subject of these riots is in fact offensive, that does not lend itself to any excuse for the sort of violence and intimidation that we saw on our streets or for the murderous attacks that occurred overseas.

Unfortunately, this incident in which we saw violent attacks is not isolated. We have seen overreactions occur in the past, such as those which occurred following the publication of a cartoon in Denmark and the death threat made against Salman Rushdie for the publication of his book.

Australia prides itself on its way of life and its commitment to Western democratic values. Australia will not and must not submit to extremism. The great strength of our country lies in our democratic institutions, our values and our people. We must protect and uphold them.

I commend a number of leaders from the Islamic community who, in the past few days, have condemned this violence and intolerance. I welcome their contribution and their leadership.

Oxley Electorate: Education

Mr Ripoll (Oxley—Parliamentary Secretary to the Treasurer) (16:27): I am very proud to stand up today to talk about my electorate of Oxley, which represents parts of Brisbane and Ipswich, particularly because I want to make some references to some fantastic schools that have fantastic principals, great staff, great teachers, fabulous parents and citizens committees, P&Cs, that work so hard, and obviously parents and students as well. They are achieving...
absolutely remarkable things. Believe it not just because I say so but because the Prime Minister says so and because they have been awarded prizes that say that is the case.

Today I pay tribute to just a few of those principals and schools, particularly Margaret Gurney, from Goodna State School. I have visited Margaret and her school many times, including with the Prime Minister when she came to my electorate after the recent Queensland floods. Half of the children in her primary school come from some of the most disadvantaged of Australian homes. Many are Indigenous, are from non-English-speaking backgrounds or are new arrivals to Australia. Margaret is focused on lifting achievement in that school, particularly Indigenous achievement, through regular health checks, oral language development, greater awareness of these kids and their specific needs by the school as a whole. She has created adult education classes so that parents—not just the kids—can learn through the school with their children and lift their own confidence as well. Margaret is a great principal with great staff in a great school that knows all too well the value of education and of the government's education reforms and how they will make a difference to Goodna and the local community.

Corrine McMillan is another great principal, at Glenala State High School in Durack in my electorate. Glenala has had a pretty tough history, and principals—all of them good principals—have faced many challenges over many years. Corrine's school is working with the local Vietnamese community and the Pacifica community, bringing on a Pacific Island liaison officer, offering breakfast at school events and getting parents to get involved: creating a community out of a school that makes all the difference to the education of the children she provides for. She also is doing a great job with Indigenous students. She is building a school where kids want to come to school—they want to turn up—and they want to have their homework done. She is building a school where more and more kids are staying on to year 12, more kids are going on to TAFE and lots more to university—a first for that school. They are getting incredible outcomes and results through Corrine's great leadership. Corrine and her school richly deserved the recognition they got last week, following the publication of the NAPLAN results. Well done to all of them!

The government has placed record investment in our schools, but we could not do it without the school community helping us to get those results. Our better schools package will make such a fantastic difference to schools like Goodna and Glenala and, indeed, all schools in my electorate.

Finally I want to pay tribute to the 'Gonski mums', who are so passionate about the government's education reforms and remind me regularly of how important these reforms are to them and their kids. Go the Gonski mums! I am with you all the way.

The DEPUTY SPEAKER (Mrs D'Ath): Order! In accordance with standing order 193, the time for members' constituency statements has concluded.

BILLS

Industrial Chemicals (Notification and Assessment) Amendment Bill 2012

Second Reading

Debate resumed on the motion:
That this bill be now read a second time.
Dr SOUTHCOTT (Boothby) (16:30): I rise to speak on the Industrial Chemicals (Notification and Assessment) Amendment Bill 2012. The coalition will not be opposing this bill. This bill amends the Industrial Chemicals (Notification and Assessment) Act 1989, which established and regulates a system that assesses industrial chemicals used within Australia for their health and environmental impacts before they are released for use. NICNAS also assess chemicals that were already in use in Australia prior to the scheme's implementation on a priority basis.

The bill before the parliament seeks to amend that scheme, and there are two specific amendments contained within this bill which I would like to touch on briefly. The first is the registration structure. The major amendment contained within this bill is the changes being made to the registration structure. NICNAS operates on a full cost recovery structure, which means that the cost to administer the industrial chemical scheme is recouped via charges imposed on entities that introduce industrial chemicals into Australia. NICNAS recently reviewed its cost recovery arrangements in accordance with the Australian Government Cost Recovery Guidelines. Those guidelines were originally introduced in 2002 to improve transparency and accountability of cost recovery arrangements. This review resulted in the NICNAS Cost Recovery Impact Statement 2012-13 to 2015-16, which was released earlier this year and agreed to by the government in July. The proposed changes to the NICNAS registration structure were foreshadowed in the NICNAS Cost Recovery Impact Statement. The annual registration charges fund the lion's share of NICNAS's regulatory activities.

This bill will amend the current three-tier registration structure for NICNAS into a four-tier structure. The structure will begin in the 2013-14 financial year. A number of alternative fee structures were canvassed during the development of the NICNAS CRIS. However, the four-tier option was deemed the most appropriate during the review. The effect of this amendment will see 2,500 low-value introducers pay a lower registration fee, thereby lowering the barriers to entry for those small businesses, with approximately the top 400 chemical introducers paying more. It is my understanding that amendments to the regulations will be introduced separately in the near future to amend the registration fees associated with the changed tiers. The coalition will be ensuring the proper scrutiny of these amendments to the registration fees when these regulations are introduced into the parliament.

The second part of the bill relates to the Rotterdam convention fee. The bill also introduces a small fee to recover the cost of importing hazardous chemicals listed under the Rotterdam convention. Previously this cost was levied across all chargeable organisations, but it will now be recovered directly from the applicants. I am informed that there are fewer than 10 of these applications each year. There are some other consequential amendments. The bill makes a number of minor amendments to remove redundant fees that are no longer applicable and improve the consistency with other regulations by standardising language. For example, 'material safety data sheets' have been renamed 'safety data sheets', and the changes in this bill reflect that. These changes do not impact on the industrial chemicals industry but rather improve regulatory consistency.

I need to touch briefly on the better regulation ministerial partnership that was announced on 8 September 2011 by the Minister for Health and Ageing and the Minister for Finance and Deregulation. This partnership was set up to review and evaluate the operation of NICNAS to improve competitiveness of the Australian chemicals industry, as well as health and
environmental outcomes. This will be a wide-ranging review that many stakeholders are interested in the outcome of. The current CRIS that this bill implements states that, if there are material changes to the NICNAS cost recovery arrangements as a result of the partnership recommendations, the current CRIS will be amended or a new CRIS will be developed.

A number of industry stakeholders expect that the better regulation ministerial partnership will recommend changes to the cost recovery arrangements of NICNAS as part of broader NICNAS regulatory reforms. The coalition questions the benefit of implementing the cost recovery impact statement through this legislation only months before the better regulation ministerial partnership review is released and responded to, considering the likelihood of further changes to the CRIS. As stated originally, the coalition will not be opposing this bill. We do, however, question the benefit of implementing the cost recovery impact statement before the better regulation ministerial partnership is concluded. We eagerly await the response from the better regulation ministerial partnership review later this year and the recommendations on the broader review of the current structure of the NICNAS scheme.

Mr PERRETT (Moreton) (16:36): I rise to speak on the Industrial Chemicals (Notification and Assessment) Amendment Bill 2012 and thank the member for Boothby for his contribution. This bill amends the Industrial Chemicals (Notification and Assessment) Act 1989 to deliver greater equality across fees and charges for importers and manufacturers of industrial chemicals. This bill enables more than 2,500 low-value introducers to pay lower fees, bringing relief to small business. Only businesses who import or export certain hazardous chemicals will be charged the small processing fee, rather than it being spread across all registered businesses. The bill also enables the removal of a fee that is no longer operational.

These amendments implement a number of outcomes from the recent review of NICNAS cost recovery arrangements that have been informed by consultation with industry, government, community and stakeholders. In Australia there are a number of chemicals on the market that have not been assessed. Outcomes from the review will enable these chemicals to be assessed more quickly. These amendments align with the government's commitment to reduce the regulatory burden on businesses by ensuring that fees reflect the cost of the service provided and also that we are committed to the removal of redundant fees. So it is some cleaning-up legislation.

Finally, the bill also makes some minor technical amendments in light of new work health and safety laws. For consistency, these changes will be reflected in the Agricultural and Veterinary Chemicals Code Act 1994, which cross-references the ICNA Act. The bill will also improve regulatory consistency while maintaining human health and most importantly—can I say as a Queenslander—protecting environmental safety. We know, Madam Deputy Speaker D'Ath—you being as a proud Queenslander—that it is this side of the House that is committed to protecting the environment. It is sad to say that, as soon as the Liberal and National Party government came to power in Queensland, one of the first things they did was take steps to take away those environmental protections that the Labor government had taken so long to bring about. The Gillard Labor government is committed to preserving the Coral Sea by establishing the world's largest marine reserves. The first thing the Liberal and National Party government did was that the Deputy Premier said he was going to decrease the size of the Great Barrier Reef Marine Park. Contrast those two approaches.
I will touch on the Great Barrier Reef and Coral Sea, because obviously the impact of chemicals on these reefs is important. That is why it is crucial that we have the appropriate regulators and the appropriate legislation looking after these chemicals. These reserves—the Coral Sea reserves proposed by the Gillard Labor government—take the overall size of the Commonwealth marine reserves network to 3.1 million square kilometres, by far the largest representative network of marine protected areas in the world. So we have a special responsibility as a government to make sure that the chemicals that go into this marine environment are looked after by the appropriate regulations.

The Coral Sea is globally recognised as an extremely important marine region due to its unique biodiversity and also because of its importance in World War II history. Recent international studies have highlighted that the Coral Sea is one of the last remaining areas of the world's oceans where large-scale and biologically rich ecosystems remain relatively intact. This is something that the people of Moreton care about and that all sensible members of parliament care about. For anyone to question the value of the Great Barrier Reef Marine Park would almost be un-Australian, I would suggest. Both these areas are something that I am passionate about even though Moreton is a long way away from both, and I have been on the record numerous times in this chamber and in the other chamber advocating for environmental protection.

Sadly, the Premier of Queensland, Campbell Newman, true to form, is neglecting this important part of our culture and our environment, with 450 staff sacked from the Department of Agriculture, Fisheries and Forestry. Who knows what these 450 staff do in terms of frontline protection of these great marine environments and keeping the chemicals away from them? This is in addition to the 220 jobs cut from the Department of Environment and Heritage Protection. I could go on but, sadly, while Premier Campbell Newman continues to slash and burn, it is Labor that is protecting small business and is committed to environmental safety. I commend this legislation to the House.

Ms KING (Ballarat—Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing) (16:40): I thank the member for Boothby and the member for Moreton for their contribution to the debate on the Industrial Chemicals (Notification and Assessment) Amendment Bill 2012. As has been discussed, the bill delivers on important outcomes of the recent review of cost recovery arrangements for the National Industrial Chemicals Notification and Assessment Scheme, also known as NICNAS.

The bill fulfils this government's commitment to minimise regulatory burden on business by ensuring that fees and charges reflect the cost of the service actually provided. The bill does this by better aligning NICNAS levy arrangements with the value of chemicals introduced by importers and manufacturers of industrial chemicals. The proposed amendments to current registration charges will deliver a more equitable charging arrangement for business. This means that from 2013-14 more than 2,500 low-value introducers will pay less. Further, there will be a large number of businesses—approximately 1,690—from tiers 2 and 3 whose fees and charges will either be less or stay the same as what they paid in 2012-13. A relatively small number of higher value introducers—under 400—will pay more.

The member for Boothby rightly raised some issues in relation to industry concerns about why we are doing this before the better regulation partnership between the Department of
Health and Ageing and the Department of Finance and Deregulation is concluded. This CRIS has been a very long time in coming—several years, in fact, of extensive consultations across industry and across the non-government sector. It supports some very important work that we want NICNAS to get on with. It also supports a fairer fee structure for business.

The amendments in this bill to registration charges support a very important program of work that is beginning to assess the large number of chemicals on the Australian inventory whose impact on human health and the environment is unknown. In 1990, approximately 38,000 chemicals were nominated by industry to be grandfathered as existing chemicals. These 38,000 chemicals have never been assessed for their impacts on human health and the environment. We do not know the quantities of these chemicals, how they are being used, whether they are still even on the market in Australia—many of them will not be—and the extent to which the community and the environment are being exposed. Understandably, the unknown risks associated with these chemicals have been of great concern to the community and to us. That is why Labor committed to ensuring that the risks posed by these chemicals to the community, workers and the environment be reduced. It is very much part of our policy platform.

Our commitment to this is demonstrated with the launch recently of the framework that will see the faster assessment of these chemicals. I am pleased to announce that stage 1 of this program has already commenced. In this stage, NICNAS will be looking at chemicals identified by stakeholders as needing priority assessment. This includes chemicals for which NICNAS does hold exposure data, chemicals that overseas bodies have taken action against, and chemicals found in babies' cord blood. This has been a very longstanding issue, sitting on the policy agenda, and I am very pleased that we are in fact taking action on it. Over the next four years, 3,000 chemicals will be assessed. As you can see, this body of work is about the long-term safety and protection of the Australian community and our environment. Other measures that are included in this bill ensure that fees are equitably applied only to businesses seeking particular NICNAS services and that provisions relating to fees for redundant services are removed. The measures described in the bill have been subject to extensive consultation, and stakeholder views have been taken into account in finalising NICNAS's cost recovery arrangements. In addition to delivering on important outcomes of the recent review of the NICNAS cost recovery arrangements, the bill also ensures consistency with the new model health, work and safety laws, which commenced in the Commonwealth in some Australian states and territories on 1 January this year. Changes will also be made to the Agricultural and Veterinary Chemicals Code Act 1994, which cross-references the NICNAS Act. These amendments reflect the government's commitment to ensuring that the most efficient and equitable regulatory system is in place for industrial chemicals while maintaining human health and environmental safety.

In closing, I particularly want to acknowledge the input of stakeholders in developing measures included in the bill. I believe that the collaboration between, government, industry and the community has delivered well-considered and appropriate mending legislation and I thank the opposition for their support.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.
Debate resumed on the motion:
That the House take note of the report.

**Mr ROBERT** (Fadden) (16:46): I rise to note the work of the Joint Standing Committee on Foreign Affairs, Defence and Trade in their Review of the Defence Annual Report 2010-11 and put on record my thanks to the committee secretariat for all their work and assistance, including the Defence adviser, Wing Commander Ashworth.

It is interesting that this discussion of the Defence annual report is being held in the shadow of the fact that, this morning, the fourth Secretary to the Department of Defence in four years announced his resignation. At least it complements, I suppose, having a third Minister for Defence in four years and 15 ministerial reshuffles in the Defence portfolio in four years, considering in the early days of the Department of Defence, over the last 100 years, secretaries stayed on average seven or eight years. Their terms are five years, but in the last four years rather than the one secretary staying for the five years we have had four in four years.

But the government said that there is nothing to worry about here. There is nothing wrong here. There is no way that you can look at four secretaries in four years and say that there is anything other than a significant egregious problem in the Defence Force precipitated by the minister's action and the minister's interrelationship with the Defence Force. It is not hard to see how and why this has built to this point.

Whilst the annual report covers it in detail, in the last four years $25 billion have been stripped from the Defence budget. Twenty-two thousand single soldiers, sailors and airmen and women had their return trip home cancelled—a condition of service dispensed with. If it were not for the coalition's disallowance motion, about which the government rolled over and caved into last Thursday, that entitlement to fly home for Christmas would not have been re-established. If it were not for the coalition's disallowance motion, 22,000 of our finest would have a condition of service taken away from them.

The cut of $25 billion includes $5.5 billion over this year and the three-year forward estimates, a 10 per cent cut in the Defence budget this year. The Defence budget as a proportion of GDP is the lowest since 1937 and next year it is purported to be lower again. This year it is 1.56 per cent of GDP, when it should be up towards two per cent. That is the expectation of NATO partners and NATO countries.

The Defence annual report speaks glowingly about Plan Beersheba and the closeness between regular and reserve forces in terms of the fourth generation cycle being introduced. Yet these budget cuts produce cuts of 35 per cent to the reserves and something like 30 per cent to cadets. We have 11,000 cadets. The cadet leaders were paid 48 days a year to train those cadets; it is now being cut to 33.5 days. So the work in the forward projections from the Defence annual report 2010-11 are now meaningless because of these substantial budget cuts. In a fourth-generation cycle where a battalion task force sized group is required to rotate around with a regular brigade, with 35 per cent cuts in reserves it will be difficult to see how a reserve unit will force generate that task group.
The Defence Capability Plan, which is the plan that outlines the equipment procurement and purchases, has been cut because of this budget, with 46 per cent of projects having been impacted, either deferred or cancelled. The electronic warfare aircraft Growler—the additions to the F/A18 Super Hornet—has been announced but not budgeted. It is $1½ billion, and no-one can yet articulate where that money is coming from. The answer is the DCP must be cut again because there are no other funds for the government to pay for it from. The future submarine, $214 billion worth, is an announcement four years too late and puts our submarine force replacement in a perilous situation. Land 121 phase 3, which was announced as Rheinmetall MAN trucks as the preferred vehicle at the end of last year, has had no announcement from the government that that contract is complete. Ten months to do a contract to buy trucks? Is there any greater example that this government is making it up as it goes along?

A new white paper was announced because apparently the security situation in our region has changed. The changes since 2009 would seem to be linear and not egregious. The issue is that the government has cut the budget, so with a reduced budget the 2009 white paper is now universally considered to be irrelevant and deserves its place in the wastepaper bin. The new white paper is now being rushed through, which is odd, with the secretary's departure today having an unknown impact on the white paper. The coalition will simply scrap the 2013 white paper if elected. You cannot rush through a white paper. You cannot situate a strategic appreciation based on the paucity of funds that you are prepared to allocate and say that this is a sound, holistic, well-thought-through defence strategy. It is simply farcical.

There is no industry policy to speak of—certainly not one that will actually survive contact with the Labor Party. The $5½ billion worth of cuts include a 30 per cent cut to expenditure for industry this year. Companies will go to the wall. Hundreds, if not thousands of employees will lose their jobs. R&D in the Defence space will suffer. Whatever industry policy the government said they had for Defence is now worthless. The priorities of industry capabilities and strategic industry capabilities are now universally considered to have no funding attached to them and no relevance with them.

The question is what the government's response is. It is great that the member for Moreton is here on the other side of the table. He did a press conference this morning. Reading through the transcript I see that he was asked about the Defence cuts and what impact they were having. And what did the member for Moreton give us? He gave us an introduction to Australia's commitment to the Boer War at the time of Federation. He then spoke of changes in the last 20 and 30 years and then tried to weasel his way out of it. He could not explain succinctly the reason for the cuts. He could not outline the national security implications of the cuts. He could not outline the effect on the Queensland economy, especially in his electorate, because of the cuts. All he could give us was an expose on the Boer War, and apparently Campbell Newman is responsible for that as well! It was an appalling justification from a member of parliament trying to explain the Defence cuts.

Mr Perrett interjecting—

Mr ROBERT: Then I will table your press conference transcript tomorrow, sir, because it is frankly one of the most appalling press conferences I have seen. A member of parliament could not even articulate the reason why the government has cut the guts out of the military. It was more embarrassing than anything else.
So, as we discuss the Defence annual report, as we look forward to the future, I say that the future is incredibly bleak in terms of this government's cuts to defence. The future of our fighting men and women is not a strong future. It is not a future of capability development. It is not a future of capability investment. It is the same old Labor future of cuts, cuts and cuts, robbing 'Fighting' Peter to pay 'Social Welfare' Paul. In the words of the Treasurer, you seriously should be condemned for it.

**Mrs PRENTICE (Ryan) (16:55):** I rise to speak on the Joint Standing Committee on Foreign Affairs, Defence and Trade's review of the Defence annual report 2010-11. I thank the member for Fadden for his solid commitment to the defence and veterans community in Australia in his role as shadow minister for Defence Science, Technology and Personnel, and for being the coalition's go-to representative for the defence and veterans community in this House.

As the annual report notes, the 2010-11 period was an incredibly busy time for the Department of Defence and the Australian Defence Force. There were ongoing operations in Afghanistan, East Timor and Solomon Islands, and the ADF provided support to communities affected by natural disasters in Queensland, New South Wales and Victoria as well as in Pakistan, New Zealand and Japan. Defence also contributed strongly to border protection and other smaller operations. These operations and contributions were during a time of significant cost reductions, and the concurrent execution of the Strategic Reform Plan was one of Defence's highest priorities. In 2010-11, Defence noted that they reached their target of just over $1 billion.

With regard to Afghanistan, as I have noted previously in the House, the review for 2010-11 includes comments from Defence indicating the strong relationship between Australian and coalition forces and the people of Afghanistan, and notes the important role Australia plays in transitioning the operations from the International Security Assistance Force to the Afghan National Security Forces.

The committee also considered the very important role that Defence played during the natural disasters in 2010 and 2011, including the floods across Queensland in early 2011. Defence indicated that approximately 1,976 personnel assisted in some way. I know that the people of Ryan—in Bellbowrie, Indooroopilly, Fig Tree Pocket, St Lucia, Taringa, Auchenflower and Rosalie—strongly appreciated their efforts in the immediate aftermath and during the reconstruction process, as I know the member for Moreton's constituents did as well.

It is important to consider this review in the wider context of defence funding. As a result of the Gillard Labor government's economic incompetence and unwillingness to support Defence, they have most recently torn a $5.5 billion hole in the defence budget, with a total cut of $25 billion over the last five years. Clearly, Labor have been treating—and will continue to treat—the defence community with contempt.

**Mr Perrett:** Madam Deputy Speaker D'Ath, on a point of order: I find that term offensive, and I would ask the member to withdraw.

**The DEPUTY SPEAKER (Mrs D'Ath):** The member for Ryan?

**Mrs PRENTICE:** I withdraw. Clearly, Labor has been treating—and will continue to treat—the defence community with a lack of concern that they do not deserve.
The member for Fadden and the shadow minister for Defence, Senator the Hon. David Johnstone, had a big win recently, forcing the government to abandon its shameful cuts to the Australian Defence Force personnel travel entitlements. This stunning backdown is recognition of the poor policy development on the part of this incompetent Labor government. The backflip will now mean that more than 22,000 ADF personnel over the age of 21—personnel who are prepared to put their lives on the line for our country—will now be able to travel home to see their families. The member for Fadden worked diligently with the defence community and people such as Paul Murray at 2UE to introduce a disallowance motion into the House on Monday, 25 June 2012 which would have blocked the travel entitlement cuts. The Gillard Labor government did not allow that disallowance to go to a vote. Instead, Minister Smith simply rolled over—and he has been very quiet about why it took so long to actually listen and do the right thing.

Many ADF members from Gallipoli Barracks at Enoggera, in the Ryan electorate, and indeed from the wider defence community have communicated privately to me their displeasure and expressed their concerns about this Labor government and their now strained relationship with it, which commenced immediately with the former Prime Minister, the member for Griffith. Owing to the sensitive nature of their jobs and depending on their rank, it can be difficult for our troops to raise publicly many issues about which they are concerned.

The consequences of this Labor government's failure are clearly evident when you consider that Australia has had three defence ministers in five years, 15 reshuffles in the portfolio and four defence secretaries in four years. This week, Mr Duncan Lewis clearly had had enough and, after a strong and positive contribution to the ADF, resigned one year into a five-year term.

Unfortunately, it is not just those members on the opposite side of the House who have failed the ADF; it is also their partners in crime. The member for Lyne is very good at coming into the House and introducing motions about fair indexation for DFRB and DFRDB and feigning his support for the defence and veterans community. But, when it comes to an actual vote, the member for Lyne simply abstains from having to make what should not be a difficult decision. The member for Lyne showed his true colours again last week, as I understand that, regarding the cuts to ADF members' travel entitlements, the coalition had the support of the member for New England, the member for Denison and the member for Kennedy, and, yes, even the member for Melbourne and the Greens—but not the member for Lyne. He did not even support the veterans community when it came to the member for Fadden's amendments to the Veterans' Affairs Legislation Amendment Bill. Nor did he support the coalition's ultimately successful move to reinstate travel funding for 22,000 of our troops.

The defence and veterans community expects the coalition to honour its commitments and promises should we win government, and I look forward to the opportunity to work with the defence and veterans community at Gallipoli Barracks, Enoggera and throughout Ryan and continuing to represent their concerns and wishes in parliament. Only the coalition is committed to properly resourcing defence. Only the coalition is committed to supporting our defence personnel. And only the coalition is committed to properly respecting the contribution of our veterans.

Mr McCormack (Riverina) (17:02): The 2012-13 federal budget announced reduced defence funding as a share of gross domestic product, reducing it to its lowest level in
Australia in 74 years. Defence funding had not been lower than 1.6 per cent of GDP since—wait for it—the year 1938. We all know what happened in 1939. And with our service men and women still fighting the good fight in Afghanistan and maintaining other important peacekeeping missions elsewhere, now is not the time for the Australian government to be taking the axe to defence spending.

I present this speech on the report of the Joint Standing Committee on Foreign Affairs, Defence and Trade's review of the Defence annual report 2010-11 as the member from a triservice city. Wagga Wagga is the home of the soldier: the Australian Army Recruit Training Centre puts the polish on all recruits, and Forest Hill on the eastern outskirts of the city has important strategic bases for the Royal Australian Air Force and Royal Australian Navy.

The coalition has always and will continue to support in a bipartisan way our operations in the field. Our support is a given, and that is the way it should be. But the impulsive and superficially expedient nature of Labor's enormous cuts in defence has left this nation without a credible strategic plan or defence administration. The opposition cannot be party to such poor policy.

With the release of the 2009 defence white paper titled Defending Australia in the Asia Pacific century: force 2030, Labor pledged to modernise and reform our defence forces. A funding commitment of three per cent real growth, sustaining defence funding at close to 1.8 per cent GDP, was given. It also outlined a strategic reform program delivering $20 billion over 10 years, with those savings being returned, as they ought to be, to defence for funding acquisitions. Despite being afforded virtually no detail as to funding—nothing unusual there; that is the Labor way—the opposition gave the plan bipartisan support. Since then, the reality of a totally disingenuous government has kicked in. Labor has taken the portfolio in precisely the opposite direction. A total of $17 billion worth of defence funding has either been cut, indefinitely deferred, cancelled or delayed. Then, four days out from the 8 May 2012 federal budget, Labor announced $5.5 billion in cuts to the Defence portfolio, with no strategic or defence policy justification, in what was clearly about the last-minute politics of a wafer-thin surplus we all now know was never going to and will not materialise. The only glib reference to defence in the Treasurer's budget was this:

Of $33.6 billion of savings, about half are reductions in spending ... deferring some defence expenditure while prioritising support for current overseas operations …
It is nothing to do with defence reform or national security.

If Labor had not been so wasteful and so reckless with the public purse, cuts in the order of what defence and so many front-line services are now being forced to endure would not be being made. Labor is guilty of unacceptable public maladministration. Australia has not been in this position—

Mr Perrett: Mr Deputy Speaker, I do not like the term 'maladministration' and I would ask that it be withdrawn. It is a serious—

The DEPUTY SPEAKER (Mr Lyons): Could the member for Riverina assist the chair.

Mr McCormack: To suit the chair and to suit the House, I withdraw.

The DEPUTY SPEAKER: Thank you.
Mr McCormack: Labor is guilty of unacceptable public waste of taxpayers' money. Australia has not been in this position previously, especially at a time where we have men and women in combat. What a disgrace! The local defence industry is reeling from the cuts, with projects and work at an all-time low. What, might I ask, has the government been doing for the past three years with respect to the much-vaunted new submarines? The only action Labor has consistently and rather effectively delivered in defence is capability gaps. The defence minister has even conceded that nothing will even start until after the next election. Meantime, the cost of owning the Collins class sub has hit $900 million a year for virtually no capability. Repackaging the announcement of the 12 new submarines at a media conference three years after it was actually announced in the white paper is no substitute for providing real capability and strategic direction in defence. As usual, it is all talk and no action from this inept Labor government, which is more interested in spin than substance and more interested in diatribe than actual defence delivery.

Labor has also ignored its own defence capability plan by acquiring HMAS Choules and the Skandi Bergen, which are not outlined in the DCP but are needed because the minister failed with respect to amphibious lift capability and we had none; deferring the Joint Strike Fighter because that is what the US had done, which is remarkable given that the United States of America has more than 2,000 air-combat-capable aircraft including 190 F22s; and announcing the purchase of battlefield airlifters without having even the foggiest idea to what the nation was being committed. The C27 aircraft announced had been mothballed by the US because they lack the required capabilities to be effective, yet here we were, jumping into this billion-dollar-plus purchase investment. All the justifications the minister has put forward for this acquisition are highly contestable at best and just plain wrong at worst. There was no competition and we will be paying twice what we should—$700 million more, to be exact. The budget decision to bypass the LAND 17 project for self-propelled howitzers has damaged the centrepiece of the Army's high-firepower, low-manning modernisation. The consequences of the decisions of delaying the Joint Strike Fighter and cancelling altogether the self-propelled howitzers will mean that once again the defence department has made major internal savings which are returned to consolidated revenue, with no benefit to the defence of our nation, while breaking several election promises along the way. None of these cuts were specifically discussed and affirmed with departmental officials, who were completely ambushed by the press conference with the Prime Minister and the defence minister. The superficially expedient nature of these huge cuts means that Australia is being left without a credible defence administrative or strategic plan, and we simply cannot be part of that.

Locally, the $5½ billion from defence in the budget is a big blow to Wagga Wagga in my electorate of the Riverina, and it is going to have a great impact not just now but going forward. Twenty Army major capital facility projects have been delayed by as much as three years. This includes the construction of Kapooka’s working accommodation. I understand that general running expenses at the Army Recruit Training Centre at Kapooka, at Blamey Barracks, have been reduced by a quarter as a result of the cutbacks. Last year 4,000 recruits went through the base—2,300 regular soldiers and 1,700 Army Reserve soldiers. This year 2,500 Regular Army soldiers will be going through Kapooka. It is an important strategic military base for the Army and for the nation. The cutbacks will mean such things as the commandant, who, instead of travelling to other bases for important face-to-face talks with
other colonels and military heads will now be forced to do that by telephone. Is this satisfactory for a base which is so important to our defence capabilities? I think not.

Furthermore, we heard earlier this year that after the Anzac Day ceremonies there were a number of catafalque parties from our Defence bases who were not able to go out to the various towns and cities within the electorate and elsewhere to actually put on an Anzac Day ceremony for those towns and cities. When I inquired about this I was told that it was due to defence cutbacks. Happily, I am informed that this will not be the case next year and that these people will be able to go out to the bases but that the towns will need to get in early and book those important commemorations around Anzac Day so that they get the proper representation.

In the budget Labor drained $5½ billion out of defence. As I say, it reduced our spending back to 1938 levels and we all know that, in 1939, World War II broke out. We do not want to go down that budgetary path, particularly at this difficult time of trouble in the world, with ongoing commitments in Afghanistan—while we have an exit strategy, there are still important defence capabilities that we need there—and particularly when we have so many deployments overseas.

On the battlefield the military pledges to leave no soldiers behind. When our veterans return home, we should not be leaving them behind but, unfortunately, with the lack of Defence retirement indexation, we as a nation are doing that. It is a disgrace. I hear so many complaints from veterans whose pensions, superannuation and life savings are not being properly indexed, as they ought to be. These people are forced to endure rising cost-of-living pressures, as we all are, but their pensions et cetera are not keeping pace with the funds that they need to have a decent living. These people put their lives on the line for our nation, our parliament and our people. We should not be leaving them behind. On the battlefield, as I say, the military pledges not to leave anyone behind, yet we as a nation are leaving our veterans behind and this must stop.

I am glad that the government did a backflip on the home travel, because it is very important. It was a benefit taken away from them in the defence cuts but, thankfully, in recent days we have seen the government backflip. I welcome that backflip by the government, because it is important.

Mr Perrett: Hear, hear!

Mr McCormack: I hear ‘Hear, hear’ from the member for Moreton and he knows, as well as we do on this side, how important it is for those young people to be able to go home to their relatives and families. They go to far-away military bases to do their training, their deployments and they deserve the opportunity to go home, to refresh and regroup so that they can then continue their wonderful service to this nation.

According to the member for Fadden, the cost of reinstating the flights is just $15 million a year. That is money that would be well spent by this nation on behalf of those people who serve this nation so well. I am ashamed to say, though, that the military cutbacks of $5½ billion have cut such a huge swathe out of our nation's defence portfolio. It is a very important portfolio.

Another thing that I think the Labor government ought to urgently reconsider—we have heard disingenuous motions; we have seen people who have made a lot of noise by getting all
hairy-chested about it but, when it comes to actually laying their cards on the table, they have not done one thing about it—and that is the fair indexation for our veterans, our veterans who gave this country so much, who put their lives on the line in the defence of the nation, who now deserve priority, fairness, justice and equity. They are not after anything that they were not entitled to. They are not after anything more than what they signed up for, but they do need to be properly and fairly indexed. I speak regularly to my good friend the former deputy commandant at Kapooka, Bert Hoebee, who writes me almost daily emails about this subject. I feel for Bert and I feel for his veteran colleagues, because I know how much they are hurting and I know how much they feel that this is unfair. It is unfair. It needs to be fixed, and if it will not be fixed by Labor then it certainly should be by an incoming coalition government—and let that be soon. I am hoping that we see justice, reason and equity to fix it on behalf of these veterans who gave this country so much.

Debate adjourned.

BUSINESS
Rearrangement

Mr PERRETT (Moreton) (17:15): I move:
That order of the day No. 2, committee and delegation reports, be postponed until a later hour this day.
Question agreed to.

COMMITTEES
Aboriginal and Torres Strait Islander Affairs Committee

Report

Debate resumed on the motion:
That the House take note of the report.

Mr McCORMACK (Riverina) (17:16): Language is fundamental to any community and a way which we all use to communicate with each other, no matter what our ethnic background may be and no matter where and how we were raised. Most Indigenous people in Australia identify strongly with a traditional language identity. The tribe with which they identify is the language group, and in most cases the tribal name is the language name. Australia is a multicultural country, and a multitude of different languages are spoken throughout this wide brown land. It is, however, the Indigenous languages which are a key element to understanding Australia's history. At the time of European colonisation, there were about 250 Australian Indigenous languages spoken. Today there are only about 18.

The Standing Committee on Aboriginal and Torres Strait Islander Affairs, in the course of preparing this report, focused on the following:

- The benefits of giving attention and recognition to Indigenous languages
- The contribution of Indigenous languages to Closing the Gap and strengthening Indigenous identity and culture
- The potential benefits of including Indigenous languages in early education
- Measures to improve education outcomes in those Indigenous communities where English is a second language

FEDERATION CHAMBER
The educational and vocational benefits of ensuring English language competency amongst Indigenous communities

Measures to improve Indigenous language interpreting and translating services

The effectiveness of current maintenance and revitalisation programs for Indigenous languages, and

The effectiveness of the Commonwealth Government Indigenous languages policy in delivering its objectives and relevant policies of other Australian governments.

The committee has made 30 recommendations and acknowledges the importance of languages from both Aborigines and Torres Strait Islanders in the history of Australia and, indeed, the history of their people. They are a proud people, as they ought to be. This report highlights the benefits the committee believes will result from having greater recognition of Indigenous languages. These range from having a positive impact on the rapid decline of the languages through to helping reconciliation outcomes for all Australians.

In my electorate of Riverina, my home town is Wagga Wagga, a name derived from the local Wiradjuri language. 'Wagga' means 'crow', and doubling it to 'Wagga Wagga' means 'place of many crows'. Wiradjuri is the largest language in New South Wales and the second largest in Australia, I am rather proud to say. One initiative which is working well to help promote the Wiradjuri language is taking place in Parkes. More than 1,000 people are learning Wiradjuri in Parkes every week. That is about 10 per cent of the population. It is taught at every primary school, high school, and technical and further education centre, TAFE. Former principal Bill Cox believes the classes are helping engender within Indigenous students a strong sense of self-respect and identity. Other Wiradjuri teachers have noticed truancy and behavioural issues amongst Indigenous students decreasing since the language program began.

I commend this program for the great work it is doing to help Wiradjuri remain a language that is spoken in Australia. Indigenous language has an important role in Australia's history and in modern-day Australia. It means different things to different people and, as the committee stated in the report:

… for some people it is their first language, and the language of their country. For others it is the language of the area and place in which they reside. For all Australians, Indigenous languages are about who we are as a nation, about the place we call home, the country we live in, and the land we call Australia.

I might also add a plaudit to Stan Grant, who is an Aboriginal elder of the Wiradjuri tribe who lives at Narrandera, who has been busy preserving and detailing the Aboriginal Wiradjuri language in two wonderful volumes—quite thick tomes. He is preserving the Aboriginal language of Wiradjuri not only for the present generation but also for future generations.

He is also a great teacher at a wonderful centre, Tirkandi Inaburra, which is between Coleambally and Darlington Point in the western region of the Riverina electorate. It provides wonderful educational outcomes for Aboriginal youth, giving them a vision and a wonderful future. That centre is managed by Anthony Paulson, whom, I am happy to say, was a Riverina delegate at the Nationals Conference in Canberra on the weekend. He made a great contribution. Well done to both Anthony Paulson and Stan Grant, and to all who want to further explore the Aboriginal languages and to make sure that they are preserved for future generations.
Mr PERRETT (Moreton) (17:22): I rise to speak on the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs report Our land, our languages: language learning in Indigenous communities. I begin by acknowledging the traditional owners and thanking them for their continuing stewardship of this land.

I also commend the member for Riverina for his contribution. I must say that I enjoyed it a lot more than I did his comments on the Defence annual report. I ask him to commend Stan Grant for his recommendations in this area.

I am a member of the committee, chaired by the member for Blair, who does a wonderful job. The deputy chair is the member for Murray. It is a great committee to be a part of. The three of us are also on the House of Representatives Standing Committee on Social Policy and Legal Affairs, so I see a lot of those two members of parliament. This is a great report to be able to rise and speak on. The electorate of Moreton is an inner city electorate. Nevertheless, there is a significant Indigenous presence in my electorate. In fact, 50 per cent of Indigenous Australians are actually located in urban environments. Whilst this report involved travelling to remote parts of Australia, nevertheless, 50 per cent of Indigenous Australians are located in urban areas.

In my electorate of Moreton I have Murri School, on Beaudesert Road, a wonderful independent private school devoted to Indigenous Australians, and Southside Education School, which certainly has a significant Indigenous population. It particularly caters for young women who already have children. It has a creche as well that looks after the children, to provide a higher school education for people who might not be able to get it because of having young children. Also, the Watson Road State School and the Acacia Ridge State School also have some significant Indigenous populations. In my electorate of Moreton, there have been many initiatives to make sure the Indigenous community in Moreton is recognised, valued and appreciated. Recently, I was taking note of the great contribution from the Sunnybank RSL, who have been working with the Indigenous community at Acacia Ridge to have a war memorial dedicated to the Indigenous Australians who made a significant contribution in World War I and World War II. In fact, if you are ever out in my home town of St George and you go along the bank of the Balonne River, you will see a war memorial to Len Waters, who was an Indigenous RAAF fighter pilot in World War II. They are actually making a movie about his life. His family are a significant family in St George. All his grandchildren and nephews and nieces are famous footballers. The stories of our Indigenous fighters were not told for a long time in Australia. I see that the member for Banks is in the chamber, and he would know this much better than me. Even in this parliament, this story was not told.

Perhaps it became a much more significant story in 1992, when the High Court finally put to rest that furphy, that notion of terra nullius. In addition, in terms of recognising the Aboriginal and Torres Strait Islander peoples that had populated Australia for so long, it put aside that notion that we are a monolingual nation: at the time of white settlement, there were at least 250 living languages being spoken in Australia and in terms of dialects, some say, up to 300 or 400. Now, sadly, we in the committee can report that there are only about 18 strong languages—that is, languages spoken by significant numbers of people across all age groups. There are other languages that are alive that only have a small number of speakers and there are many that are asleep, awaiting a time when they will be reawakened.
This report put forward by the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs goes a significant way towards making sure that Australia does not let these backward steps happen on our watch. We want all of these languages to be living languages—and I say that having been an English teacher for 11 years; I understand how important language is in terms of shaping identity, in terms of our culture, in terms of giving identity to our children and in terms of raising our children. The reality is that, for every one of those horrible stickers that I see on the back of a car saying 'If you live here speak English', we should point out that there are significant numbers of Australians whose languages were here long before there was ever a white footprint in Australia. We heard evidence that one in seven Aboriginal and Torres Strait Islander language speakers actually do not speak English well or even at all. We do not see that on those stickers.

The recommendations flowing out of the committee report have already been embraced by Minister Garrett and Minister Crean, I see—a speedy response from the executive. While not the formal governmental response, there has already been a willingness on behalf of Minister Garrett and Minister Crean, and other members of the executive, to further this. We want to recognise the role and importance of Indigenous languages and preserve them and their heritage. Why would we do so? Because not only is it intrinsically right but also it improves outcome for Indigenous people. It is the right thing to do and we should do it; that is our responsibility as a good government.

This was a unanimous report—a unanimous report. I see the member from Newcastle, who was on the committee with me, is in the chamber. Despite the range of political views in that committee, we were able to come up with a report in which we all agreed that this was an important thing to do. And there are simple things we can do. Obviously, there is not one rule that can be applied equally to the remote parts of the Northern Territory and the middle of Sydney or Brisbane. But there are significant things you can do even just with the signage of place names and landmarks, making sure that there is a local Indigenous language that tells that story. I see it at the park right around the corner from me and commend the Brisbane City Council, which started this process years ago.

Certainly something that I do in all my citizenship ceremonies is stress to new Australians that they should try to find a couple of words in the local Indigenous language, wherever they are, that can be used in conversation to show that connection with place and with land that existed long before white Australians arrived here. So it was not just in terms of the Indigenous languages policy. Obviously some of these initiatives cost money. But we also made a recommendation that a lot of these language related projects be endorsed as a deductible gift recipient by the Australian Taxation Office so that these great projects could be taken up by big business, perhaps mining companies in certain areas, so that they can ensure that connection between their efforts in a community and their space.

Something we touched on and which will be taken up by other members of the parliament is that the Commonwealth government should support constitutional changes to include the recognition of Aboriginal and Torres Strait Islander languages, which was recommended by the expert panel on constitutional recognition for Indigenous Australians. That is something that was easy for us to support.

In terms of learning Indigenous languages and Standard Australian English, we realise that the Gillard Labor government, building on the initiatives of the Rudd Labor government, has
a strong commitment to education. One of the things we received evidence of was the
problem of first language assessment of Aboriginal and Torres Strait Islander children when
English is not necessarily spoken well or at all. As I said, one in seven ASTI-language
speakers do not speak English well or at all. From my background as a teacher I know that
this is something we need to step up in terms of engaging with Indigenous-language teacher
training and also the people who provide support. We have to invest some money, engage
with the universities and have the ministers for education work through the Standing Council
on School Education and Early Childhood so that we get the right accreditation and the right
qualifications to get the best possible things happening in our schools. Part of that is also the
interpreting and translating of Indigenous languages. We had lots of great evidence in some
remote areas about the great work that is being done, particularly by elders and significant
grandparents in school communities, when they have the chance not only to educate but also
to talk about culture and bring dignity and support to people in schools.

So there are a significant number of recommendations—30 in all—and I look forward to
the government responding to advance them. I particularly commend the chair, the member
for Blair, for great work in holding this together throughout, and also the secretariat for the
great work that they did. I look forward to working on the next project in this committee.

Mr MELHAM (Banks) (17:33): I rise tonight to commend the House of Representatives
Standing Committee on Aboriginal and Torres Strait Islander Affairs for its excellent report
on Indigenous language. The committee received a large volume of evidence throughout the
inquiry. There were many descriptions to illustrate exactly how intertwined language and
culture are. In some ways that is true of all Australians. We grow up speaking our language
with its idiosyncrasies, shortened word forms, tone and slang. When we travel overseas it is
hearing that familiar language, more than anything, which helps identify another Aussie. At
the airport, restaurant or railway station we then turn around and say g'day because we know
the language, we know who we are talking to and we know they will understand who we are.
No-one but an Australian can quite say g'day in the manner in which fellow Australians say it.

For Indigenous people this sense is incorporated into their very self-identity. The National
Congress of Australia's First People noted on page 2 of its submission to the inquiry:
Language is central to Aboriginal and Torres Strait Islander cultures. The two are intertwined.
Language describes cultural attachment to place, cultural heritage items, and puts meaning within the
many cultural activities that people do. Furthermore, language plays a fundamental part in binding
communities together as a culture, and individuals to each other in a society.
The report contains a number of similar references to explaining how Indigenous people are
their language. I recommend reading the chapter on the role of Indigenous languages to begin
to comprehend that role. At the public hearing in Alice Springs, Mrs Amelia Turner speaking
on behalf of Nhulunbuy Aboriginal Corporation, described that connection. More than any
other, this describes clearly what that is. I would like to quote Mrs Turner's words extensively
for that reason:

Our language is sacred to us. Every Aboriginal language is sacred for those who speak it. Words are
given to us by the land and those words are sacred. What does it mean to an Aboriginal culture? The
land needs words, the land speaks for us and we use the language for this. Words make things happen—
make us alive. Words come not only from our land but also from our ancestors. Knowledge comes from
Akerre, my own language and sacred language.
Language is ownership; language is used to talk about the land. Language is what we see in people. Language is what we know of people—we know of him or her. If they speak my sacred language, I must be related to their kinships.

Language is how people identify themselves. Being you is to know your language. It is rooted in your relationship from creation—in your kinship that cycles from then and there, onwards and onwards. It is like that root from the tree.

Language is a community—a group of people. Not only do you speak that language but generations upon generations of your families have also spoken it. The language recognises and identifies you, who you are and what is you. Sacred language does have its own language. You can claim other languages through your four grandparents. Know your own language first before you learn other languages—to know it, to understand it and also to relate to it.

Mrs Turner's words seemed to describe the essence of the importance of Indigenous language to the speaker. On 26 November 2009, former senator Aden Ridgeway had an article on Indigenous language published in the *Sydney Morning Herald*. His sentiments are those of Mrs Turner from Alice Springs. They are from a slightly different perspective. The great thing about this article is that it was published not only in English but in Mr Ridgeway's own language, Gumbaynggir—possibly the first time the language has been used in an English language broadsheet. The article later received a UN Media Peace Award, in 2010. He makes a point in the article that is later addressed in the committee's report. Mr Ridgeway says:

The school's role, like that of broader society, should be about embracing and validating the first language of children, not assuming without evidence that the first language holds aboriginal children back.

The committee report includes reference to data provided by the National Aboriginal and Torres Strait Islander social survey. The survey shows a positive correlation between the use of language and with wellbeing and socioeconomic variables. In some ways that should come as no surprise. The survey found that Aboriginal people who speak Indigenous languages have better physical and mental health, are more likely to be employed, are less likely to abuse alcohol or be arrested, are more likely to attend school as 13- to 17-year-olds if living in urban and regional areas and more likely to gain a post-school qualification, and are less likely, if living in remote areas, to engage in high risk alcohol consumption and illicit substance abuse or to have been a victim of physical or threatened violence. Page 12 of the report provides a diagram, at paragraph 2.1, which simply illustrates this. At the centre is language—pride, self-esteem, respect. Around the centre are four other circles with arrows showing the inter-relatedness with language. Those circles are: country, or identity; culture—law/lore, ceremonies and dances; kinship—skin names, rules and protocols; and home/family. Prior to European colonisation there were 250 distinct languages spoken in Australia that divided into 600 dialects—that is on page 33 of the report. Only about 145 of those languages are still spoken. The report notes that about 110 of those languages are in the severely and critically endangered categories. Of those languages, many are spoken only by small groups of people—mostly over 40 years old. There are 18 languages still regarded as strong in the sense of being spoken by all age groups, although three or four are showing some signs of moving into being endangered. There are many other languages where only a few words and phrases are used. Not surprisingly, there is community support in many places around the country for reclamation and heritage learning programs for such languages.
Of these 145 languages still being spoken, the committee reports, at paragraph 2.139 on page 42, that estimates indicate that 19 languages have more than 500 speakers, 45 languages have between 10 and 50 speakers, and 67 languages have fewer than 10 speakers. The 2011 census reported that about 61,800 people speak an Indigenous language, which is an increase of 56,000 in 2006. The committee suggests on page 40 to 42 that this could be attributed to work being carried out in the area having a positive impact on the number of Indigenous speakers or, possibly, an improvement in the way the data is collected.

In conclusion, I would like to draw attention to the United Nations Declaration on the Rights of Indigenous Peoples, which is referenced by the committee. Specifically, in article 13 that declaration states:

1. Indigenous peoples have the right to revitalize, use, develop and transmit to future generations their histories, languages, oral traditions, philosophies, writing systems and literatures, and to designate and retain their own names for communities, places and persons.

2. States shall take effective measures to ensure that this right is protected and also to ensure that indigenous peoples can understand and be understood in political, legal and administrative proceedings, where necessary through the provision of interpretation or by other appropriate means.

It is important to this country that we abide by that commitment.

I commend the report to the House and note the contribution of the secretary of the committee, Dr Anna Dacre. The committee, led by the Member for Blair, has produced a worthwhile and scholarly report. He is to be commended. I note his comment in the foreword, which says:

To all Australians I say: take pride in the Indigenous languages of our nation. Indigenous languages bring with them rich cultural heritage, knowledge and a spiritual connection to the land …

I concur with those sentiments. I was the shadow minister for Aboriginal affairs for the Labor Party from 1996 until 2000, when I resigned that position on a matter of principle. What I learnt in that period will stay with me to the grave—that is, we have a rich and vibrant culture in this country: our first peoples, who are the oldest peoples with a living connection with this country. It is the oldest culture in the world. We should do everything we can to preserve that culture and to pass on that culture to future generations of Indigenous Australians. We, as a nation, are enriched by our Indigenous peoples. We are not threatened by them. The period when I was Aboriginal affairs spokesman is over: that ignorance and prejudice that reigned as a result of the High Court decisions on native title. For the first time in a long time, we now have a level of bipartisanship in Indigenous affairs. But we should not be smug, because work needs to be done to embrace Indigenous people and to work with them—not adopt a missionary position; not adopt a position where we want to make them like us—to make sure that their languages and other aspects of their culture are protected, preserved and carried on through the ages. That is the real task, and that is why this report that has been delivered by the committee is a very valuable report. It is one that should be read by people out there, because by producing reports such as this the parliament does a great service to the nation. All those involved in the preparation of this report on both sides of politics, and the secretaries as well, deserve great credit, because it is a very valuable report. It is an enriching report, and in many ways it is a report that sets a benchmark that we have to meet, because we have no excuses. We cannot say we did not know of the impact of continuing in the old ways. So I commend the report to the House and again say it was my pleasure to be associated with
Indigenous people as shadow minister over the years that I was. I am a better person for it. I am a lot more knowledgeable, and we as a nation are enriched by our Indigenous people.

Ms GRIERSON (Newcastle) (17:45): I am delighted to speak on this recently released report, Our land, our languages. It is a particular pleasure to follow the member for Moreton and the member for Banks. The member for Banks's commitment to advancing issues that are of importance to Aboriginal and Torres Strait Islander people is well known and well regarded in this House. So following someone who was not on the committee but who is giving the committee the full credit I think they deserve is very special.

It was a great privilege—a real personal privilege—to be a member of the committee and a member of the inquiry that led to this report. My electorate of Newcastle has approximately 3,500 Indigenous people, which is 2.6 per cent of my electorate, which is higher than the New South Wales and Australian average. My electorate also hosts the Miromaa Aboriginal Language and Technology Centre. When people think of Newcastle, they think of an urban city. They do not necessarily think of the wonderful work being done by Indigenous people around their culture, identity and learning. I am very proud to be the member for such a dynamic Indigenous community. I am also an educator of some 30 years experience before I came to this House, so to be engaging around learning, teaching, self-esteem, pride and all those wonderful attributes that shape good learning in a variety of settings across this country was an absolute delight and it will stay with me forever.

The inquiry was extensive. It took over a year, and we received 154 submissions. So, if you out there thought that Indigenous languages were not a big issue, you were absolutely wrong. Estimates are that, yes, at the time of colonisation there were 250 Australian Indigenous languages in use and that today, in terms of a strong language spoken across age groups by a significant number of people, there are 18 well-established languages. But, as the member for Banks so rightly pointed out, 61,000 people disclosed in their census return that they speak Indigenous language. That is marvellous, and I agree with him that it is a pointer to the fact that Indigenous people are taking great pride in the work that individuals, families and communities are doing to reclaim language, to celebrate language, to share language, certainly to revitalise language and to maintain existing languages.

The report does recognise and celebrate the languages of Australia's Indigenous people, who of course are the original owners of this land. We witnessed firsthand the wonderful groundswell of commitment to Indigenous languages. That was from individuals doing grassroots work, just saying, 'I'm going to incorporate this into everything I do,' and putting it into performances, right through to organised institutes making research studies, documenting, collating, archiving et cetera. Overall it was a very impressive and passionate commitment that was, I think, very moving for all of us. I remember in Adelaide a young teenage woman who explained to us how important it was for her to be part of reclaiming her language, and that was very moving. You also saw elders in some communities who could only speak in their Indigenous language. But to see that variety—to go to Broome and see Indigenous park rangers coming in after work to be trained so they could use their Indigenous language to enrich the experiences of tourists and people coming to visit their place, their land—was very moving and very inspiring.

And we had the great pleasure of going to a school in Utopia, sitting under their BER facilities so we were not out in the sun, to meet with the community and the young people and
to go into the classroom to see where two languages—Indigenous language and Standard English—were being interwoven in a way that was respectful and successful. I acknowledge the wonderful work of individual principals and schoolteachers in different schools who were committed to learning success.

The reality is that, as this report states, education success does come from respecting first language, using first language as the basis for all learning. We quote in the report a World Bank report that said:

Children learn better if they understand the language spoken in school. This is a straightforward observation borne out by study after study … Even the important goal of learning a second language is facilitated by starting with a language the children already know. Cummins … and others provide convincing evidence of the principle of interdependence—that second language learning is helped, not hindered by first language study. This leads to a simple axiom: the first language is the language of learning. It is by far the easiest way for children to interact with the world. And when the language of learning and the language of instruction do not match, learning difficulties are bound to follow.

How true. As an educator I know that. I visit our schools, as many members do, seeing lots of our refugee communities from all different countries, and I know that there is not enough attention paid to supporting the language a child brings with them.

But we were privileged to witness the groundswell, and I particularly acknowledge the Miromaa Aboriginal Language and Technology Centre from my electorate. It has developed a special computer program: a database that enables the gathering, organising, analysis and production of language materials to aid in language education and training. We also saw in Tennant Creek the Papulu Apparr-Kari Aboriginal Corporation, which supports 16 language groups in the Barkly region through a range of activities and resources. I mentioned Broome because it was quite outstanding that the Mabu Yawuru Ngan-ga language centre supports the teaching of the Yawuru language in schools in the Broome area. I bought several T-shirts with Indigenous artwork and words, and they were a great hit with so many people. I applaud their work. I met a teacher there who understood the importance of first language and had gone and trained as a linguist to make sure she could match the needs of her education community. Those are stories that are very powerful. The Gidarjil Development Corporation we met produces booklets teaching Darumbal language and culture to children in schools across Central Queensland. The Many Rivers Aboriginal Language Centre just north of my electorate has developed dictionaries for about seven Indigenous languages in New South Wales. So these were wonderful experiences, and we were very fortunate to be part of that.

I would like to draw attention to some of the recommendations because some are particularly necessary and to be followed up by government. I think they point to wonderful frameworks for learning, teaching and advancing not just Indigenous languages but the participation of Indigenous people in this wonderful, important process. We of course first recommend that the Commonwealth government include acknowledgement of the fundamental role and importance of Indigenous languages in our Closing the Gap framework. It seems to me that that is something that should not have been overlooked, but it has been. We recommend that there be signage around the country used for place names and landmarks in local Indigenous languages. Some local councils and communities have done that, I know, but it is a bit of a no-brainer—why haven't we done that? Of course we should be supporting that sort of marking and recognition around our country. We also recommend that parliamentarians have a role to play in noting their Indigenous communities, Indigenous
language and trying to embrace Indigenous language. I think it is true that it does start with us and we should be good role models always. We talk about supporting programs that allow Torres Strait Islander applications to be considered for arts funding. You would not have thought there was a particular constraint on Torres Strait Islander communities being eligible for funding for these particular programs. We also recommend that by March 2013 the Commonwealth government develop and announce an implementation plan, given its endorsement of the United Nations Declaration on the Rights of Indigenous Peoples in 2009. It is not enough for governments to sign things and then not have an implementation plan that brings that about.

We also dealt a lot with the education settings. The ones that I am particularly pleased to see are the use of language nests programs in early childhood learning centres and preschools to be set up under national partnership agreements. We have also recommended, and I think these are particularly important, that through the Standing Council on School Education and Early Childhood there be protocols of mandatory first language assessment of Aboriginal and Torres Strait Islander children entering early childhood education. Yes, teachers and educators should know, they should be able to assess language in children's original or home language—their first language. They should not make assumptions; they should actually assess, and they do need tools to do that well. We also want more resourcing, of course, for first languages.

What I also think is excellent is that we recommended that the minister for education work through the standing council to develop a NAPLAN alternative assessment tool for all students learning English as an additional language or an additional dialect. That is not just for Indigenous kids, that is for everyone. I think that it is very true that when you go to schools and you see the wonderful work being done but then the children have to slot into a formal setting that does not recognise their language. I think that is a very powerful recommendation as well.

We also emphasised the need to have Indigenous teachers, and to fast-track the training of Indigenous teachers is so important. When you go to remote communities like Utopia or Halls Creek, the people tell you: 'We want to be the service deliverers in our own community. We want to be trained to be the health workers, the teachers, the teachers' assistants, the teachers' aides, the administrators, the community developers. That is what we want.' Some of that training has to be done in their language because they want to stay in their community. I do think career pathways require a great deal of attention. Remote Australians are very special, but they are very different too. They have very different circumstances, but they have the same ambitions and the same aspirations, so many of our recommendations go to supporting those aspirations.

We would like to see the acquisition and documentation and sharing, if it is appropriate, of resources that Indigenous communities develop around language. We would like to see a national Indigenous interpreter service, and we would particularly like to see more effort made by the government to put into place immediate measures to ensure access to Indigenous interpreting services in the health and justice sectors in particular because that is life-affecting. Too often we heard of women taken away from their communities to have their babies being told things about their foetal health, the baby's health or their health and not understanding one word of it. That is particularly sad and it is life-threatening. We also know
that in the criminal justice system often Indigenous people were not even aware of what they were being accused of or what the consequences of that were. So particularly in the health and justice sectors we would like to see some immediate measures put in place to make sure Indigenous people have access to Indigenous interpreting services in their languages.

Overall it was a wonderful report; it was a wonderful experience for all of us. How do I know that? How do I know it was a successful and great report? I would love to share with the House this letter I received from Daryn McKenny, from the Miromaa Aboriginal Language and Technology Centre. He says:

Can you please pass on our thanks and congratulations to Sharon on her part as a member of the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs, in an excellent report into our Aboriginal languages. The report 'Our Land, Our Languages' released yesterday was and is everything that we have needed for a long time.

I was quite moved by that. It continues:

We hopefully now look forward to this report being acknowledged and acted upon in Parliament.

Finally, I want to acknowledge the work of the chair, the member for Blair, and my colleagues who were on the committee as well as the wonderful secretariat who were dedicated to making sure that we gained the information, the insights and the experiences. I certainly want to thank all the Indigenous people who so generously enriched our experiences and our lives and who made their knowledge, their pride and their commitment part of our work.

My colleagues have also reported on this, but it is important to say again that Indigenous culture enriches the lives of every Australian. It enriches our identity. It gives us more commitment to our place and more understanding of our place in the world. I congratulate and thank everyone involved in this wonderful report.

Mr Tudge (Aston) (18:00): I rise to speak just very briefly on the report entitled Our land, our languages, which has been tabled. I would firstly like to commend the committee members who were involved in this report for taking the time in having hearings in many different places and putting together a very thorough and good report. I want to make a couple of points.

The first point is that I think the maintenance of Indigenous languages is important—it is important because Indigenous languages are unlike all other languages in our nation. They are the first languages of our nation and therefore a key part of our heritage as Australians. They are of course important to Indigenous people themselves, but more than that they should be important to all of us because they are such an important part of Australia's heritage. So I think it is a good thing that we stop and consider how we can maintain Indigenous languages, how we can record them and how we can ensure their longevity going forward. That is the first point that I would like to make. Indeed, I have made public comments to the same effect in the past.

The only other point that I would make in relation to this issue is: how do we go about preserving the Indigenous languages and, in particular, what should we do in relation to schooling? The main issue which is coming up in the media today is whether or not there should be bilingual schooling, should Indigenous languages be taught instead of English, should they be taught alongside or in parallel with English or whatever. My firm view is that
English must be taught thoroughly and taught well to all Australians no matter who they are or where they are from. No person in Australia is going to be able to thrive in our modern society unless they have a good understanding of the English language in its written and its verbal form. That is absolutely critical and absolutely fundamental. At the moment, particularly in remote Indigenous Australia, we have a crisis in this regard.

I have spent many years in remote Indigenous Australia, particularly when I was the deputy director of the Cape York Institute. One of the issues that we looked at was how we could improve the literacy and numeracy of remote Aboriginal people and their overall educational outcomes. The educational outcomes for Indigenous people in many places across remote Australia are appalling. If you are talking about a crisis in education today, that is the crisis, and a significant part of it is the English literacy crisis where people are not learning at the rate that they should be learning. So this has to be our predominant focus in terms of ensuring that Aboriginal people can learn English, can read it properly, can write it well and can communicate in it so that they can participate like every other Australian in our modern society. Having said that, I think we also need to ensure that Indigenous children can learn their traditional tongue if the local communities see that as important to them. The way that I think this needs to be done is in parallel with the teaching of English, rather than necessarily being done alongside it, bilingually. And the way I have seen this being implemented well is on Cape York Peninsula, an area which I know well. What they have done through their Cape York academies is to have their traditional schooling as the dominant part of the day, from early in the morning until about two o'clock, where direct instruction is being implemented in English and the children are learning their English, maths and other subjects. But then there is a separate part of the day which is for culture, and it is in that part of the day that parents and elders come in to communicate and to transmit the Indigenous culture to the Aboriginal children as well. In these schools they are just starting to introduce the local Indigenous languages into that cultural space to transmit those languages in a more thorough way to the Indigenous children. From my perspective, that is the better way to transmit Indigenous languages to Indigenous children. I would be hesitant to see us or the state governments and other school authorities roll out Indigenous languages to be the predominant languages taught in the schools. I think we must ensure that the children learn English, and learn it well, but then there should be time as well, in part of the day, for cultural maintenance if the local communities want to participate in that. I again commend the report. I think there is some very good information in there for us to consider and I think this is an important topic.

Debate adjourned.

Social Policy and Legal Affairs Committee
Report

Debate resumed on the motion:
That the House take note of the report.

Mr GEORGANAS (Hindmarsh) (18:07): I am pleased to have the opportunity to speak today on the Social Policy and Legal Affairs Committee's advisory report on the Do Not Knock Register Bill 2012. Before I do, I would like to thank the member for Moreton, who was here earlier, for kindly agreeing as chair of the committee to refer the report to the Federation Chamber so that I could get the opportunity to speak on my private member's bill,
the Do Not Knock Register Bill 2012. I would also like to note the presence here of the member for Blair, who was also on the committee, and thank him for his work on the inquiry into the bill.

The right to peace and privacy in our homes is a very basic principle. I think we would all agree with that. So is the need to protect that right to privacy in our own homes, especially for our senior Australians and for vulnerable people. We need to protect them from abuse, coercion and exploitation. As a nation and as a community we have a responsibility to look out for one another. I think we all agree on that. As an elected member I think it is my job to do everything that I can, no matter how small, to assist in that. Giving people in my electorate of Hindmarsh a break and helping where I can even with just everyday worries is at the top of my list, as I am sure it is at the top of your list, Deputy Speaker, and of everyone else's in this House. That is what is at the core of the do not knock bill, which I put before this House a little while ago.

This bill is about people, it is about fairness and it is about choice. It is a very common-sense solution to a very common problem. Pretty much everyone here has had the experience of having a door-to-door salesperson knock at their door. If you are confident—as most of us in this House are, like me—you might say, 'Thank you very much, but no thanks, we're not interested.' The salesperson might leave, or they might stay and try to sell to you, to ask you why you are not interested and say that they have 'a great new offer for you'. They might say, as many people have told me, that they are 'just checking your bill to see if you qualify for a new rate on your electricity'. And if you are a senior Australian, or have a disability, or you do not speak much English, you might think, 'Gee, maybe they're right. This offer sounds good—I think I will sign up.' And it can be really hard to say no to some of those people. So you sign on the dotted line and hope for the best. But then, months later, a bill arrives and you realise that is not exactly what you expected and what you were promised has not come to fruition and it is actually costing you a lot more than what you were told, and there was all this in small print in there as well that you were totally unaware of.

But to undo all of the documents you signed, there are complaints departments, offices of fair trading, ombudsmen and consumer affairs offices to go through. There is paperwork and there are endless phone calls and letters that do not get responded to by the company, et cetera. And then, quite often, the last resort is that you will go to your local MP. And that is where I have heard many horror stories, when people get to that stage and come to see me. I have had people turn up at my electorate office and burst into tears, because by the time they have been through the whole process they are absolutely exhausted, they are broke and they do not know what to do.

That is why I decided it was time to act. Many of these people I spoke to in my electorate office or on the phone were vulnerable people—as I said, elderly Australians, people with disabilities and people from non-English-speaking backgrounds. They should not have been pushed into signing contracts with strong sales techniques that were being used at their doors and being promised deals that were never going to come to fruition. That is why I decided to act, for the people I spoke to on a regular basis in my electorate office who were going through hell. They should not have to give access to their homes and wait for that person to turn up on their doorstep before turning them away, often against enormous pressure from the salesperson. They should be able to choose whether these people can even set foot in the gate.
This is about choice and giving the consumer choice. That is what the Do Not Knock Register is all about—giving people the choice.

The bill was designed to work just like the Do Not Call Register; the entire framework was exactly the same. That bill has been very successful, with more than 7.6 million people signing up to it and having 7.6 million numbers on the Do Not Call Register. There was a recent survey conducted and 88 per cent of people said that phone calls to the house by direct marketing companies had dropped enormously. It proves that the register is working and is working very successfully. People are saying that they are getting a lot less calls than before they signed up.

The Do Not Knock Register would be available to anyone with a residential or government address. It does not affect businesses who sell to each other, or charities, such as the Red Cross and the Girl Guides, nor does it affect religious or political organisations. The reason I had this in the framework of this policy is that it was designed to ensure that it only affected those salespeople who come to your home and have an effect on your hip pocket. What we are trying to do is stop those high-pressure sales tactics that we have all seen from being used on vulnerable people, and stop people being financially ripped off. And this bill would do just that, because people can choose to sign up and not have salespeople knocking on their front door. That is a huge step forward for Australian consumer.

After I first announced the bill I received a flood of support. Emails and letters and phone calls came in from across Australia. I have some emails here that I received. One man who emailed me said:

I hope your bill becomes law as I am fed up with people knocking on my door and being aggressive when I tell them I am not interested.

Another one is from a woman in New South Wales who wrote and said:

I would like to congratulate you for bringing this matter to the Federal Parliament's attention and attempting to introduce such legislation. I think it's about time someone did something to address the situation of people being hounded or harassed in their own homes by door to door salespeople.

A man from regional South Australia said:

At last a politician trying to do something practical! Your efforts are really appreciated as down here in the Fleurieu—the Fleurieu being an area in South Australia—the door-knockers are pretty awful.

Another one said:

According to A Current Affair you are putting a Bill before Parliament regarding power company sales methods etc. I am impressed. Some action needs to be taken to protect the interests of the public and in particular vulnerable members of our community.

And it goes on and on. We have received hundreds of these messages. From all corners of the country came stories of people who had been hassled, pressured and ripped off by door-to-door salespeople. In fact I was receiving so many emails we decided to start an online petition to give people a good place to show their support. We gathered thousands of online petitions—names and addresses of people who are in support of the do not knock bill.

Choice magazine came out in support of my private member's bill. National Seniors Australia, a group that represents seniors round the country, is in support of this bill. The
Consumers Federation of Australia, the Consumer Action Law Centre and Financial Counselling Australia all joined my campaign in support of this private member's bill. I would like to thank the many groups for their contribution to this inquiry and for their support. They have been very supportive of the bill and many of them also took the time to come to the public hearings and appear as witnesses.

In total, there were four main issues considered in this report. The first was whether the bill was constitutional; the second was the effectiveness of existing campaigns, including the 'Do Not Knock' sticker campaign; the third was what the current laws, which come under the Australian consumer laws framework, do; and the fourth was how the Do Not Knock Register could actually be set up.

First of all, I note the committee's advice that they cannot really advise the parliament about the constitutionality of a bill. However, they did get advice from an expert on the issue, Professor George Williams, who said:

It is clear that the Bill has been drafted so as to fall under heads of power ... My view is that, if passed, the Bill would be a valid enactment under the Australian Constitution.

I was very pleased to read that because, to me, that meant that it was constitutional. I did have some assistance from the clerks and some assistance from the Attorney-General while we were drafting the bill to ensure that all the right checks and balances were in place. I am very pleased and very glad it passed with flying colours on that aspect. As I said, I want to say a special thank you to the clerks and to the Attorney-General for their advice and assistance.

On the second issue, which is whether the 'Do Not Knock' stickers work, we know that they are a grey area. Right now the ACCC have the energy companies in court after they ignored the stickers, so the theory of whether the stickers actually constitute a request to leave is being tested. In my view, the stickers are great if people respect them, but the reason it is in court is that that has not happened. We need black-and-white laws to make clear to consumers what their rights are, and this bill would give those black-and-white laws clarity. We need to make clear to companies what their obligations are as well. That is exactly what the Do Not Knock Register Bill does, and that is why we need the bill to pass. Thirdly, as to whether the Australian consumer laws already cover this type of issue, they do—to an extent. The committee's report is correct in saying that it is absolutely paramount that we have effective education campaigns so that people know exactly what their rights are. But my worry, what keeps me awake at night, is that those very vulnerable people—the elderly people, people with intellectual disabilities, people from non-English speaking backgrounds and some of the elderly who have conditions like dementia—will not be helped by an education campaign. What would help them is to have their address on a register preventing people from knocking on their doors. Education campaigns are great if you are able to understand them, but, as I said, what about if you do not speak English very well or if you have an intellectual disability? What if you suffer from dementia and cannot remember information you have been told? Another example that comes to mind is of a woman who went to visit her mother only to find a salesperson from an energy company sitting on the couch signing her up to a new contract. Her mother had the onset of dementia, so the woman was very quick to intervene to stop it going further. These are the stories I hear on a regular basis. These are the people who are suffering because, right now, if they get signed up to a new energy contract or
phone contract, they do not necessarily know that they can go to the Office of Fair Trading to sort out the issue.

Australian consumer law does a lot of good things and the Assistant Treasurer and Minister Assisting for Deregulation has truly done the hard yards in coordinating all the states and territories to have, for the very first time, national consumer laws. Things are a lot better now than ever, but there is more work to do. It does not make sense to say to people that they should have the right to stop sales phone calls and yet tell them they should not have the right to stop people knocking on their door. But, in rejecting this bill, that is what happened, I suppose, and a lot of people in the community are asking why. Already the CEO of the National Seniors Association has come to see me and described the committee's decision not to recommend that the bill be passed as very disappointing.

The report has instead recommended two things: that we wait to see the outcome of the court cases with the stickers, and that we wait until 2015 to review the consumer laws. But I say: let's pass the bill now; let's not wait for more elderly and vulnerable people to be exploited. I would like to act now, with a simple, effective register, which will make the legislation and the law clear, as is the Do Not Call Register. We have the chance as parliamentarians now to do something that will help so many people in our community. I do not agree that it would cost as much as setting up the Do Not Call Register, which is already in existence. The committee came up with some figures that it would cost approximately $33 million—

(Time expired)

Mr NEUMANN (Blair) (18:22): I will speak briefly on the issue of the Do Not Knock Register and say to my friend the member of Hindmarsh that I was a member of the House of Representatives Standing Committee on Social Policy and Legal Affairs when we looked at the issue in great detail. I applaud the motives and the aspirations of the member for Hindmarsh, but we on the committee felt that it was premature to do this because of pending litigation. The competition and consumer legislation was passed only in the last few years and we thought it was time to give it an opportunity to operate and see how its provisions would impact not just on this area but other areas as well.

The member for Hindmarsh is an extremely capable and dedicated public servant and he is to be commended for raising this issue and for bringing this forward into the public domain. I thank him personally for advocating so fiercely on behalf of his constituents. I say to him: I do not think this is the end of the matter, but I look forward to some other day when he raises it yet again. I am sure he will be in my ear and the ear of many other parliamentarians about that. Thank you, Member for Hindmarsh.

Debate adjourned.

Federation Chamber adjourned at 18:24
QUESTIONS IN WRITING

Rewards for Great Teachers Initiative
(Question No. 1155)

Mr Pyne asked the Minister for School Education, Early Childhood and Youth, in writing, on 21 August 2012:

In respect of the Rewards for Great Teachers initiative, (a) how will the role of learning support staff in the classroom, as compared with classroom teachers, be (i) recognised, and (ii) measured, in the progress of a student, and (b) what initiatives, remunerative or otherwise, will be implemented to retain experienced learning support staff.

Mr Garrett: The answer to the honourable member's question is as follows:

The objective of the Rewards for Great Teachers initiative is to improve the quality, performance and development of all teachers in Australia, in order to improve student learning outcomes. This program is about recognising and rewarding our best performing teachers and keeping them where they are most needed – in the classroom.

The Australian Government acknowledges the vital role in supporting teachers that Learning Support staff provide in schools every day. Responsibility for the recruitment and employment of learning support staff rests with the states and territories and non-government education authorities.

The Commonwealth does not provide direct funding for learning support staff, however, under the $550 million Improving Teacher Quality National Partnership, a number of states are implementing a range of reforms that are focused on learning support staff.

In New South Wales 166 paraprofessional support positions have been created to support teachers to focus on student learning. These paraprofessionals are employed in a variety of roles including supporting literacy and numeracy programs, developing and implementing data support and management systems, working as Aboriginal Education Assistants and providing general in-classroom support.

In Queensland, the Department of Education and Training will create an extra 500 full-time equivalent teacher aide positions, which will provide extra assistance every week. It will also expand opportunities for Indigenous staff to gain nationally recognised qualifications through the enhancement of the Remote Area Teacher Education Program (RATEP). RATEP will provide additional opportunities for Indigenous education workers to gain qualifications at a Certificate III, IV and Diploma level.

In Western Australia, the Department of Education and Training is facilitating the up skillling of over 150 education assistants and has established a new Senior Learning Assistant (SLA) level to improve career paths. The Department is also supporting Aboriginal and Islander Education Officers (AIEOs) and Aboriginal Teaching Assistants to be up skilled. Nearly 50 AIEOs completed Certificate III or Certificate IV qualifications in 2011.

In South Australia a major component of the strategy to improve in-school support for teachers and leaders in disadvantaged schools in all sectors has been to increase the skills of school support staff through accredited learning and work redesign. School Support Officers and Aboriginal Community Education Officers are able to choose from a range of accredited skill sets and certificates in finance, in education support, and in government services. Aboriginal Community Education Officers are also able to participate in a certificate in community services work.

In the Northern Territory the Inclusive Leadership model is being implemented in 22 large, very remote government and non-government schools. It is allowing these schools to determine the most appropriate
way to enhance engagement with local community members. Some models being implemented include cultural advisors and local staff that support cultural programs, staff cultural competence and promote community engagement with school.