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**SITTING DAYS—2014**

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—FOURTH PERIOD

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

House of Representatives Office holders
Speaker—Hon. Bronwyn Kathleen Bishop MP
Deputy Speaker—Hon. Bruce Craig Scott MP
Second Deputy Speaker—Mr Robert George Mitchell
Members of the Speaker's Panel—Mrs Karen Lesley Andrews MP,
Mr Russell Evan Broadbent MP, Mr Alexander George Hawke MP,
Mr Ian Reginald Goodenough MP, Mrs Natasha Louise Griggs MP,
Mr Ewen Thomas Jones MP, Mr Craig Kelly MP, Hon. Charles Christian Porter MP,
Mr Donald James Randall MP, Mr Ross Xavier Vasta MP, Mr Brett David Whiteley MP

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

Party Leaders and Whips
Liberal Party of Australia
Leader—Hon. Anthony John Abbott MP
Deputy Leader—Hon. Julie Isabel Bishop MP
Chief Government Whip—Hon. Philip Maxwell Ruddock MP
Government Whips—Mr Scott Buchholz MP and Ms Nola Bethwyn Marino MP

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

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

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<td>Wicks, Mrs Lucy Elizabeth</td>
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<tr>
<th>Members</th>
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<tr>
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<td>Denison, TAS</td>
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<td>Williams, Mr Matthew</td>
<td>Hindmarsh, SA</td>
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<td>Wilson, Mr Richard James</td>
<td>O'Connor, WA</td>
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<td>Wood, Mr Jason Peter</td>
<td>La Trobe, VIC</td>
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<tr>
<td>Wyatt, Mr Kenneth George AM</td>
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<tr>
<td>Zappia, Mr Antonio</td>
<td>Makin, SA</td>
<td>ALP</td>
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PARTY ABBREVIATIONS
ALP—Australian Labor Party; LP—Liberal Party of Australia; NATS—The Nationals;
IND—Independent; NATSWA—The Nationals WA; CLP—Country Liberal Party;
AUS—Katters Australia Party; AG—Australian Greens; PUP—Palmer United Party

Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Secretary, Department of Parliamentary Services—C Mills
Parliamentary Budget Officer—P Bowen
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<td>The Hon. Tony Abbott MP</td>
</tr>
<tr>
<td><strong>Minister for Indigenous Affairs</strong></td>
<td>Senator the Hon. Nigel Scullion</td>
</tr>
<tr>
<td><em>Minister Assisting the Prime Minister for the Public Service</em></td>
<td>Senator the Hon. Eric Abetz</td>
</tr>
<tr>
<td><em>Minister Assisting the Prime Minister for Women</em></td>
<td>Senator the Hon. Michaelia Cash</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>The Hon. Josh Frydenberg MP</td>
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<tr>
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<td>The Hon. Alan Tudge MP</td>
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<td><strong>Minister for Infrastructure and Regional Development</strong></td>
<td>The Hon. Warren Truss MP</td>
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<tr>
<td>(Deputy Prime Minister)</td>
<td>The Hon. Jamie Briggs MP</td>
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<tr>
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<tr>
<td><strong>Minister for Foreign Affairs</strong></td>
<td>The Hon. Julie Bishop MP</td>
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<tr>
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<td>The Hon. Andrew Robb AO MP</td>
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<tr>
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<tr>
<td><strong>Minister for Small Business</strong></td>
<td>The Hon. Bruce Billson MP</td>
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<tr>
<td>Acting Assistant Treasurer</td>
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<tr>
<td><em>Parliamentary Secretary to the Minister for Finance</em></td>
<td><em>The Hon. Michael McCormack MP</em></td>
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Each box represents a portfolio. **Cabinet Ministers are shown in bold type.** As a general rule, there is one department in each portfolio. However, there is a Department of Human Services in the Social Services portfolio and a Department of Veterans' Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases.
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<td>Hon Bill Shorten MP</td>
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<tr>
<td>Shadow Minister Assisting the Leader for Science</td>
<td>Senator the Hon Kim Carr</td>
</tr>
<tr>
<td>Shadow Minister Assisting the Leader for Small Business</td>
<td>Hon Bernie Ripoll MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Small Business</td>
<td>Julie Owens MP</td>
</tr>
<tr>
<td>Shadow Cabinet Secretary</td>
<td>Senator the Hon Jacinta Collins</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
<td>Hon Michael Danby MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
<td>Dr Jim Chalmers MP</td>
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<tr>
<td>Deputy Leader of the Opposition</td>
<td>Hon Tanya Plibersek MP</td>
</tr>
<tr>
<td>Shadow Minister for Foreign Affairs and International Development</td>
<td>Senator Claire Moore</td>
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<tr>
<td>Manager of Opposition Business (Senate)</td>
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<tr>
<td>Shadow Minister for the Centenary of ANZAC</td>
<td>Hon David Feeney MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Foreign Affairs</td>
<td>Hon Matt Thistlethwaite MP</td>
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<tr>
<td><strong>Leader of the Opposition in the Senate</strong></td>
<td>Senator the Hon Penny Wong</td>
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<tr>
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<td>Dr Jim Chalmers MP</td>
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<tr>
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<tr>
<td><strong>Deputy Leader of the Opposition in the Senate</strong></td>
<td>Senator the Hon Stephen Conroy</td>
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<td>Shadow Minister for Veterans’ Affairs</td>
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<tr>
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<tr>
<td><strong>Shadow Minister for Infrastructure and Transport</strong></td>
<td>Hon Anthony Albanese MP</td>
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<td>Shadow Minister for Cities</td>
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<tr>
<td>Shadow Minister for Tourism</td>
<td>Hon Julie Collins MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Regional Development and Infrastructure</td>
<td>Hon Alannah MacTiernan MP</td>
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<tr>
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<tr>
<td><strong>Shadow Treasurer</strong></td>
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<tr>
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<tr>
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<tr>
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Tuesday, 25 November 2014

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

CONDOLENCES

Whitlam, Hon. Edward Gough, AC, QC

Debate resumed on the motion:

That the house record its deep regret at the death on 21 October 2014 of the Honourable Edward Gough Whitlam AC, QC, former Member for Werriwa and Prime Minister, and place on record its appreciation of his long and highly distinguished service to the nation and tenders its profound sympathy to his family in their bereavement.

Mr CLARE (Blaxland) (09:01): I rise today to remember Gough Whitlam, an Australian giant. I was born the year Gough Whitlam became Prime Minister. I was only three when he was dismissed so I do not remember his prime ministership, but I grew up surrounded by his legacy. I grew up around the corner from where Gough and Margaret lived in Albert Street, Cabramatta. The year I started kindergarten at Cabramatta Public School, Gough opened the extensions that his government had funded. The same man who poured sand into the hands of Vincent Lingiari helped pour the concrete that built Cabramatta Public School. Margaret helped out in the canteen. She also helped run the local pool where I learnt to swim. When I was not at school or not swimming, I was usually at the Whitlam Library on Railway Parade.

I am the first person in my family to finish school and the first to go on to university. In the Australia that existed before Gough, people like my mum and dad did not even think about going to university; you did your intermediate certificate and went off and got a trade or went to secretarial college. All of that changed with Whitlam. Australia changed. My mum tells me it was like switching from black-and-white TV to colour TV.

Gough's legacy surrounds all of us, from the national anthem to Medicare. It is hard to imagine Australia now without things like Medicare or multiculturalism, sewered western suburbs or trade with China. All of that started with Whitlam. In that sense, we are all Whitlam's children.

He was not perfect—far from it. He made a number of mistakes. But most of the things that he fought for were fundamentally right. The proof of that is that they have endured and that they are now largely bipartisan. It was not always that way. It is easy today to think of things like Medicare as a given, but they did not just happen through some form of political osmosis. They happened because of Gough, because of his persistence and perseverance. As Whitlam said in his 1985 John Curtin Memorial Lecture:

The most successful of my Government's reforms were the ones which were most strongly condemned at their inception, the ones which the Labor Party had to fight longest and hardest to muster first public and then parliamentary support.

There is a lesson for us in this. As Gough said in the same speech:

Persistence, patience, perseverance—these are the watchwords for Australian reformers as they take up their daunting task.
The last time I saw Gough was a few years ago, back in Cabramatta at the side of the old Cabramatta pool where Margaret used to teach. Concrete cancer had eaten away at the old pool and Gough was opening up the new Cabravale Leisure Centre. We started talking and Gough told me about his great regret. When he was in his 80s, Gough was advised to get surgery on his knees but he put it off. He told me that he did not have the courage to do it and he now regretted it, because he was stuck in a wheelchair. It is kind of funny because courage is not something that Gough Whitlam often lacked, and we are all beneficiaries of that.

In the 12th of his Philippics speeches, Cicero said:
The life given us, by nature is short; but the memory of a well-spent life is eternal.

I think that is an appropriate epitaph for a man who would have been as at home in the Roman Senate as he was in the streets of Western Sydney. Gough is gone, but the memory of his well-spent life lives on in the things he built, in the lives he changed and in the legacy he has left. He remade Australia, he extended our imagination and he left us a better country and a better people. After such a long and important life, well may we say: rest in peace.

Mr FLETCHER (Bradfield—Parliamentary Secretary to the Minister for Communications) (09:06): Gough Whitlam is associated in the public mind with many localities in Australia. Perhaps three that stand out are Cronulla, Cabramatta and Canberra. But this highly educated and erudite Australian had an association which may not be as well known but which I want to reflect on today, which is his association with the Upper North Shore, an area falling within my electorate of Bradfield. I want to speak in particular of his association with the prominent boys' school Knox Grammar School at Wahroonga.

Some early years of Gough Whitlam's life were spent in Sydney and, particularly, his family lived at Turramurra for a period. His father enrolled him at Knox Grammar School in 1925. That was relatively early in the life of the school. In fact, he was No. 93 on the school roll. He was in year 6 the year he was enrolled and he was dux of the upper preparatory school. In 1927, he was equal second in general excellence in form 3.

He then left Knox in 1927 when his family moved to Canberra. He returned to Knox grammar in 1974, of course when he was Prime Minister, to be the guest of honour at the school speech night; a very significant speech night for the school, because it was the school's 50th anniversary. As he was speaking, he quipped, 'This would be my largest audience here deep in Bradfield.' One of the old boys recollected in some recollections assembled by the old boy's association recently following Gough's death:

In the assembly Hall I clearly remember the remark that 'this would be my largest audience here deep in Bradfield'. I didn't immediately understand it as I had little knowledge of the federal electorates at that stage. It certainly elicited a strong and humorous reaction from our parents and friends.

The fine education that Gough received during his period at Knox grammar together with, of course, the education that he received at other institutions clearly served him well. I want to conclude by quoting what the present headmaster of Knox, Mr John Weeks, had to say in his column in the school's newsletter recently:

This week, we were saddened by the death of Gough Whitlam, a great Knox Old Boy who made many significant contributions to our country. Our flags were flown at half-mast in honour of Mr Whitlam.

Ms RYAN (Lalor—Opposition Whip) (09:09): I am honoured to join my many parliamentary colleagues to pay tribute to the Hon. Edward Gough Whitlam QC, AC. Gough's
passing has led us all to reflect on his leadership and the outcomes of his time as Prime Minister of this country. It has taken many of us on a nostalgic journey back to our collective past. For me, that nostalgia is for my childhood; the dismissal of the Whitlam government is my first political memory. I rang a close friend on the morning of his passing. She felt his passing marked the last shreds of her childhood, now gone.

Under Gough Whitlam, politics entered popular culture. The 'It's time' slogan and television advertisement broke new ground. The song rang out from televisions across the nation and it still echoes down the years. I cannot see a man in a skivvy and not hum it. I cannot hear it and not visualise a man in a skivvy. That advertisement marked a change of course for this country.

As so many have said, Australia became a kinder, prouder, more outward looking nation, a nation that embraced its own stories and shared them with the world. We became more inclusive, as attested to by many in this chamber. Gough embraced our migrant community and our Indigenous community in a national hug that changed the way we relate to one another.

His passing sent the nation on a nostalgic journey, but it has done more than that: it has awoken us. Through the recounting of his great contribution in progressing his nation, we recognise that some battles that we thought were already won—for fairness, for inclusion, for a generous, aspirational society—are recurrent battles that must be fought and won over and over again. His passing is therefore a timely reminder of what was hard fought and that what we have taken for granted can so easily be swept away. In a very special way, in his passing, Gough served his country and his party: he reminded us of who we are and what we strive to become.

Like many at the memorial service and at home, I was moved by the tributes to Gough and struck by the list of his achievements in government in just three short years. Like others, I laughed at Noel Pearson's allegory, using that classic Monty Python line to sum up the enormity of Gough's legacy: 'What did the Romans ever do for us anyway?'

To me, one of the most important things he did was to reunite of after the sectarian schism rent by World War I. Under Gough, we reverted to an egalitarian, creative Australia, aspiring to do what was right, what was fair, rather than what we could get for ourselves. I watched keenly an interview with Barry Jones on the day Gough passed. Barry summed it up with 'I feel orphaned'. He added: 'He shaped my thinking.' He cited the opening to Gough's speeches, 'men and women of Australia', as critical to the inclusive agenda. This small measure, repeated in many speeches, signalled a shift in what was a patriarchal society.

To me, his educational reforms were his greatest achievements, and I will spend what speaking time I have left on these. One of his first acts was to commission from the Interim Committee for the Australian Schools Commission a report prescribing a framework for equitable education. That was in May 1973. I look back now and see Gough's Gonski reforms. Under his government, spending on state government schools increased by 677 per cent and spending on non-government schools in the states increased to 117 per cent. The Whitlam government introduced direct Commonwealth funding, or state aid, for non-government schools. This put an end to a long-running political debate which was one product of the virulent sectarianism that had divided Australian society for decades—Gough's first steps towards building a sector-blind school funding model. And, as many have spoken about, from
1 January 1974, the Whitlam government abolished tuition fees for students at universities and technical colleges. Like many in this chamber, I was a recipient of that vision. It was genius policy. It broke a nexus. It wrote a new social contract.

Vale Gough Whitlam, the mountain ash of Australian politics, a great prime minister—great in stature both literally and figuratively, great in intellect, a great orator, a great reformer. Like thousands of others, I am lucky to have lived under the canopy of his government and his vision.

Ms ROWLAND (Greenway) (09:14): Gough Whitlam's famous 'It's time' speech, beginning with 'Men and women of Australia' was made in the Blacktown Civic Centre on 13 November 1972. It would have been three days shy of my first birthday. I would have been at home at Frederick Street, up the road from the Blacktown Civic Centre, just off Sunnyholt Road, which winds up through Campbell Street and Flushcombe Road, to that great Bowman Hall. Even today we refer to Bowman Hall as Gough Whitlam's shrine. At every event I have been to there—and there have been hundreds, including citizenship ceremonies and various community events—I am always reminded that this is Gough Whitlam's shrine. When I mention this to various community groups, who otherwise would not know much about Australia, everyone would always know that this is where Gough Whitlam made that speech.

Gough was so generous with his time in coming back to Blacktown, to the place of that great speech. Around 10 years ago he attended the opening of an art exhibition inspired by the dismissal, held at the Blacktown Arts Centre, just up the road from Bowman Hall. Again, the crowds who were there to see him, to pay tribute to him and to honour him never failed.

Only a couple of months ago Blacktown Arts Centre put on a local history exhibition. It was a project that involved locals talking, sharing photos and reminiscing about those two famous speeches that were made in Blacktown Civic Centre. Gough's eldest son, Antony, gave the speech at this particular opening. Everyone commented how fabulous Antony was. It reminds me of Gough's memorial and how well Antony spoke. He would have been so proud of his such accomplished children.

I want to focus on Blacktown, because this is an area that typifies Western Sydney and the new growth areas that Gough was so keen to make sure got their fair share. He set up a new ministry of urban affairs. His interest in city planning, his focus on local government, his passion for public libraries, his commitment to improving the quality of life of people living in the new suburbs of Sydney, with community centres and parklands, was absolutely unmatched.

When I was growing up, down the road was a magical new suburb called Kings Langley. I would look over the other side of Vardys Road and see this place that had brick houses. In 1973 Gough Whitlam actually opened an exhibition of new homes at this suburb of Kings Langley, again a testament to his focus on urban policy and housing as key ways of improving people's quality of life. I want to quote from some of Gough Whitlam's comments at the opening of the Master Builders' Association centenary parade of homes, and presentation of the Pearce Reserve, which is still there in Kings Langley today, to the municipality of Blacktown at Kings Langley, on Friday, 14 September 1973. He said:

The Australian people have been waiting a long time for a fair deal in housing. I hope you will forgive me if I recall some words I used 20 years ago, in my first speech in the national parliament. I
said then: 'No one thinks that 20 years ago the people of Australia were adequately housed; and nobody thinks that they are adequately housed now.'

So he invoked his first speech in talking about how important it was to have a proper housing policy in this country.

I will take a few more quotes here, because they are still pertinent today:

Twenty years later, those words are still true. It is shameful that in 1973, the people of Australia are still not adequately housed. It is shameful that in a nation with abundant space, considerable wealth, a modest population, and a general commitment to the ideals of social welfare, thousands of Australian families are badly housed and unable to afford this fundamental amenity of a decent life.

How true, unfortunately, are those words even today.

I want to share two other memories and some of the legacy of Gough Whitlam. The first is his love of antiquity. I share this passion—I named my child Octavia. One of Gough's passions was the rightful return of the Parthenon Marbles. Reunification websites were abuzz with tributes to Gough Whitlam following his death, and rightly so. Some of Gough's words on this topic:

The Parthenon sculptures are unarguably among the world's most important surviving art works. The new Acropolis Museum gives the British Museum the opportunity of righting one of history's great wrongs.

I think it is absolutely important for all countries of the world to recognise and to reaffirm the reunification of the Parthenon Marbles.

The last point I want to make, as a former competition and regulation lawyer, is to commend Gough for his vision in reforming trade practices law in this country. Even in his Blacktown speech you can see his commitment very detailed in the context policies in these areas. I quote:

In the areas of economic law reform, we will legislate for a nationwide Companies Act; a Securities and Exchange Commission; an effective Restrictive Trade Practices Act and a modern version of the Australian Industries Preservation Act.

This represented a significant policy shift from the 1965 act. The policy approach was a combination of US anti-trust as well as public interest tests, as appropriate to Australia. There have been many reviews of competition laws since that time, as there should be. But, generally, Australia has had good stable competition law, so much so that many countries around the world have modelled their own laws on ours.

I want to end by commenting on Gough's wife, Margaret. Theirs was truly one of the great political partnerships. How fitting it was that the final hymn at Gough's memorial was Jerusalem, also the final hymn at Margaret's service. It was an honour to be present at Gough's memorial a few weeks ago. Gough changed Australia, but more importantly for me he changed Western Sydney for the better.

Mrs ELLIOT (Richmond) (09:21): Gough Whitlam is a true legend of our times, a Labor hero and a giant in our nation's political history. He believed so strongly in the power of governments to improve people's lives. Central to this belief was a strong agenda based on equity, social justice, and reforms that reflected a changing society. With that goal, he spent his entire political life striving to improve the lives of Australians. In doing so he redefined our nation and changed the life of a generation, and also changed the lives of generations.

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beyond. He changed our country for the better into a more modern multicultural nation with so many more opportunities.

I was privileged to meet Gough Whitlam on a number of occasions and was always in awe of his incredible legacy. It is a legacy that many people of my generation were beneficiaries of, particularly, access to free university education, access to universal health care and the introduction of equal pay for women. Many people of my generation, particularly women, have had so many opportunities due to the vision, determination and courage of Gough Whitlam.

In leading the Australian Labor Party back into government, Gough Whitlam wasted no time in implementing the most ambitious government agenda in Australian history. In three short years, his government did so much including: introducing universal health care, through Medibank, the precursor to Medicare; the introduction of a free university education, which meant that it was a student's merit rather than their wealth that determined their ability to access higher education; he also increased funding to all schools and introduced needs-based funding; he increased age pensions; he introduced indigenous land rights; Gough withdrew Australian troops from Vietnam and ended conscription; he abolished the death penalty; he introduced the one vote, one value system to democratize the electoral system; he introduced the Racial Discrimination Act; and he established diplomatic relations with China.

Many of Gough's policies significantly improved the lives of women. He fought for equal pay for women; introduced the single mother's benefit; funded support services for women; instituted no-fault divorce; established the Family Court of Australia; and he appointed the first ever Women's Adviser to the Prime Minister. Importantly, the Whitlam government also funded and supported community based organisations that provided specialist health and welfare services for women. These included support for women's health centres, refuges and crisis centres.

As well as his massive social justice reforms, Gough was also an incredible pioneer of environmental protection. The Whitlam government was the first to make protection of our natural world a key part of Labor's values. He ratified the World Heritage Convention, which gave the federal government a powerful tool to defend sites such as the Franklin River, in 1983. He also protected the Great Barrier Reef from oil drilling and created the Great Barrier Reef Marine Park.

Since Gough's passing, we have heard so many stories about how his life and legacy touched the lives of so many. He inspired us all in different ways and will continue to inspire us. He meant so much to so many, which is why his dismissal was so devastating at the time. I was eight years old, and my recollection is of my mother and I going to a very large demonstration outside the Liberal Party headquarters in Brisbane city. I can certainly recall the massive sense that an injustice had occurred—that the Prime Minister had been unfairly sacked.

Gough fought the good fight, and Labor will continue that fight in his honour. We will always fight to protect his legacy and continue the struggle for social justice in Australia. We have so much to thank Gough for, and naturally our thoughts and sympathies are with his family at this time, a family that has given so much to this nation. We especially remember Margaret, a remarkable and wonderful woman in her own right.
Gough Whitlam was a truly visionary prime minister who changed our country and improved our lives, and he will always be remembered. Thank you, Gough Whitlam, for an outstanding contribution to our nation. Because of your life and legacy, Australia is a much better country. Rest in peace.

Mr NEUMANN (Blair) (09:26): I pay tribute to Edward Gough Whitlam AC, QC, to his life and his achievements. I pass on my condolences to his family and friends. I pay my respects to him on behalf of my electorate of Blair, which encompasses most of Ipswich and all of the Somerset region in South-East Queensland. I thank him for the recognition of China, for ending conscription, for law reform, for regional development, for funding for the arts and for fairer electoral laws. In his three years in office, he did more than almost all his predecessors put together and those subsequent to him.

Gough was Labor's leader and, in my electorate, Bill Hayden was our federal member. We revered Gough. We were as proud of him as he was of himself! We idolised him. He made more of an impact on my family and on me individually than any other political leader. I wonder where I would be without free university education; and, having practised as a family lawyer for more than 20 years before I came to this place, I wonder what life would have been like in legal practice under the Matrimonial Causes Act 1959.

My parents and their parents before them were denied the opportunity to go to high school. Because my two brothers and I went to university, we achieved. It was because of the Whitlam Labor government, which gave us that opportunity, that we did so. Without Gough and his Labor government, none of that would have happened.

I remember the pride that my parents felt when they went to our local church on Sunday, 3 December 1972, the day after the election of the first federal Labor government in 23 years. I remember the relief my anti-Vietnam-War mother, Joy, felt when Gough ended conscription, ensuring her three sons would not be forced to go to a war which had already been raging for decades. I remember putting up a sign, a handmade poster, in my bedroom window during the 1974 election campaign which read: 'Gough's going great—give Gough a go.' My love of alliteration was obvious early on!

I recall coming home and discussing with barely concealed anger the sacking of the Whitlam Labor government in what I thought was a coup at the time by the Governor-General. I recall my father, Al, shedding tears when the results of the 1977 election disaster were clear to all of us on the Labor side of politics. Gough's political career was over.

Like many on this side of the chamber, I am fortunate to have spoken with Gough on numerous occasions, during party functions and conferences. Always he would refer to you and to people generally as 'comrade'. I thank him, simply and without emotion, for what he did for me. But today I feel the sadness of loss and what his life meant to me. Respected Queensland Times journalist Joel Gould wrote:

The nation lost a great man and Ipswich lost a dear friend.

Gough's urban and regional development policies proved a boost for Ipswich. By opening up direct funding to local councils under the Constitution, Gough was able to fund cities and regions more effectively. That funding saw almost all of Ipswich sewered. In 1972, when he came to power, Ipswich was only 50 per cent sewered. The Whitlam Labor government's assistance following the 1974 floods, which devastated Ipswich and Brisbane, including my
parents' home in which I lived at the time, helped us to rebuild our community infrastructure, such as roads, and a host of other flood measures also assisted us greatly.

On 19 July 1975, Gough opened the Ipswich Civic Centre, built with federal funds. It is still an important resource in our region for our arts, cultural, civic and community events. I am pleased to have got funding in the last government to upgrade the civic centre. I recall Gough returning to the Ipswich Civic Centre for a fundraiser many years later. He was honoured and he was glorious in his element. His long speech that night was Castro-like in length. Barely any aspect of federation government and governance was left out, including a long dissertation on rail gauges, much to the mortification of my wife, Carolyn, at the time.

Following the 1975 double dissolution election, Queensland Labor was left with just one seat, Oxley, which comprised most of the current seat of Blair. Through Bill Hayden, Gough remained a great friend and a great presence in the region. I spoke to Bill Hayden about what I would say today. I am happy to repeat on the public record in the House and in Hansard what Bill said on the public record. Bill referred to Gough as 'the great man of my life' and said, 'If I achieved anything, he made me.' He said:

Everything about him was big; not just physically but the openness and generosity of his nature, the warm enthusiasm with which he could embrace new ideas and encourage others to pursue fresh thinking, the breadth and depth of his interests, the colourful range of singeing expletives he held in reserve for times of tension. But if you were doing your job he was no meddler.

To the extent I made any achievement in public life I owe a big debt to the lessons I learnt practically from Gough. A great Australian, a former colleague, now sadly departed.

I grew up politically handing out how-to-vote cards for Bill Hayden and campaigning for the former state member for Ipswich David Hamill. These men, along with former Ipswich mayor Des Freeman, are my political heroes. But Gough Whitlam stood above them all. On behalf of my family and my electorate, Gough, thanks for your contribution, your life and your example and for your beloved Margaret and her work. You will never be forgotten. Rest in peace, comrade.

Mr CONROY (Charlton) (09:32): I rise to express on behalf of the people of Charlton my sincere condolences regarding the passing of Edward Gough Whitlam AC, QC. Gough was a giant of the Labor Party and the nation as a whole, and we will not see his like again. The contributions to this debate from both Labor and coalition members have been heartfelt and generous. I would like to associate myself with all of them. Instead of trying to encapsulate all of the contributions Gough made to this country, I would like to touch on two of them that impacted on my family deeply: firstly, his reforms to welfare and, secondly, his democratisation of the Australian Labor Party.

Gough and ministers like Bill Hayden removed the stigma associated with welfare. My mother was a single mothers campaigner in the late 1960s. When she had my older brother, she was pilloried by the Catholic Church. This inspired her to seek justice for single mothers. It was only when Labor won in 1972 and implemented the single mothers benefit that that justice began to be achieved. I can barely imagine how hard it was for single mothers in the late 1960s and 1970s, stigmatised by the more conservative elements of society, often dependent upon the charity and support of family and friends. Then came along a reformist, progressive government that said: 'We understand your challenges. We will help surmount the obstacles placed before lone parents—lone parents who are often in this situation through no
fault of their own.' This changed lives. This improved lives. This improved society, and my family was a direct beneficiary of this.

Party reform was also one of Gough's earliest triumphs and one of his most difficult achievements. Gough understood that the party must be reformed if we were to present a viable alternative. He attacked the culture of defeat that had led to Labor's repeated failure to win power. He took on entrenched interests and had the courage to take on hostile conferences. Gough appeared before the 1967 Victorian state conference and stared down some of the toughest and most formidable political activists. He stated:

We construct a philosophy of failure, which finds in defeat a form of justification and a proof of the purity of our principles. Certainly the impotent are pure.

... This Party was not conceived in failure, brought forth by failure or consecrated to failure ... let us have none of this nonsense that defeat is in some way more moral than victory ...

He then went on to say:

... I did not seek and do not want the leadership of Australia's largest pressure group. I propose to follow the traditions of those of our leaders who have seen the role of our Party as striving to achieve, and achieving the national government of Australia ...

I highlight this because this is Labor's core philosophy. We fail our supporters, we fail the millions of low-income and middle-income Australians if we do not seek to achieve power. Only in government can we implement the reforms necessary to improve the lives of all Australians.

You do not establish Medicare and accessible higher education, end conscription, reform welfare and establish the Racial Discrimination Act from opposition. This is a lesson that is relevant today as we see various minor political parties attempt to appropriate Gough's legacy, in direct contradiction to his life. One of Gough's central fights was to reject their myopic commitment to purity at the cost of effectiveness. To repeat it: only the impotent are pure.

The party reforms Gough won were centralised on democratising the various state branches of the party. It is forgotten that Gough drove intervention in not just Victoria but New South Wales as well, where an independent inquiry had found stacking, bias,orted preselections and widespread abuse of rules by the ruling head office faction. This drove the adoption of proportional representation. Without proportional representation we would not have seen generations of political titans make a contribution to this parliament. Without Gough and the intervention we would not have Senators Bruce Childs and John Faulkner or the current Member for Grayndler.

Interestingly, in the context of current debates around party reform, I should note that Gough was on the record as calling for national conference delegates to be selected by branch members at the Federal Electorate Council level and by the membership of affiliated trade unions, not state conferences—a worthy and important reform. I spend considerable time on this because without reforming the party we could not have the platform to take to the people nor could the people have confidence in our ability to govern.

In my remaining time I would like to correct the record as to the economic performance of the Whitlam government. While I do not deny that mistakes were made, I remind people that this period was dominated by the oil shocks, which presented a massive challenge to governments around the world, and not many performed well. I will also remind people that
in three years of government, the Whitlam government recorded budget surpluses of 0.7 per cent of GDP, then 1.9 per cent and then 0.3 per cent of GDP, in 1974-75. In fact the 1973-74 surplus is the fourth highest on record.

In conclusion, not many people in this place can say they have fundamentally changed Australia for the better. But without doubt Gough can. He will live long in our memory for this and the various causes he strove for. My condolences and the condolences of the people of Charlton go to the Whitlam family and their friends.

Ms HALL (Shortland—Opposition Whip) (09:37): It is a great privilege to be able to speak in this debate and to honour a person who I believe was one of the greatest Prime Ministers Australia has had, if not the greatest. Gough Whitlam was a truly great Australian—a leader, a man of vision and ideas, and an inspiration to generations of Australian. It has been said by many who have paid tribute to Gough that there was Australia before Whitlam and Australia after Whitlam. He transformed the face of Australia. He made it a better place. He made Australians proud to be Australian. He took Australia into the 20th century. Prior to that we were languishing in a bygone age.

In my first speech I said:

Good government is inclusive. It is about developing a sense of community so that every person in that community is able to benefit from the resources, wealth and services of the country. The Whitlam government sought to do this. It was a government that had vision—the vision to share the wealth of the country with all Australians, to create a just society where everyone in the community had an equal opportunity to succeed.

And equal opportunity was something that did not exist before the Whitlam government.

One of its greatest reforms was the change to tertiary education, a change that made university education accessible and affordable for everyone, not just a few privileged Australians. When I left school I chose not to go to university. At that time I had a scholarship to go to teachers college, but at that particular time in Australia you could go to university only if you had very wealthy parents or if you actually managed to gain a scholarship. I chose not to go and not to become a teacher at that time. Instead, I worked. When I went to work I did not receive the same wage as a male from the same year I was in at school who had the same job and worked in the same workplace, simply because women at that time did not receive equal pay. Gough Whitlam changed that. He made it possible for somebody like me to go to university at a later time. He created an opportunity that enabled me to study and enabled me to get a very good job, and from that very good job become a representative of the people in this parliament.

He also changed the situation so that when my daughter started work she received equal pay with the males who were in her class at school. Gough created that equal opportunity in education and in the workplace. It was a change that created opportunity for many Australians, myself included.

It was the drive and passion of Gough Whitlam that made the Whitlam government the great reforming government it was. The first time I cast a vote, I voted for the Whitlam government. I remember the elation when Gough Whitlam led Labor to victory, in 1972, and I remember my absolute despair when Kerr sacked Gough, in 1975. It was that one act that motivated me to join the Labor Party. I was committed to the belief that my vote counted and that when I voted for a government it was my vote, the vote of all Australians, that
determined who was the government of the country, not a Governor-General. It drove me to be politically active, as did his vision, his charisma and his absolute commitment to making Australia a different country, a place that we could all be proud of.

I owe so much to Gough Whitlam, as do so many people in Australia. I have been contacted by many of my constituents, wishing to express their sadness and their appreciation for what Gough Whitlam did for Australia. There are very few people whom we could say have transformed a nation, and that is exactly what Gough did. He transformed the nation and created opportunities for all Australians. He was committed to fairness, equity and social justice. I thank him, the people of Shortland thank him, and I know the people of Australia thank him for his contribution to our nation.

Ms CLAYDON (Newcastle) (09:43): I rise today to pay tribute to the life and work of the Honourable Edward Gough Whitlam AC QC, our 21st Prime Minister, and to extend my condolences on behalf of the people of Newcastle to his family: Catherine, Nicholas, Tony, Stephen, their partners and their families.

Australia has known few visionaries as great as Gough Whitlam, and fewer still who left such a remarkable legacy for generations to come. I concur wholeheartedly with the comments made in this House by the Deputy Leader of the Opposition and Member for Sydney, when she noted just how fitting it was that Gough Whitlam was Australia's 21st Prime Minister, because it was with Gough as Prime Minister that Australia finally came of age. It was Gough who averted Australia's gaze upwards and outwards. He encouraged us all to think big, to step out from the dark shadows of colonialism, and to forge a modern, independent, optimistic and ambitious nation instead.

His three years as Prime Minister were three of the most transformative years in our nation's history. He was a revolutionary without violence. Politics and persuasion were his weapons; social justice and equity his guiding principles. He introduced a national universal public health system; opened the doors of higher education to all; abolished the death penalty; established legal aid; increased pensions; protected the Great Barrier Reef; established a national art gallery; and redressed Australia's dismal history of race relations, while also getting rid of the old imperial honours system and giving our nation a new national anthem, Advance Australia Fair. He also lowered the voting age to 18 and gave Australia its first ever youth radio network, Double J. And, as the member for Grayndler noted, Gough is the only Prime Minister to have a rock band named after him.

A staunch critic of entrenched privilege, Gough made Australia a more equal, tolerant and free society. He was a true social reformist and, after 23 years of conservative rule, he knew there was no time to waste. Gough Whitlam had had decades in opposition to prepare for government, so when he was elected in 1972 he hit the ground running, appointing himself and deputy Lance Barnard to all cabinet positions for the first two weeks in his government. Whitlam ended conscription, recognised communist China, applied sanctions against South Africa and embarked on an ambitious program of support for the arts.

As his cabinet expanded, so too did the reform agenda. It was, for example, the Whitlam government that established the Commonwealth's first commission of inquiry into poverty. With Professor Robert Henderson at the helm, this inquiry fundamentally changed the way in which Australia was to think about the poor. For the first time ever, poverty in Australia was not seen as a personal attribute or failing, but rather as a direct consequence of the structure of
our society. Perhaps even more importantly, this inquiry gave voice to those who were traditionally marginalised in the national debate.

It was the Whitlam government that first understood the importance of our national estate museums and collections for the national consciousness. It was Whitlam who established the National Gallery of Australia and made the bold decision to purchase Jackson Pollock's *Blue Poles* at the cost of $1.3 million in 1973—then a world record for contemporary American painting. Although the work was reviled at the time as the work of 'barefoot drunks', Gough's decision has stood the test of time. In retrospect, it was, of course, one of the nation's most savvy art purchases. Worth some $300 million, *Blue Poles* is now the pride of the NGA's collection.

As a young anthropologist working in Aboriginal Australia both before and after the High Court's Wik and Mabo decisions, I knew firsthand of the ongoing significance of Gough's determination to abolish the White Australia policy and introduce the Racial Discrimination Act, which established the right of all Australians to equal treatment under the law regardless of race or ethnicity.

It was this act that was to have the most profound effect on our common law for decades to come—because it paved the way for the Mabo and Wik decisions—and the lived experience of Indigenous people throughout Australia. Likewise, his establishment of a department of Aboriginal affairs and the Aboriginal Land Rights Commission were amongst some of his most remarkable and lasting reforms.

But it is Gough Whitlam's unswerving commitment to gender equality and the difference this has made for generations of Australian women that I would like to focus on now. The Whitlam government came to office at a time of immense social change. There was the large increase in the participation of women in the workforce. Whitlam's government instituted reforms to ensure that social legislation and institutions kept pace with social change and community values.

One of Gough's first acts as Prime Minister was to reopen the national wage and equal pay cases at the Commonwealth Conciliation and Arbitration Commission. This led to the decision that Australian women undertaking work similar to that undertaken by men should be paid an equal wage. Half a million female workers became eligible for full pay for the first time and women's wages rose by one-third. The commission also extended the adult minimum wage to include women workers for the first time after Whitlam passed legislation to amend the Conciliation and Arbitration Act.

Maternity leave was also introduced for Commonwealth government employees. The legislation provided for 52 weeks of leave for mothers, 12 of which were on full pay, and it outlawed discrimination against Commonwealth employees because of their pregnancy and legislated instead to provide rights relating to the preservation of employment and status.

In 1973, Gough appointed Australia's first women's adviser, Elizabeth Reid. She established the basis for significant feminist programs and secured Commonwealth underwriting of the delivery of a range of new women's services, including women's refuges, rape crisis centres, equal opportunity policies in education, training and employment, and housing programs. Ms Reid has said of the time:
We talked in factories, in housing centres, on farms, in schools, at women's meetings, in dairies, in gaols, in universities—in short wherever women were. I was deluged with letters invariably beginning 'thank god, at last there is someone to whom I can talk to, someone who might listen and understand'.

Through this leadership, the first women's refuges opened their doors to those in need, including the Working Women's Centre, now the Hunter Women's Centre, in my electorate of Newcastle.

Gough's actions also helped enable women to be in charge of their bodies as well as their lives. Within 10 days of taking office, he removed the 27½ per cent luxury tax on all contraceptives and put the pill on the national health scheme list. These two measures reduced the price of the contraceptive pill to $1 a month—giving Australian women access to safe, reliable and affordable contraception. He established the single mothers benefit, which drastically reduced the risk of women living in poverty, he passed a number of laws banning sexual discrimination and his leadership saw the end to adversarial divorce.

Many have argued that the passage of the no-fault divorce laws are Gough's greatest contribution to the reduction of social misery. Prior to these reforms, a marriage could only be dissolved if one party could prove that the other was at fault in the breakdown of the marriage. 'Matrimonial offences' such as adultery, cruelty or 'desertion' had to be proved before divorce could be allowed. The indignity of this process was compounded by its very public nature. Divorce proceedings were prime fodder for gossip columns in newspapers and the financial cost of this fault based process was prohibitive to many. According to Gough:

'The only test of a marriage is whether both parties agree to maintain it.'

It is perhaps hard for many Australians to imagine what life under the previous archaic divorce laws was like, but the stories of our mothers and grandmothers are stark reminders of the need for these law reforms. Today, we take many of these reforms for granted and severely under estimate the level of opposition they faced at the time. To his great credit, however, Gough never blinked when it came to controversy. He never shied from prosecuting the case for change. Guided by the principles of social equity and justice, he was determined to drive these reforms, changing the lives of Australian people for the better. And for that we remain forever grateful.

Vale, Gough Whitlam. Your legacy for the men and women of Australia lives on.
having the first adviser on women in his government; equal pay for women; no-fault divorce; income support for single mums; land rights for Aboriginal Australians; the introduction of an Aboriginal Legal Service; protection of the Great Barrier Reef; and the introduction of the Australia Council for the Arts. He even gave our nation its national anthem.

For me, the leadership and the foresight of Gough Whitlam is summed up by the very controversial purchase of Blue Poles, the famous artwork by United States artist Jackson Pollock in 1973. At the time, Gough Whitlam was hounded by the conservative politicians and the conservative media in this country about the purchase. The head of the Australian National Gallery was concerned about the purchase. He wrote to Gough Whitlam and said, 'I'm wondering whether we should be a little bit more conservative about this purchase.' Gough Whitlam quickly wrote back to him and said, 'Purchase the artwork and disclose the price to the Australian people.' And that is what he did: $1.3 million for the purchase of that artwork.

As I said, Gough Whitlam was hounded by the conservative forces in this country. But that did not deter him. Gough Whitlam published a photo of Blue Poles on his Christmas cards that year, so proud was he of what he was doing for Australia. That particular artwork, which hangs in the National Gallery of Australia, is now worth over $100 million, and the United States government is actually quite disappointed that they allowed such an iconic artwork to be purchased by a foreign government for such as low price. I think it is a great symbol of the value Gough Whitlam added to Australia. Not only did he add value to this artwork—a great asset for the Australian people—but he also added value to Australia in so many ways: in our economy, by reducing tariffs; in social services, through Medicare; through land rights and the like; and through support for Australia's position throughout the world.

In international relations, he is often well known for re-establishing relations with China and establishing a strong relationship with Indonesia. He was a master of international diplomacy and saw Australia expanding its sphere of influence throughout Asia and the Pacific Islands. He was also a staunch supporter of decolonisation. When he was elected, Gough turned his attention to Papua New Guinea. Papua New Guinea benefited tremendously from the election of the Whitlam government. In 1973 he granted PNG self-government and delivered independence two years later. Papua New Guinea's first Prime Minister, Sir Michael Somare, recalled Gough Whitlam when he spoke recently about the incredible impact Gough Whitlam had on him and his country:

He said to me one day, ‘when Labor's opportunity comes, we'll make sure we will push for self governing and independence for Papua New Guinea’. And of course, it happened.

He pushed other Australians and said to them, 'Give an opportunity to the Indigenous of their country and they will achieve what they want.'

The current Prime Minister of Papua New Guinea, Peter O'Neill, also paid tribute to Gough Whitlam recently when he said:

Gough Whitlam's Prime Ministership was almost synonymous with Papua New Guinea's transition to independence and the people of our nation express our gratitude.

Gough was also a great friend of wider Pacific nations, in particular fighting to end atmospheric nuclear testing in the region. Throughout the 1960s and 1970s, when the French government conducted nuclear tests in French Polynesia, with the fallout spreading throughout the region, Gough Whitlam strongly opposed those actions because of the impact
it was having on human health and the fact that it violated a resolution of the United National General Assembly. Gough was a big believer in the foresight and effect of the United Nations in terms of peace and stability throughout the world. On 9 May 1973, the Australian and New Zealand governments took France to the International Court of Justice, seeking an injunction against further testing. On 22 June, that injunction was granted.

Gough Whitlam's influence has been felt far and wide, the hallmark of a true leader who has left a remarkable legacy not only here in Australia but around the world. On behalf of the people of Kingsford Smith, I offer my condolences to the Whitlam family. May he rest in peace.

Ms BRODTMANN (Canberra) (10:01): If it was not for Gough Whitlam, I do not believe I would be standing here today representing the people of Canberra. As I said in my first speech, Gough Whitlam's reforms to secondary and tertiary education allowed my sisters and me to escape a cycle of disadvantage—to break the tradition of three generations of single mothers who were denied choice, options and equality of opportunity due to their lack of education and the resulting poverty. In 1969, Gough said:

Poverty is a national waste as well as individual waste. We are all diminished when any of us are denied proper education. The nation is the poorer—a poorer economy, a poorer civilisation, because of this human and national waste.

Education is the great transformer—'the great instrument for the promotion of equality'—and my and my sisters' education gave us the foundation to think big and to dream big. It liberated us from potentially timid lives. And there are thousands and thousands more like us, particularly those who went to state and systemic Catholic schools.

I was nine when Gough was elected. He was dismissed in my last year of primary school and his legacy was the backdrop of my secondary education. My teachers were rabid Whitlamites, and the passion that surrounded the discussion of his government and the Dismissal in the classroom aroused an enduring love of politics and public policy.

Gough believed: 'Of all the objectives of my government, none had a higher priority than the encouragement of the arts—the preservation and enrichment of our cultural heritage. Our other objectives are all means to an end. The enjoyment of the arts is an end in itself.' Gough painted a vivid policy canvas 'to promote a standard of excellence in the arts' and, most importantly, 'help establish and express an Australian identity through the arts'. His bankrolling of Australian culture, and the resulting 'unparalleled burst of creativity in this nation', meant that for the first time we studied Australian history, Australian literature, Australian film, Australian art and Australian politics. For the first time, we were reading works that told our story, with our own subtexts, in our own language. For the first time, we were watching films that reflected our landscape and echoed our sounds, and that studied our vivid and all too forensic light, not the subdued and golden hews of the Northern Hemisphere.

Gough invoked a pride in our own narrative and outlook, and gave us the confidence to believe we were no longer just second-rate Europeans. Given Australia's achievements in every facet of creative life over the last 40 years, it is really hard to imagine how liberating it felt at the time. But it was a coming of age for our country and an end, finally, of the cultural cringe.

As a young woman with aspirations, Gough helped tend the flower of the women's movement in the seventies and provided the infrastructure for me and thousands and
thousands of other women to achieve our potential. One day in my English class, my teacher asked us: what had been the most important liberator of women in history?

She then wrote two words on the blackboard: ‘the pill’. That is because, until Gough, oral contraception was only available to the wealthy. By getting rid of the sales tax on the pill and making it available through the PBS, he gave women easily accessible and affordable control over their own fertility, which is the absolute fundamental to female empowerment.

Some regard the Whitlam government as anti Defence, but I suggest he did more to underwrite the defence of Australia and defence policy than many hawks. Gough regarded conscription as:

... an impediment to achieving the forces Australia needs. It is an alibi for failing to give proper conditions to regular soldiers … By abolishing it, Australia will achieve a better army, a better-paid army—and a better, united society.

In the aftermath of the Vietnam War, when we could have so easily turned away from the US, he held on to the US alliance and helped give birth to an understanding that Australia could defend itself. He created a bipartisan consensus on defence policy, which endures today, a belief that we can create an independent capability for our own defence, an action that reinforces rather than weakens the US alliance.

He initiated large-scale cooperation with Indonesia. He launched the Department of Defence. He amalgamated five departments. He gave birth to the term 'Australian Defence Force' and was part of the movement to establish the Australian Defence Force Academy. He appointed a military ombudsman and created a new charter for the Citizen Military Forces.

He 'moved steadily and firmly' towards the aim that Australia should have the defence forces she needs: ‘finely equipped, highly professional, highly mobile and highly respected'.

That respect also extended to the Public Service, which he radically transformed through equal pay, through maternity leave, through annual leave and through decent pay and conditions.

Gough came from a privileged background. His father was the Deputy Crown Solicitor, and he attended Telopea Park School and Canberra Grammar. In fact, he is the only Prime Minister to have grown up here in our great national capital. But he used his privilege to eliminate inequalities that were 'riveted on a child for a lifetime'.

He unleashed a confidence among Australians about their nation, about their place in their world, about what they could achieve, which I believe had been denied them since Federation. He reimagined and redefined us locally, nationally and internationally.

Since his passing, I have received many heartfelt messages from Canberrans and friends on his legacy. One of my oldest high school friends wrote:

Thanks to him, my sister was able to study medicine, my mother got a degree in psychology, I got my own degree, my son has been able to get medical attention from the day he was born due to a public healthcare system ... the list goes on.

Had we continued to live in America I wonder where we would be. When my parents came to Australia in 1971 and Gough came to power, they thought they had reached Nirvana!

As I am a member of parliament, his death has made me pause to reflect on why I am here. When hearing the news of his passing, my mum left a teary message on my phone saying I
had to remember his legacy and to use my time in this place to make a difference, to improve people's lives, as Gough did.

Despite the turbulence of his government, his life has encouraged us to challenge people, to inspire people and—as the member for Wentworth so eloquently put it—to not let the petty hatreds consume us. Most of all, he encouraged us to be ambitious about what we can achieve in life. And for so, so many of us, he gave us the foundations to be optimistic as Australians, to be confident as Australians, to think big, to dream big. Thank you, Gough. Vale.

Mr ZAPPIA (Makin) (10:09): It is indeed a privilege to be able to stand here and speak about Gough Whitlam. I begin by extending my condolences to his family members and his close personal friends, by whom his passing will be felt the most and for whom the loss will be the greatest.

I met Gough and Margaret Whitlam on several occasions, but I do not claim to have had a close personal friendship with them. But, as an ALP campaigner at the time, I well remember Gough's rise to the top, his period as Prime Minister and leader of the ALP and his departure from parliament. I also knew well many of the South Australian members of parliament that served with Gough in parliament during the Whitlam years. I refer particularly to people like Clyde and Don Cameron, Ralph Jacobi, Chris Hurford, Jim Cavanagh, Reg Bishop and the great Mick Young.

With the exception of a few intellectual lightweights, there has been universal acclamation that Gough Whitlam was an exceptional character. Indeed, that so much has been said about him since his death speaks for itself. No other Australian political character in my own lifetime has inspired so many or evoked so much passion by both admirers and detractors. Even those who speak negatively of him begrudgingly acknowledge his dominant presence. He was an extraordinary man. He was one of a kind—a unique individual. Everything about him was extraordinary—his persona, his intellect, his wit, his achievements, his rise to fame, his failures and his demise were all extraordinary features of Gough Whitlam. Just as extraordinary is that such an exceptional person, whom today the nation widely acknowledges, was so convincingly rejected by the Australian people in 1975.

Gough was ahead of his time. His vision was not readily accepted at the time, and it was only after changes were bedded down that the wider community saw the value of Labor's reforms. They have withstood the test of time. His sacking, conceived by the two highest non-political officers in the land, the Chief Justice of the High Court and the Governor-General of the day, was the greatest political miscarriage of justice I can point to. It was also the greatest test of the Governor-General's powers and the Australian Constitution that Australia had ever been confronted with, and the first and only time that an Australian Prime Minister was removed from office by a Governor-General.

The diverse array of Whitlam's front bench, a double dissolution, breaking of convention and appointment by the Queensland Bjelke-Petersen government of Albert Field to the Senate all add to the extraordinary turbulence of the Whitlam government era. But it was also the greatest reforming government Australia had ever seen. For myself as a South Australian, the election of the Whitlam federal government after 23 years of a Liberal government, followed closely after the re-election of the Dunstan Labor government after 28 years of Liberals in South Australia, was a great time. Whilst they were very different in character and stature, politically Don Dunstan and Gough Whitlam had very much in common. Both were well
educated intellectuals. Both were brilliant lawyers and had been appointed QCs. Both had been elected to parliament in the early 1950s. Both came from relatively well-to-do families and neither came from a union background. Importantly, and sometimes together, they changed Australia.

Between 1972 and 1975, over 500 bills were passed by the Whitlam government. It was an extraordinary achievement, given that there was an election in between, in 1974, and that so much of the legislation was anything but routine changes of law. Ending conscription, consumer protection, Indigenous issues, the arts, the environment, multiculturalism, human rights, foreign affairs, equality, abolishing High Court appeals to the Privy Council, education and health care were all placed on Gough Whitlam and Don Dunstan’s agenda, and the reform process began. For South Australians, the reforms were simultaneously being enshrined into both state and federal laws. It was, indeed, a time of great change. National ALP secretary Mick Young, who was based in South Australia, was a common link between Gough and Don during this critical period.

There has been some conjecture about who abolished the White Australia policy, with some crediting former Prime Minister Harold Holt and others Gough Whitlam. My understanding is that both can take credit for it, with the process commencing under Holt and being sealed by Whitlam. It was also Gough Whitlam, jointly with Don Dunstan, who in the mid-1960s moved to abolish the White Australia policy from Labor’s platform. It was under Gough Whitlam that Labor brought in the Racial Discrimination Act, acknowledged Australia as a multicultural nation and promoted equality amongst all peoples.

Following the Whitlam government’s defeat, from 1976 to 1981 I was employed by Senator Jim Cavanagh. Senator Cavanagh had served as a minister throughout the Whitlam government era in what I believe was his most significant role, Minister for Indigenous Affairs. He was the minister who oversaw the original draft of the Northern Territory land rights legislation which—although it was subsequently passed under the Fraser government because of the termination of the Whitlam government—was indeed a Labor initiative. One of my first tasks with Senator Cavanagh was to identify any differences between Labor’s legislation and the Fraser government’s redrafted bills. There was very little difference that I could spot. The land rights legislation was a major breakthrough in having the Indigenous people’s connection with their land finally recognised.

When Jim Cavanagh passed away in 1990, Gough Whitlam attended and spoke at his funeral held at the Port Adelaide town hall, as he had done with so many of his other former cabinet colleagues. He valued all of his former government colleagues.

There is often a tendency to embellish a person’s life when speaking about them after their death. But Gough Whitlam’s life needs no embellishment. By all measures Gough was an exceptional person. As more years pass, his achievements become clearer. His determination is vindicated and in turn Gough becomes legendary. It was the Whitlam government that opened up Australia to the world and the world to Australia. It was under the Whitlam government that Australia came of age as an independent free-thinking nation that could stand on its own two feet.

It was under the Whitlam government that Australia took control of its destiny, and Australia did that without breaking away from the Commonwealth or becoming a republic. Whilst today we take such matters for granted, that was not the case in the 1970s when...
community attitudes were very different. Whitlam's reforms took courage, determination and persuasiveness. Gough Whitlam was not driven by what was popular but by what was right, convinced that in time all Australians would see the righteousness of his direction. And indeed his reforms have withstood the test of time. Whilst many may try to emulate him or match his political stature, I doubt that Australia will ever again have a political leader of the ilk of Gough Whitlam.

In a service befitting his legendary status, Gough was farewelled by a crowd of thousands at the Sydney Town Hall memorial service. I felt privileged to have been there and to have lived through the Whitlam government era. The service brought to a close the Whitlam era, but his reforms endure and Gough Whitlam will long be remembered. I thank Gough Whitlam for his contribution to Australian life.

Ms MacTIERNAN (Perth) (10:17): I remember, when I was around seven or eight, sitting at home in our housing commission house being full of Melbournian pride. I recall saying to my sister: 'Aren't we lucky! We are living in Melbourne, and Melbourne is the capital of Victoria, and Victoria is the best state in Australia, and Australia is the best country in the world!' My older sister looked at me and said: 'We are a pissant, insignificant nation that is led around by the nose by America, and we are the laughing stock of the world.' I did not realise until 1973 just how profound the black cloud that had descended upon me as a result of that conversation was.

I remember very clearly a moment in February 1973. It was a Saturday morning. By this stage I had moved to what was truly the best state in Australia. I was going into my Saturday morning job. I hopped off the bus. It was a beautiful sunny day, and there was the Perth Town Hall in all its glory. Suddenly I felt this black cloud lift. I felt so proud to be an Australian. I felt that we were now truly a nation that we could be proud of, a nation embarking on an independent foreign policy, a nation that was accepting the proper rights of Aboriginal people, a nation that was allowing women freedom, and a nation that was focusing on great social justice issues such as education. It was a magic moment. And for that I will always deeply thank Gough Whitlam and the work that he did, particularly in that first 100 days that led to this great energy.

The Whitlam years were really transformatory. For my generation, just ending conscription and our involvement in the Vietnam War had immediate impact on family and friends. There were two issues that I was engaged in politically as a teenager: opposition to the Vietnam War and land rights for Indigenous people. Gough embraced both of those issues. For my generation, many of my cohort, my friends, had fought conscription. My partner had been jailed for refusing to register for national service as had many of my friends. Many of them had spent a number of years on the run semi in-hiding to avoid being jailed for refusing to register for national service because of their extreme objection to being involved in the Vietnam War. It was really energising to be part of an Australia that thought for itself.

There was definitely, as Paul Keating said, a 'before Whitlam' and an 'after Whitlam' Zeitgeist. That is not to deny that under Holt and Gorton some modernising had commenced. But it was a crack in the wall. What happened with Gough and his government was that the windows of this country were opened and the energising breezes of modernisation swept throughout the land. It has been extraordinary to be reminded, since his death, of the reach of
his government. The number of areas that were changed and changed very profoundly, the areas of policy that he penetrated within his time, has been truly amazing.

I just want to focus on two areas that perhaps have not had as much attention as they should. As someone who was reared in the Irish Catholic tradition, I had been part of a sector of society that had seen Labor’s objection to state aid to Catholic schools as sectarian. Whitlam and his government cut through magnificently that Gordian knot, by changing the whole debate to one of equity of funding for schools. No longer was the debate around whether it was government or non-government; it was a debate around equity. He accepted and took on and embraced responsibility for ensuring that both government and non-government schools were funded adequately, to ensure that there was real equality of opportunity across the country. He recognised that the issue was not Catholic versus non-Catholic; it was about accessing education and creating opportunities for Australians. Although we had free and compulsory primary and secondary education, the product on offer was very uneven.

Much of the debate and remembrance of Gough has focused on the role the Whitlam government had in making tertiary education widely accessible, but I would put it that it was indeed the work that was done in lifting the standards of primary and secondary schooling throughout the country that has been the more profound education legacy, and one that Mr Whitlam himself put as one of his central and core achievements.

I want to also reflect on the role he played in modernising our intelligence agencies. I think it is very important to reflect on this at this time, when we are expanding the powers of our intelligence agencies to deal with external threats. I think it is important for us to learn some of these important lessons, of which Gough was aware, about the capacity of such agencies to develop a culture that confuses legitimate dissent with subversion. Gough had a very detailed knowledge of the intelligence services, and it is extraordinary to think now that at the time there was not even official recognition that a number of these services, such as ASIS and Defence Signals, existed. It is clear that these organisations had developed an obsession with anti-communism and had indeed focused far too much of their attention on activities that were a legitimate part of the Australian political landscape and failed in fact to look at some of the real threats that were presenting themselves to the Australian community. The establishment of the Hope royal commission has led to some very significant and lasting changes in the Australian intelligence community and a lot more transparency about the nature of the work that is undertaken and has started the process of providing real and important parliamentary oversight of those activities.

Again, listening to the debate, just here today, the contributions that have been made remind us of the breadth and reach of the change. I remember well the dismissal. I remember being out there on that night handing out flyers to people at the Perth railway station, telling them about the dismissal—because in those days, before email and other electronic media, a lot of people coming out of work at five o’clock at night certainly had been unaware of this tumultuous change that had occurred. But I agree with Noel Pearson and the magnificent comments he made in his eulogy to Gough—that we should not lament that he had only three years, because these were three years of crowded hours. It was certainly not an age without a name. It was a massive achievement, and it was indeed the pace of change that was itself
transformative. It was very much the montage of revolution that occurred that enabled—that really fed and created—the energy that has underpinned Australian life ever since.

I have been very proud to be part of the Labor family, and I thank Tony Whitlam in particular for his very inspiring words about the importance of the Labor Party in continuing the very great legacy of Gough. And, like the member for Canberra, I have found that the whole experience of reliving those Whitlam years has given me an increased focus on the importance of the work we do here and the importance of continuing with a modern Labor Party and fighting for those Labor values.

Mr BUTLER (Port Adelaide) (10:29): It is a great pleasure to follow those beautifully crafted words from the member for Perth and obviously a great pleasure and privilege to speak on this condolence motion. I want to thank the government for agreeing to this motion being debated in this chamber, and I also want to acknowledge the very fine words of the Prime Minister and the Leader of the Opposition in leading off this debate.

It is very hard to sum up the life and legacy of anyone in five minutes, let alone someone who managed to cram as much activity and purpose into their 98 years as Gough Whitlam did. In the short time I have I would like to reflect on Gough's legacy in the area of environmental protection, because it was a very significant legacy. Gough Whitlam came to power with a very ambitious platform in this policy area, as he did in so many others. After a short stint in the environment portfolio during the famous duumvirate with Lance Barnard, he appointed the very energetic Moss Cass, who held the environment portfolio in the Whitlam government for two and a half of the three years. The Commonwealth role in environmental protection then was a relatively blank slate. In Australia and other developed nations, particularly the United States, the environment was only then just beginning to emerge as a significant political issue. The previous government had only appointed a minister to the portfolio in the last year or two of its 23 years, and had not managed yet to really craft much of an agenda.

Gough Whitlam's approach to this area, though, was consistent with all of the other policies he focused on. Firstly, he again was ahead of his time in grasping the importance of progressive change in this area. As one example, in his 1974 campaign speech Gough Whitlam said:

Labor believes the polluter should pay, not future generations of Australians.

Which is a debate that we know only too well remains unresolved today.

He also boldly promoted the role of the Commonwealth, or the Australian government, in protecting our beautiful natural environment. As he did in so many other policy areas, Gough unashamedly employed and deployed every provision he could find in the Australian Constitution to support his goals. Gough strenuously opposed the Bjelke-Petersen government's plan to drill for oil in the Great Barrier Reef, for example. He took the then unprecedented step of passing a Commonwealth law to override the Queensland government in the Seas and Submerged Lands Act. The conservative state, not just Queensland but a number of others, took Gough to the High Court, claiming that it was up to the Queensland government to decide whether or not to drill in one of the seven natural wonders of the world. Gough's government argued that one of his favourite provisions of the Constitution, the external affairs power in section 51(39), gave the Commonwealth power beyond the low-water mark to enact legislation of that type, and the High Court agreed. On that foundation
Gough built the Great Barrier Reef Marine Park and legislated to create the Great Barrier Reef Marine Park Authority, which remains in place today.

Gough also used the external affairs power to sign Australia onto the World Heritage Convention, Australia being one of the first countries to do so. On that basis we have seen in the last four and a bit decades the listing of so many precious areas onto the world heritage list, a decision ultimately that was validated again by the High Court, memorably in the Franklin Dam case. Gough ratified a number of other conventions to drive better domestic environmental protection. I do not have the opportunity to list them, but notably the Ramsar convention, which protects wetlands and associated biodiversity.

The role of the Australian government in protecting Australia's environmental assets that have world heritage values is a great Whitlam legacy, a legacy that the Labor Party today seeks to extend and protect in opposing the current government's attempts to hand back the protection powers over world heritage properties to the states and territories.

Gough also used the fiscal reach of the Australian government to introduce laws requiring environmental impact assessments, for the first time, of developments that involved Commonwealth land or Commonwealth funds. He also established the National Parks and Wildlife Service, a highlight among so many examples over so many decades of Labor's strong connection and support for our national park system. He also established the Australian Heritage Commission, recognising that our wonderful heritage does not only extend to our beautiful natural environment.

As the years passed the focus of environmental politics obviously shifts. The challenges of climate change and water scarcity, for example, were not much discussed in the time in which Gough Whitlam was Prime Minister. But the framework that Gough established for this parliament to play a leading role in nurturing and protecting our beautiful natural environment remains as relevant today as it was when Gough first prosecuted that argument.

Vale Edward Gough Whitlam. He was a true pioneer.

Ms RISHWORTH (Kingston) (10:34): We in this House today and for many days pay tribute to and remember the Labor warrior and true reformist, Gough Whitlam. So much can be said about Australia's 21st Prime Minister: his service to the Labor Party; his commitment to the community of Werriwa where he was the former federal member; his dedication to reforming and shaping Australia into the dynamic, egalitarian society we enjoy today; and his devotion as a loving husband and father. But I would like to focus on one of Gough's greatest achievements in particular, a subject close to my heart: education.

Education affects as all. It shapes our way of life, and I am privileged to have the role of shadow minister for education. Gough saw education for what it was and is: a great transformer; the single greatest opportunity to improving the quality of life and standard of living for every Australian; and the best possible mechanism for improving and strengthening our economy.

In coming to government in 1972, Gough set about transforming Australia's education system into a far more equitable and affordable endeavour for all Australians. He abolished the 'morally unjust and socially wasteful' dichotomy of opportunity afforded to private school students versus government school students, arguing that 'no democratic government can accept this disparity'.

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CHAMBER
Gough threw open the doors to Australia's higher education system, offering students of all backgrounds a free and affordable university education for the first time in our history. This proved to be a profound reform; a hallmark of Gough's brief but momentous time in office. Gough could not know back then that this reform would continue to echo around this place some 40 years later, highlighted now by the current government's proposed higher education reform package.

Education was a personal passion of Gough's. In fact, in his 1969 campaign launch, Gough argued:

*When government makes opportunities for any of the citizens, it makes them for all the citizens. We are all diminished as citizens when any of us are poor. … The nation is the poorer—a poorer economy, a poorer civilisation, because of this human and national waste*

I think this is something that the government should consider while it is pursuing some very radical, unfair and distasteful reforms.

Gough used this sense of universal education and social justice to unleash many educational reforms, including the abolition of university fees, the granting of state aid to independent schools, lifting the funding to public schools and the creation of the Australian Schools Commission.

Under Gough's leadership, government spending on non-government schools increased by 117 per cent, while spending on government schools increased by 677 per cent. This funding injection tipped the establishment on its head and went a long way to eradicating the inequity in public school funding.

Gough's reforms in education were big, broad and visionary. Following a long stint in opposition, Gough knew what needed to be done to transform Australia's education system into a fairer, more equitable institution that benefited and served the wider Australian community, not just the fortunate few.

It is fair to say that, if it were not for Gough Whitlam and his visionary education reforms, particularly in higher education, many in this place today would not have a university degree. Many would not have been afforded the opportunity to go university or even finish school. We in this place and right across this country owe Gough a debt we can never repay. The opportunity to gain an education is the first step in gaining meaningful employment, social mobility and financial freedom.

What people may not know is that Gough was also the champion of Australia's modern dental school plan, which originated in my electorate of Kingston—this is getting off the topic of education but something that is probably little known. This information came from the former member for Kingston, Richie Gun, who took the then shadow minister for health, Bill Hayden, on a tour of a Christie's Beach dental clinic in 1969. The clinic was trialling a first of its kind: a dental service, that was local, could be easily accessed and was affordable. So impressive were the results of this state health department trial, it was quickly introduced into the Labor Party platform in 1971 in order to extend the program nation-wide. Gough gave this policy his full support and went about introducing a national dental service as a matter of urgency after having won office in 1972. Gough was a driver of change in Australia. This small policy was just one of the many policies that not only made my electorate of Kingston a better place to live but also made this country a better place to live.
We need to take this opportunity to say thank you, Gough, for what you did for this country. People would argue that taking this country from where it was to where needed to be was a massive step. It required momentum, it required passion and it required drive and they were things that Gough Whitlam certainly had.

Gough was a great man, a great reformer, a great Labor leader and a great Prime Minister. I think we can all continue to fight for his principles and his beliefs. We can all continue to mark his legacy in a way that is fitting for the modern Labor Party. He will be missed.

Ms CHESTERS (Bendigo) (10:41): I am one of the younger members of the House but I am also living proof of Gough and his legacy of his time in parliament. I thought it was important to contribute to this condolence motion, not necessarily on my own reflections of the great man but of the reflections of many of the Labor branch members and stalwarts in my electorate.

There is no more fitting person's recollections to place on the record first than those of David Kennedy, a federal member for Bendigo from 1969 to 1972. David developed a strong, close, personal friendship with Mr Whitlam and recalls that he was an inspiration. In David's words, Mr Whitlam was a larrikin of parliament. He said that Mr Whitlam bowled us all over just because he kept cracking jokes, that Mr Whitlam was full of life and that he wanted others to enjoy life. David remembers warmly the nickname that Gough Whitlam had for him—Nap, short for Napoleon. People in Bendigo were not surprised by this nickname.

David also said that Gough inspired a generation of people in Victoria. He was a great champion of liberty, equality and fraternity. For a lot of Labor supporters, the passing of Gough was a really personal thing. David said, 'We admired him, we cherished him and we loved him. He stood for all we believed in.' Finally David said, 'To lose him is to lose a sense of self.' David's words and thoughts and warmth are echoed by many Labor Party life members from my electorate. They remind us how important Gough was to Labor in Central Victoria.

Labor party life member Elaine McNamara said that Whitlam symbolised everything that was good and caring in the Labor Party. Elaine said she joined the party as soon as she could at age 18 and got to meet Gough Whitlam whenever he visited Bendigo. 'He was a well respected person,' she said, 'when he came to Bendigo, and he did so quite a lot. In person he was very quietly spoken at times but he always had a strong presence about him.' Elaine said, 'Margaret and Gough were a very gentle couple. But then in his role as Prime Minister, he became dogmatic, and you really felt like you had a fighter, someone standing up and fighting for you in your corner.'

Elaine fondly remembers attending rallies and political meetings with her grandfather and how she used to be on the back of a truck at Trades Hall and would ring the bell to call the members to order. She remembers many of the speeches that Gough made at Trades Hall during his visits there. Elaine's fondest memory of Gough was when, as Labor leader, on his way to Bendigo, he stopped in at Castlemaine to buy some Castlemaine Rock for her young son. Elaine says that whenever she thinks of Gough, she now thinks of Castlemaine Rock. This is the warmth of the man that we have lost. Elaine said that it would be the first year in a long time that she would not be sending Gough Whitlam a Christmas card—another symbol of how close he was to so many in the Bendigo electorate.
Another life member of the Bendigo branch, Elaine Walsh, who joined the party in 1962, said it had been such a privilege to volunteer and be involved in the labour movement under such a leader as Gough Whitlam. Elaine said: 'I'm proud to have been there at the time that he was elected. Gough did in three years what other governments could not do in 10 years,' and that was probably because he knew he could and he had the guts to do it. Ms Walsh said the party had changed a lot since Whitlam's time in office, but she said that it was his actions in government that helped define the debate for Labor and the community for many generations to come.

Eric Dearricott's life membership of the Bendigo branch comes up next year. Eric said that he was inspired to join the Labor Party after Whitlam's dismissal from government in 1975. Mr Dearricott refers to that time as being exciting and engaging. As a young teacher, he and his wife, Margaret, thought it was their duty to get involved, to join a movement, to stand up not only for the rights of their generation but for the rights of many generations. Eric said that he was influenced by Whitlam's policies and foresight. He said, 'When I think about Gough Whitlam and Labor and the period of the late sixties through to the late seventies, I think about the principles that they stood for.'

There is an entire generation of people who joined the Labor Party and got actively involved in Labor and in the community because of Gough Whitlam. Other branch members joined the Labor Party and got actively involved because they were opposed to the war in Vietnam. Paul and Mary Reid often reflect that they joined the Labor Party and got actively involved because of Labor's stance against our involvement in the Vietnam War. Those are the principles that Eric, Mary and Paul refer to when they talk about why they joined the Labor Party. Decades on, that is still their motivation for continuing to be actively involved in the labour movement. It was Whitlam's vision for education, his recognition of China and his work for women and health care are just some of the many policies that Eric continues to admire and be empowered by today. Eric said, 'In my lifetime he is certainly the most inspiring leader that I have known.' These are the words of some of the many people actively involved in Labor then and today, and I wish to place on the Hansard record their thoughts and reflections on the passing of Gough Whitlam.

Gough Whitlam in government created change that would continue for generations. He created change in his lifetime, in our lifetime, and his reforms and leadership continue to create real and lasting change both in the community and in the Labor Party. Just reflect on the change that he made to the great Australian Labor Party. Gough was a giant of the Labor Party and a great leader of our nation. It is very fair to say that he loved the Labor Party. In 1964 Gough made a speech to the Labor Party at the Trades Hall in Melbourne. He said he could not deliver the speech because there were two Labor parties: the men, delegates and candidates; and the women making the tea and preparing the meals out the back, then and today known as the Labor ladies. Gough declared then that we could not deserve to be called the Labor Party until we were one Labor Party, and until we were one Labor Party we did not deserve to govern. So the women stopped making tea and no longer were consigned to the back room, and so began the modern making of Labor.

We are a modern Labor Party and well on our way to achieving Gough's goals. Within Gough's lifetime, we have achieved another milestone. Almost 50 years since Gough made these remarks at the Victorian Trades Hall in Melbourne, at the last federal election in the
state of Victoria three Labor women, new women, were elected to enter this parliament, and three Labor men, new men, were elected to enter this parliament to join the Labor ranks: Jo Ryan, in Lalor, Tim Watts, in Gellibrand; Clare O'Neil, in Hotham; Andrew Giles, in Scullin; David Feeney, in Batman; and me, in Bendigo—another example of how, within Gough's lifetime, he changed the modern Labor Party.

Change that Gough created will continue on for generations, and some of the achievements that I would like to mention profoundly changed our community to make it a stronger and more inclusive community. We have mentioned the opposition to Australia's involvement in Vietnam, and many reasons why a generation of young people stood up and demanded to be heard.

His social welfare reforms included supporting the mother's benefit and welfare payments to homeless people. Before 1973, only widows were entitled to pension payments, so other women who were raising children on their own were faced with impossible choices. Recently, when I caught up with the Eaglehawk community committee of management, they were talking about Gough Whitlam, and one brave great-grandmother told me her story about how Gough supported her raising five children when she was a single mother. She was in a violent relationship and had to leave for the sake of her children's safety, and it was impossible, before Gough, to survive, but with his reforms he made it possible. Today she is grateful for the generosity, the vision and the compassion that this great man had.

Equal pay for women is another example of what legacy Gough has left us with. One of the first acts of the Gough Whitlam government was to reopen the national wage and equity pay case at the Commonwealth Arbitration Commission. In 1972, the equal pay case meant that Australian women doing similar work to that of men should be paid an equal wage, and two years later the commission extended the adult minimum wage to women workers for the first time. It is hard for my generation to believe that it was not until 1974—that women working as cleaners, women working in hotels, the many, many women on minimum wage, did not receive equal pay until that period.

These are some of the lasting legacies of a great man, a Labor man. These are some of the policy areas that continue to be fundamental to today's debate. He changed the debate in this country for many decades and continues to inspire not just generations of Labor people but generations and generations of a nation, challenging us to be bold, to live up to what we believe in, to be bold to take the debate out there. The Hon. Gough Whitlam is a Labor legend who in death, as in life, will continue to inspire a nation for many generations to come. May he rest in peace.

Mr BRENDAN O'CONNOR (Gorton) (10:54): I rise to join my colleagues and express my sincerest condolences on the death of Edward Gough Whitlam, the 21st Prime Minister of Australia. Gough Whitlam was a political titan, a crash-crash-through politician, a leader of conviction. If we were to ask ourselves the eternal question, 'Does history make people, or do people make history?' I dare say Gough would be among the very few in the latter category.

And yet his character was forged by history and his times. Though from a comfortable background, he was born during World War I, in his teens during the Great Depression, a bomber navigator in his 20s, and an MP and father in his 30s. He was among, indeed from, the great generation. Before even emerging upon the national stage, he had already seen
human misery on a grand scale, faced death many times and even contemplated the existential threat to modern democracy throughout the world. With this experience, is it any wonder that he was a man in a hurry, with an ambition that was so grand, matched by a determination so fierce? It culminated on 13 November 1972 at Labor’s campaign launch. ‘Men and women of Australia,’ he proclaimed, at once changing the political lexicon of his times. He went on to say:

The decision we will make for our country on 2 December is a choice between … the habits and fears of the past, and the demands and opportunities of the future. There are moments in history when the whole fate and future of nations can be decided by a single decision. For Australia, this is such a time.

Such rhetoric rarely rings with such truth.

After 23 years in exile, caused as much by division and defection than by anything the conservatives did, the Labor Party, led by this magnificent leader, was not there to govern for governing’s sake. In no particular order, the Whitlam government ended conscription, released conscientious objectors from our jails, introduced universal health care, created no-fault divorce, created the Family Court of Australia, reduced tariffs, abolished appeals to the Privy Council, abolished prohibitive university fees, cut the voting age to 18 years, funded our fledgling film industry, enacted Aboriginal land rights and the Racial Discrimination Act, recognised China, ended our involvement in the Vietnam War, repealed the death penalty, instituted legal aid, abolished knights and dames—which a future Labor government will do again—ratified the World Heritage convention, removed sales tax on the pill, reopened the equal pay case, embedded the Australia Council for the Arts, paid single mothers a pension, funded our fledgling film industry, enacted Aboriginal land rights and the Racial Discrimination Act, recognised China, ended our involvement in the Vietnam War, repealed the death penalty, instituted legal aid, abolished knights and dames—which a future Labor government will do again—ratified the World Heritage convention, removed sales tax on the pill, reopened the equal pay case, embedded the Australia Council for the Arts, paid single mothers a pension, established the Australian Law Reform Commission, sung a new national anthem and so much more. His was a government not for the faint-hearted but for the big-hearted and the high-minded.

In the brief time I have left, I also feel compelled to address the charge of economic illiteracy or indifference. There were flaws with this government, without a doubt; there were mistakes and scandals. But let us not conclude that the absurdity of dealing with Khemlani or the titillation of Morosi and Cairns’s relationship has anything to do with the economic policy record of the Whitlam era. That was trivia. That was ephemera. That was irrelevant. That sold newspapers, but it did not tell of the 1970s economic policy or experiences.

You do not judge an economic record according to those who seek to justify Whitlam’s dismissal or conservative politicians or even Labor’s successors. You judge the economy on how the economy was, not on how vested interests said it was. You judge it on the facts. You judge it on the results. By the early 1970s, a consensus of macroeconomists formed regarding inflation and unemployment. It was contended—and, as I say, it was a universally held view—that they are inversely related. When one goes up, the other goes down. That orthodoxy of economic policy, however, did not apply to the oil price shocks of the 1970s and virtually no economist or government anticipated such a shock happening. The shocks increased both inflation and unemployment simultaneously—not a shock unique to Australia but a global phenomenon. No-one had any good ideas on what to do to fix it.

Consider inflation between 1972 and 1975 in a series of countries. Inflation in the G7 countries increased from 4.5 per cent to 11 per cent; in Europe it increased from seven per cent to 14 per cent; in the United States it increased from three per cent to nine per cent; the United Kingdom’s inflation increase was from seven per cent to 24 per cent; in Australia it
went from six per cent to 15 per cent, well within the median range of inflation increases at the time. Unemployment all over, as in Australia, doubled. As for growth, Australia did relatively well, falling from 2.6 per cent in 1972 to one per cent in 1974, and by 1975 it was back to 2.6 per cent. Therefore, it is not right to say that somehow the Whitlam government's record was anything other than consistent with what was happening throughout the world as a result of the oil shocks of the seventies.

Stagflation was not solved by other countries, with the exception of Scandinavian countries at the time, and not by the political beneficiaries of Whitlam's sacking and subsequent election loss—and not by the Thatcher and Fraser governments that implemented draconian contractionary fiscal and monetary policy. Let's remember: Treasurer Howard left the Hawke and Keating governments with 11 per cent inflation and 10 per cent unemployment to deal with—and, with the trade union movement partners in an Accord, deal with it they did. So let me repeat the simple clear message which the actual microeconomic outcomes in the Whitlam years reveal. Economic policy was conducted about as well—or as badly, if you like—as in every other country dealing with the oil shocks.

On a personal note, his impact upon me and indeed upon my Irish migrant parents was immense. He was a man of the future, an advocate for independence and a tireless supporter for equal opportunity. His election and achievements made it much more likely for factory workers' kids like me and others that I knew not only to aspire to university but also to go to university. Indeed, I am one of those beneficiaries, to be the first in my family to go to universities along with my siblings, He made it clear that serving the public was a noble profession and something that we should all think about, and we should all thank him in this place.

His tragic, unconstitutional tearing down as our Prime Minister turned many Labor voting families, like mine, into lifelong Labor Party members and activists. Vale Edward Gough Whitlam.

Debate adjourned.

**BUSINESS**

**Rearrangement**

Mr FLETCHER (Bradfield—Parliamentary Secretary to the Minister for Communications) (11:02): I move:

That business intervening before order of the day No. 8, Government Business, be postponed until a later hour this day.

Question agreed to.

**BILLS**

**Safety, Rehabilitation and Compensation Legislation Amendment Bill 2014**

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

Mrs McNAMARA (Dobell) (11:03): I rise in continuation on my contribution to the debate on the Safety, Rehabilitation and Compensation Legislation Amendment Bill 2014.
For example, each bank guarantee requires a separate actuarial report with different requirements set by each jurisdiction, and there are numerous differences between jurisdictions in taking out a reinsurance policy. In their submission to the 2004 Productivity Commission inquiry, Pacific National claimed that national based insurance potentially represented a saving of between 50 per cent and 70 per cent on recurrent financial costs alone. Productivity and savings would also be realised through the capacity for an employer to standardise, centralise and streamline claims management functions.

Each jurisdictional scheme requires self-insurers to demonstrate adequate procedures for managing workers compensation claims. Self-insurers are required to demonstrate that they employ qualified staff and engage certified scheme service providers. This is to ensure that employees of self-insurers have their claims managed in a professional manner in accordance with the different scheme benefit structures. Most jurisdictions require self-insurers to have claims managers located in that jurisdiction.

A number of self-insurers have noted that this prevents them from operating a centralised claims management centre which would reduce claims management costs. For example, CSR in 2004 estimated that it would save $150,000 per annum if it could have a single claims management centre. Operating under one scheme also means having a uniform set of benefits and rules across all employees, which ensures equality amongst workers. Multistate self-insurers are required to have detailed knowledge of up to eight different claims management and benefit structures. IT systems to manage different payment structures are expensive and time consuming, given the complexities involved in the benefit calculation processes and variations between jurisdictions.

WHS regulations apply to all employers, irrespective of whether or not they self-insure; however added requirements are placed upon self-insurers to demonstrate through audit that they have appropriate WHS management systems. These systems and audit processes differ between the schemes, adding additional costs for multistate employers. Costs associated with complying with various WHS requirements exacerbated with the additional expense of multiple audits and differences between audit requirements. This makes it difficult and costly for multistate employers to develop uniform WHS management systems. For example, Woolworths has different WHS management systems in each jurisdiction due to the difficulty in developing a single WHS management process that meets different jurisdictional requirements. Woolworths estimate a saving of approximately $400,000 per annum if they had a single national WHS management system.

Self-insurers are required to pay an application fee and ongoing levies for each licence. These fees and charges include the recovery of self-insurance application administration costs and contributions to WHS functions. For corporations who operate in multiple jurisdictions, there may be unnecessary replication in the payment of some component of these fees and concern with regard to the variance in these fees despite a similar number of employees covered by each licence. Self-Insurers are required to supply data to the regulator. The collection of data imposes costs on multistate self-insurers, because each scheme requires a different data set and software to supply the data; thus preventing self-insurers from operating an integrated computer system to satisfy multistate scheme requirements.

Another significant amendment presented in this bill is the enabling of the SRCC to grant a single licence for self-insurance through the Comcare scheme for a related group of
companies. Under current arrangements a corporation cannot apply for a group self-insurance licence under Comcare, so each entity in the group must apply separately for a licence. The introduction of group licences will reduce red tape and cost for employers, as it recognises that groups of interrelated corporations often share return-to-work and work health and safety systems within the group.

A significant barrier preventing harmonisation of workers compensation scheme has been the lack of an integrated national work health and safety framework. In March 2007 occupational health and safety coverage was provided for all Safety, Rehabilitation and Compensation Act licensees. However, with the enactment of the Commonwealth WHS Act 2011 new entrants to the Comcare scheme from 1 January 2012 did not have coverage for WHS purposes. This meant that Comcare self-insurers lost the advantage of truly uniform WHS laws and the reduced compliance costs and administrative efficiency that this brings. This change was introduced in anticipation of national harmonisation of work health and safety laws, which has not occurred in Victoria and Western Australia, resulting in multistate employers continuing to operate under varying schemes.

This bill also seeks to exclude workers compensation claims for injuries that occur during recess breaks away from an employer’s premises. Under current arrangements, compensation is payable for injuries occurring during recess breaks even if the employee is not at the place of work when the injury occurs. Under the proposed amendments, injuries occurring when a worker is away from the workplace and is not undertaking work related activities will not be compensated. If workers are undertaking activities associated with their employment, or at the request or direction of the employer during a recess, they will still be covered. Workers who are injured at work even while having a recess or lunch break will remain fully covered.

The bill will also exclude access to workers compensation when a worker engages in a serious and wilful misconduct even if the injury results in death or serious and permanent impairment. As the minister outlined in his second reading speech:

While claims in this category are rare, the Australian public rightly expects that employees should take personal responsibility for their actions.

It is crucial that any workers compensation scheme is geared towards people acting in a proper and safe manner and does not include a safety net for people who break the rules and put themselves and other employees at risk.

This government will ensure that employers under Comcare will operate under a single workers compensation and WHS scheme. Eligible corporations will have access to Comcare’s workers compensation and WHS regime. This will reduce red tape, jurisdictional inconsistency and maximise equity for employees in terms of injury management, compensation and return to work. This will also enable these corporations to achieve an integrated approach to prevention, rehabilitation and return to work. The proposed reforms under this bill will be better for businesses, better for workers and better for the economy.

Eligible multijurisdictional corporations will have the opportunity to realise efficiencies and savings from becoming a self-insurer under a single jurisdiction—hence, capitalising on the ability to invest and expand nationally as a result of coverage under a single regime. The Taylor Fry report in examining the financial arrangements for self-insurers under the Comcare scheme stated there would be:
Minimal impacts on the state and territory workers' compensation schemes if private corporations were to join the Comcare scheme as self-insurers. This was consistent with the 2004 Productivity Commission report. I commend this bill to the House. (Time expired)

Ms HALL (Shortland—Opposition Whip) (11:11): I find it very interesting to follow the member for Dobell in this debate on the Safety, Rehabilitation and Compensation Legislation Amendment Bill 2014. I note that she worked for WorkCover prior to becoming elected to parliament. The context of her speech and the direction of her speech was all about reducing costs, about efficiency, about the cost of compliance, about the cutting of red tape, about the cost to employers and the cost to insurers, and there was really no mention about providing support for injured workers. Occupational health and safety and workers compensation was introduced into this country, into the various states in our Commonwealth, to provide cover for workers who are injured at work. While she talked about employees or workers taking personal responsibility for their action, there was no talk about employers taking responsibility for the action that they take.

I think the member for Dobell's contribution really puts this debate in context. We have one side of the House, the side that I sit on, that is really concerned about ensuring that workers are properly protected if they are injured at work, and you have the other side of this parliament that is all about reducing cost to employers and reducing cost to insurers to enable them to make a greater profit at the expense of injured workers. That really puts it in context and it probably goes across the divide when you look at a number of issues. We are about people, we are about workers and we are about seeing that people have proper coverage, whilst the other side of this House is about ensuring that those that employ, or those that are in big business, can actually make a substantial profit.

I see this legislation as another attack on workers by a government that very much has a hidden agenda to undermine workers' rights, to undermine workers' conditions and to undermine workers' protection in the workplace. The government has history in relation to this. Under the Howard government, I was a member of the House committee that did a review into workers compensation laws, and the agenda that the then government had in relation to workers compensation was very obvious.

There has been a gradual whittling away of protection if you look at other jurisdictions. I cannot help but look to New South Wales, which is my home state, where the O'Farrell government introduced the most draconian changes to workers compensation legislation that I have ever seen. I have had worker after worker coming into my office telling me how they have got no coverage now and how they are unable to have that operation that they were scheduled to have because of the timing, as the changes have been put in place retrospectively. Most changes to workers' compensation, in both New South Wales and this jurisdiction, have not been retrospective—the changes take place from the date they are introduced. In New South Wales, they cover everybody that is on workers' compensation. It really shows the agenda of the Liberal and National parties on workers' compensation.

I used to be a rehabilitation counsellor before I came to this parliament, and in that job I worked with injured workers, with insurance companies and with employers. The aim of my job was to get people back into the workforce, preferably with their previous employer, and to have the workplace modified so they could return to their job and, maybe after rehabilitation, go back to full duties. During that time a number of obstacles were put in the path of those
workers. Employers were reluctant to take them back into their workplace and insurance companies did not provide the support that they needed. If you provide the maximum of support you have the best opportunity for a good outcome, but walking away from workers leaves them in a situation where they cannot have the optimal outcome.

This government's agenda is very questionable when it comes to anything relating to workers' compensation, wages, workers' rights, workers' pay or workers' conditions. I believe this legislation before the parliament is just another step down the track of this government's antiworker agenda. The bill amends the Safety, Rehabilitation and Compensation Act and the Work Health and Safety Act to expand the eligibility of corporations to self-insure through the Commonwealth's Comcare scheme, which will allow companies operating across state borders to self-insure under the scheme. It also removes the need for the minister to declare eligibility to apply for a self-insure licence while maintaining the ability of the minister to issue directions to the Safety and Rehabilitation Commissioner, and it enables corporations currently required to meet workers' compensation obligations under two or more workers' compensation laws of a state to apply to the commission to join the Comcare scheme. It also allows a Commonwealth authority that ceases to be a Commonwealth authority to apply directly to the commission for approval to be a self-insurer. This, along with other changes, enables the commissioner to grant group licences to related corporations. I feel these changes have not been properly thought through and I do not think there will be proper oversight of the changes that will take place.

The government has refused to guarantee that no worker will be worse off. I have shared with the House the New South Wales experience where practically every worker is worse off, and now we have another Liberal-National Party government set to deliver a blow to workers, refusing to say that workers will not be worse off. For those on the other side of this parliament, it is not all about the worker that will be injured in the workplace, it is not all about ensuring that they can get the best possible outcome—rather it is about, as the member for Dobell mentioned, cost-cutting, efficiency, compliance, cutting red tape and reducing costs for employers. A person seriously injured at work will never be able to undertake life as it was—their life is changed forever. One of the most common complaints from those on the other side of the House relates to people who have a back injury. If you are a manual worker who has very limited literacy skills and you injure your back, then not only has your work been taken away from you but you probably have very limited opportunity to find another job and then every other aspect of your life is changed. That is what those on the other side of this House do not get. I do not see anything in this legislation that will assure Australians that workplaces will be as safe as they are now. Nothing that speakers on the other side of this House have said convinces me of that. Rather, I hear about things such as reducing costs, efficiency, compliance and reducing red tape—nothing about ensuring that workplaces throughout Australia are safe, about ensuring that workers are not seriously injured, about ensuring that workers do not lose their lives when they are working on a building site or in a mine. In the electorate that I represent workers in both those sorts of workplaces have lost their lives.

I see this government as bowing to the interests of big business. The government just does not consider the impact of injury, disability and death. When it does open up the scheme, it will reduce the financial impact in the state systems and it will increase premiums for the
remaining businesses in those schemes, adding pressure on workers' entitlements. It will leave sick workers worse off. If we go back to look at what workers compensation is about, it is compensating workers for injury at work. It is doing something to help them adjust to the fact that they went to work, they were seriously injured and they cannot go back to the work they did. They are worse off physically and now this scheme, I believe, will leave sick workers worse off in every aspect of their lives.

This is a really important point: the compliance obligations under Comcare are weaker than in the state systems. Comcare offers lower payments to injured workers, and Comcare's capacity to inspect workplaces and enforce laws will be reduced further as more businesses gain coverage. Comcare has only 44 inspectors nationwide—44 inspectors nationwide that are supposed to ensure that workplaces are safe—whilst each state based scheme has hundreds of inspectors working to ensure that workplaces meet their safety requirements. I find it extremely concerning that there is nothing in this legislation that places any obligation on employers and insurers to ensure that workplaces are made safe. There is no hint that the number of inspectors will be expanded and no hint that this government has any concern for injured workers.

I know the shadow minister has moved an amendment, and I know that the shadow minister is very, very concerned about the issues that I have raised. I note that workers will not be covered during breaks, and I also note that examples have been given of workers that take a break whilst working at a job that takes them outside their workplace, and I do not think that question has been answered. I believe there are a number of questions that this government has not answered. Rather, it is legislating to ensure that its ideological, philosophical hatred of workers and its enslavement to big business are enshrined in legislation rather than trying to put on the table fair legislation that will benefit both workers and employers—and, then, insurers as well. I find I cannot support this legislation. It is bad legislation, and it is typical of this Abbott government. (Time expired)

Mrs MARKUS (Macquarie) (11:26): I rise today to speak on the Safety, Rehabilitation and Compensation Legislation Amendment Bill, which seeks to address aspects of the existing legislation which cause multistate corporations undue compliance costs. This government accepted a mandate from the Australian people to build a strong and prosperous economy. The coalition has committed itself to stewarding the wealth of this nation responsibly, wisely and in such a way as to create increased employment, greater benefit and greater security for everyday Australians. In short, the coalition is committed to cleaning up Labor's budget mess—a mess of inefficiencies.

When we are dealing with taxpayers' money it is simply unacceptable to see funds wasted on the impediment of unnecessary regulation and poor management. This amendment bill is not about making life more difficult for employees working for multistate corporations or about complicating workers' guarantee of adequate and fair protection in the case of compensation for injuries sustained. It seeks more responsible management and a simplification of a potentially complicated system of workers compensation. This bill seeks to amend the Safety, Rehabilitation and Compensation Act 1988 and the Work Health and Safety Act 2011 to expand the eligibility of corporations to self-insure through the Commonwealth's Comcare scheme.
To really grasp what this bill intends, we need to look back at the recent history with regard to this legislation. Employers operating in multiple states have been required to operate according to different workers compensation schemes and work health and safety regulations in each jurisdiction around Australia. This means red tape for employers and confusion, often, for workers subject to different regulations and benefits from their colleagues, depending on which state or territory they are employed in. This House is aware that certain private sector corporations have in the past been able to self-insure for workers compensation coverage through the Commonwealth Comcare scheme. There has been much to-ing and fro-ing over this particular aspect of the bill, when Productivity Commission inquiries and consultation with local state governments have indicated it could be streamlined to the benefit of businesses and employees alike.

The coalition Howard government responded to Productivity Commission inquiry recommendations by allowing eligible private corporations that operated in multiple states to apply for a self-insurance licence with the Comcare scheme. The intention of this action was that costs might be used more effectively to create new jobs, while simultaneously upholding improved safety standards within the enterprise. A moratorium on new corporations entering the Comcare scheme was imposed in 2007 by Labor, despite evidence from the 2004 Productivity Commission inquiry into National workers compensation and occupational health and safety frameworks, which found the compliance costs for multistate employers concerning multiple state workers compensation arrangements were significant. Currently 30 licensed corporations benefit from the reduced costs of having one set of workers compensation arrangements for the national workforce. Among these are former Commonwealth authorities such as Australia Post and Telstra, and private corporations such as Optus, TNT, the National Australia Bank and the John Holland Group. The results speak for themselves. Since joining the Comcare scheme, the work health and safety performance of these companies has almost universally improved in significant proportions. Under the Comcare scheme, companies with reduced bureaucracies are enabled to operate more effectively with their employees in improving work health and safety in their organisations.

Despite the success of Comcare, the previous, Labor government acted to ban multistate companies from joining the scheme. Labor commissioned a review, led by its own Dr Allan Hawke AC, which gave the recommendation to lift this moratorium, given the huge expense and inefficiency of insuring in multiple states and territories. Labor failed to follow its own advice, an oversight largely influenced by pressure from the union bosses. Apparently, neither the employment minister nor the workplace relations minister of the previous government had the wherewithal to fully address the needs of the workforce in this area and ensure the right decisions were made.

It makes sense to place these corporations and employees under one scheme across multiple states so that regulatory costs are kept to a minimum. What might be done with the funds that are spared the black hole of our red-tape-hugging former Labor government? New jobs, improved standards of safety, further economic growth. Accordingly, the coalition government lifted the moratorium in December 2013 in order that multistate employers performing to meet rigorous financial and governance criteria and demonstrating suitable work health and safety performance may apply for a licence to self-insure in the Comcare scheme, as opposed to dealing with multiple schemes. It is good to mention here that this
government also intends to allow multistate employers to choose to apply to self-insure for workers compensation arrangement with Comcare to also have one set of work health and safety regulations. Thus the objective of this amendment bill before us today is to assist Australian multistate corporations to operate smarter by expanding their ability to self-insure in a standardised federal scheme, Comcare.

The amendments in the bill before this House are specifically the following: firstly, to remove the requirement that the minister declare eligibility to apply for a self-insurance licence, while maintaining the minister's ability to issue directions to the Safety, Rehabilitation and Compensation Commission—this will streamline the current two-stage approval process by removing the requirement that a corporation must be in competition with a Commonwealth authority or former Commonwealth authority to enter the Comcare scheme—and, secondly, to broaden the range of corporations that are eligible for a licence to self-insure under the scheme.

The first of these amendments, to remove the requirement for the minister to declare eligibility for a corporation to apply for a self-insurance licence, addresses the current, ponderously slow two-stage process. It requires a declaration of eligibility to be granted by the minister before any assessment can be made by the Safety, Rehabilitation and Compensation Commission according to their criteria. Furthermore, it is expensive. Time is always at a premium when it comes to an effective economy; and, since Labor's previous tenure, money is at a higher premium than ever before. Labor's legacy of national debt is costing us $1 billion in interest per month, a burden taxpayers continue to carry, a burden this government is seeking to remove. This amendment will allow the commission to assess applicants' eligibility for a self-insurance licence in one step, while corporations are still exposed to the same stringent financial and governance requirements currently imposed by the commission.

This directly enables the two major amendments I have listed, aimed at ensuring a robust approval process unimpeded by red tape. The withdrawal of the requirement that corporations be in competition with a Commonwealth authority to enter the Comcare scheme and the determination to include national employers—that is, those corporations meeting workers compensation obligations under two or more states—among the cohorts of corporations deemed eligible to self-insure under the scheme carry considerable anticipated savings and increased efficiencies. The recommendations enacted in this bill are expected to result in a total reduction in the regulatory burden, for those Australian businesses that transfer to the Comcare scheme, of $33 million per year over the next 10 years.

I should clarify that these amendments maintain the freedom of eligible employers to continue under multilayered workers compensation and work health and safety regimes or to apply for one set of national arrangements as they choose.

This amendment bill is about refining an essential existing piece of legislation for Australian businesses and employees so that it assists rather than impedes economic growth while maintaining high safety standards. In addition to these amendments, measures towards the better management of corporate groups are being addressed in this bill. Currently, corporations applying to be covered under the Comcare scheme must be assessed individually for eligibility. Business has for some time been seeking the introduction of group licences to the SRC Act.
The amendment bill provides for the Safety, Rehabilitation and Compensation Commission to grant a licence to an eligible group of corporations owned by the same holding company, in line with the state schemes and the commercial reality of modern multicompany corporate structures. This bill recognises that groups of interrelated corporations often share return-to-work and work health and safety systems, and that each entity forming part of a group does not individually need to meet the definition of a 'national employer'. It is better for business, better for workers and, indeed, better for the economy.

Ongoing standards for the protection of workers remain a key concern of this government. As with current licences, it is a condition upon the issuing of a licence that the SRC Commission's standards are met with regard to work health and safety. The commission has the ability to vary or revoke a licence if it is not satisfied that this licence condition is being met.

This government is doing all it can to ensure that Comcare has the capacity to manage the increased responsibility in relation to workers compensation and work health and safety, and that it is financially viable. With Comcare being the single work health and safety regulator in the federal jurisdiction under the Work Health and Safety Act 2011, Comcare inspectors and case managers have the authority necessary to represent the government in their actions, and greater flexibility in regulatory approaches. The costs of meeting regulatory responsibilities are resourced within the scheme. Regulatory contributions by licences, reflecting the cost incurred by the performance of the Safety, Rehabilitation and Compensation Commission and Comcare, effectively fund self-insurance under the scheme.

The Safety, Rehabilitation and Compensation Legislation Amendment Bill will save on red tape and streamline multistate corporations' compliance with workers compensation schemes by managing one standardised scheme. The bill is about streamlining and refining a national scheme that will work more effectively for multistate corporation employees. Workers moving onto Comcare will benefit from a nationwide workers compensation scheme that delivers the same coverage and benefits for all employees. This means real savings to business that will be more wisely invested in the larger economy and less confusion for multistate corporation employees. The bill is about building a strong and prosperous economy for a safe and secure Australia. I commend the bill to the House.

Mr MARLES (Corio) (11:37): Thank you, Mr Acting Deputy Speaker. I am speaking in opposition to the Safety, Rehabilitation and Compensation Legislation Amendment Bill 2014. Under the Howard government, reforms were introduced which allowed private national employers to opt into the Comcare scheme, a scheme which has its origins in providing workers compensation to employees of federal government agencies and bodies that have been privatised from the federal government. This was a reform which would allow national employers which had no history with the federal government to become a part of the Comcare scheme by virtue of self-insurance, by doing which they took themselves out of the various states schemes that those companies were a part of. It was a controversial step at the time and there were many concerns with it. As a result, when Labor was elected in 2007 a moratorium was put almost immediately on the practice of issuing licences to national employers seeking to self-insure under the Comcare scheme.

This bill seeks in effect to lift that moratorium so that national employers will be able to self-insure in the Comcare scheme. There is a superficial attraction in such a measure, in the
idea of a company being able to be part of one workers compensation scheme rather than many, but there are many aspects of this which, beyond that superficial observation, make it clear that this is a deeply retrograde step.

The first point to make is that there is in place a national employer test for companies to pass which would enable them to become a self-insurer under the Comcare scheme. It is at best a minimal test. All you need to do to satisfy the test is operate in more than one state. There is no requirement about a minimum number of employees but there is a requirement that you self-insure. What you see with self-insurance in any of the state schemes is that it is, by and large, confined to those very large companies which have the capacity to engage in self-insurance, but this on the face of it will be open to any company which simply operate in more than one state. That is a minimal test and it is a real deficiency within this bill.

The second point to make is that there are a number of deficiencies within the Comcare scheme itself. To be fair, the workers compensation schemes that you see around Australia vary and are a reflection, I suppose, of the injury profile of those economies as they have developed over decades. The injury profile of the Comcare scheme has largely been about white-collar work—not entirely but largely—so the scheme is around that kind of work. It is good in that context. But Comcare just was not designed for large national employers which have significant amounts of blue-collars work, which may have entirely different kinds of injuries. As a result, there are significant deficiencies within the Comcare scheme which might apply to those people—for example, access to common law and the provisions within the Comcare scheme which provide for the facilitation of people returning to work. Comcare was designed principally as a scheme for the Australian Public Service. What we are now talking about, if this bill is allowed to pass, is this scheme becoming one which would apply potentially across the board with all the diversity that you see within our economy and all the diversity of injury profiles. That has not been thought about. It was not thought about by Howard's government. It is not being thought about by Tony Abbott. The next point—

The DEPUTY SPEAKER (Mrs Griggs): Refer to people by their correct title, please.

Mr Husic: The Howard government?

The DEPUTY SPEAKER: He is the Prime Minister; he is not Tony Abbott.

Mr MARLES: By the Abbott government. I apologise, Madam Acting Deputy Speaker. I look forward to that level of detail being applied to everyone who speaks in this debate.

The DEPUTY SPEAKER: And it certainly will, Member for Corio!

Mr MARLES: Good. I appreciate that. The next point that needs to be made is: what will this do in relation to the state schemes? Workers compensation schemes are a form of insurance. They have a whole lot of actuarial research and assumptions underpinning them. They are based on the full spectrum of companies within a particular state or territory participating within those schemes. If we are now giving larger employers which have the capacity to self-insure the option of leaving state schemes and going into Comcare, this has the potential to have a devastating effect on the financial viability of the schemes within each of the states and territories. The only way in which those schemes will be able to deal with the challenge to their financial viability is to increase premiums. That is the only way they can do it. That is going to hit small and medium business. Small and medium enterprises will pay for
the decision to allow large national employers to exit the state schemes and to enter the Comcare scheme on a self-insured basis. That is inevitable consequence of what will happen here. None of that has been thought through by this government, which is why so many of the state and territory jurisdictions oppose this measure. It is because they know what this is going to do to their schemes. Small and medium enterprises, I assure you, will also be very clear in the position they take in respect of this, because this means added cost for them.

The final point—and it seems to me that this is the most significant issue about taking this step—is that with state workers compensation schemes we have inspectorates which have hundreds of people in them. There are hundreds of people going out there and looking at whether or not companies are behaving in a safe way. There are strong police on the beat, if I can put it that way, to make sure that our companies and workplaces are operating in a safe manner.

Comcare have 44 inspectors nationally. If we are going to see these national companies go into this scheme, we are essentially going to see companies go into a scheme where there is no cop on the beat. There will effectively be no cop on the beat. The idea that 44 inspectors are going to be responsible for overseeing significant national companies in the Comcare scheme as envisaged by this amendment is politically ridiculous. This is absolutely retrograde in the steps that it is taking. This will mean that we have people entering a scheme which is essentially not policed or, at the very least, it is not set up to police the kind of national companies with the thousands of employers that they will bring coming into this scheme. None of that has been thought about it either. This is simply picking a policy out of the Work Choices Howard era and putting it into the here and now without thinking about any of the repercussions or consequences associated with it.

What concerns me about this in a bigger sense is that it shows such scant regard, in my view, for the critical issue of safety at work. That is ultimately what we are talking about here. Last year, 187 Australians went to work in the morning and did not return home. They lost their lives in a traumatic accident at work. That is 187 too many. That is in itself a human tragedy. But if you look at the other forms of the way in which work impacts upon people's lives and the other ways in which people can contract injury and disease from work, such as muscular skeletal disorders, mental disorders, infectious diseases, respiratory diseases—and I am going to come back to that in a moment—and cardiovascular diseases, when you look at all of that and the way in which work interacts with our lives, the number of people who are injured and lose their lives as a result of work actually measures in the thousands of people each year. They are the statistics that are not recorded. They are the people who are not seen in this debate.

Perhaps the most vivid example of that is those people who have contracted mesothelioma as a result of their work. It is estimated, when it is all said and done, that 60,000 Australians will lose their lives as a result of work related exposure to asbestos. It is the same number of Australians who lost their lives in the First World War. This is tragedy on a gargantuan scale. It is something that we need to be vigilant about and to address each and every day. There is nothing more unfair than a person being harmed at work.

All of us expect that, when we and our loved ones—children, brothers and sisters—go to work each day, we and they will return at the end of that day. That is a fundamental
expectation of our working lives. My concern with this piece of legislation is that this will not
assist that. In fact, it will take a massive step backwards in seeing that expectation met.

Mr LAMING (Bowman) (11:49): This morning was an opportunity to hear Labor's point
of view on this bill, the Safety, Rehabilitation and Compensation Legislation Amendment Bill
2014, which significantly reduces economic burden in the area safety, rehabilitation and
compensation. We listened to someone who is arguably the nicest guy in the union movement
still give a fairly opaque elaboration of exactly what his opposition is to this bill. We cannot
make it any simpler: we are making it easier for corporations around the country that
currently have to deal with up to eight different workplace health and safety arrangements
such that they will now only have to deal with one. That is such an improvement in the
system. It really is incumbent on the other side of this chamber to clearly articulate their
concern with that change.

Many of us suspect it is just about how many more union free rides they can get in the state
based schemes. That is the suspicion. We are really asking those on the other side of the
chamber to crawl out from under the union log and tell us exactly what their concern is with
what is an incredibly streamlined and common-sense approach. Within days of the Labor
Party being elected to government in 2007, they instantly froze any possibility that a
corporation that currently straddles multiple states and territories could apply for a
streamlined federal system. The minute we came back into power, we unlocked that because
we know it is complete common sense. We owe it to those in the gallery who have travelled
from all around the country and are listening to this debate and those listening to the broadcast
to tell them exactly why this is not a great idea.

The previous speaker spent half of his contribution to this debate on asbestos and
mesothelioma. Of course everyone on both sides of the chamber would hate to see any system
where an individual is placed at risk of such a horrible disease. Every injury and death in the
workplace is one too many. But, with respect, that is not what this is all about. There may
well be 44 people working in Comcare who are responsible for making sure corporations and
current members of the system are compliant. But, by definition, the more that join Comcare
the more offices they will have. There will be an appropriate number of officers to do the job.
By definition, those payers—those people who purchase a licence and self-insure under the
Comcare scheme—become part of a larger pool, and therefore you have more people
enforcing it. That really is a straw man argument.

But the bigger one really is—and it was just alluded to by the previous speaker—the desire
of the union movement to be picking and crawling all over corporations in the guise of being
cops on the beat. Now hang on a moment. We have law enforcement agencies all around the
country. Last time I checked, it was not the union movement that we have commissioned with
the role of crawling all over corporations and calling themselves cops on the beat. No, that is
not what they are there for; they are there to look after the interests of a worker. When it
comes to corporations who are licence holders under an act like this, there are federal entities
responsible for that job. With the greatest respect, it is not up to the union movement to be
coming into workplaces without an invitation, kicking tyres and making a nuisance of
themselves. I know they got used to it over the last six years, but they are not cops on the
beat; they are unions, and that is a very, very different entity. They need to be reminded of
that after six years of pretty much doing their own thing without any control at all from a federal government.

We are trying to reduce this regulatory burden. It is absolutely common sense that relatively small corporations that currently have to compete with Comcare in many cases should not face that competitive issue; there should be competitive neutrality. If an entity is currently competing with that Commonwealth provider then under this act they should have the right to be able to apply for a licence.

So, currently, under the SRC Act you can either be a premium payer, which is all of your Commonwealth and ACT entities, or a small number of ADF personnel who are injured in nonoperational service prior to 2004. But, for those that are corporations, we have crawled over this issue a number of times, and even while we had Labor in government we had inquiries recommending that it be open to corporations. So hang on, these are not paid up members of the Liberal Party; these are the highest level thinkers in this space, and I am not just talking about 2011 or 2012. This is going back to 1994, 1995. In the absolute ascendancy of the then Hawke-Keating Labor government was a finding we needed more harmonisation between state arrangements. With credit due to the previous Labor government, there were workplace health and safety model laws that were enacted in 2011, and that was absolutely fine. Unfortunately Victoria, Western Australia and now Queensland are touching on possibly changing these laws, which will mean that entrance to the scheme under licence will have to still retain some form of compliance in their own states.

But this ultimately, for the 43 per cent of entities that are licence holders, needs to be made easier for them to be part of this scheme. Labor's argument that they cannot possibly all be enforced is a spurious one because, as any arrangement builds, so too will the number of enforcement agencies. What we are talking about on labour site access to common law is really just an excuse for the trojan horse of being able to have unions still be able to pick over these corporations and their great fear that once they come out of state based schemes they cannot agitate and they cannot be a constant annoyance to corporations who are fundamentally doing the right thing. If unions have a concern that they are not, there are entities to which these corporations should be reported. That is how it works; that is how the real world works. It does not work with union people trying to find their way into lunch break tearooms, sort of hanging around the coffee table and trying and drum up membership. Financial issues aside, that is not making the workplace a safer place whatsoever.

As early as the mid 1990s, this sort of legislation should have been in evolution and was recommended. We had a 2004 inquiry by the Productivity Commission; we had a Comcare review performed in 2008, including the Taylor-Fry actuarial report; and very briefly and most recently, as I said, there was a review of the SRC Act, performed in 2012-13 and undertaken by Peter Hanks and Allan Hawke, reviewing both the compensation benefit structures and the scheme's performance and in particular governance and financial frameworks. They have consulted those two individuals extensively. You do not have to take one side of parliament's word on this; they have worked with the participants of Comcare scheme and developed these recommendations which clearly say to both sides of this chamber that what we need is a system that allows these new entrants who are choosing to self insure, who are carrying both the risks and benefits and are saying, 'We want to work to reduce
within our workplaces the call on workers compensation by having world standards and, in turn, we want our premium to reflect that.'

The great challenge of staying in some of the state based schemes unable to have this say is you are, effectively, paying premiums that cover the transgressions of other corporations and entities. A self-insurer simply says: 'I may be big, I may be small, but I am going to take that risk. I am going to take the actuarial risk, cover my workers and have world-class safety arrangements in place, and we will reap the benefits ultimately by being self-insured and paying lower premiums.' But it is not about lower premiums; it is about lower calls on the SRC system. It is about fewer people requiring workers compensation, because we have world-class safety in our workplaces.

This is a common-sense piece of legislation. It is extraordinary that the other side not only opposes it but really cannot tell you any good reason why they oppose it except, as we suggest, they all just want a few more free lunches for union members. I know that drives them and it drives their preselection, but ultimately this is about corporations and entities that cross state borders being able to pick up the risks and the costs of self-insurance to do that, to remove the need for a minister to be able to determine if you are eligible, to simply be able to apply to the SRCC. This is common-sense, red tape removing legislation and something that not just this side but both sides of the chamber should be supporting.

Debate adjourned.

COMMITTEES

Joint Standing Committee on Treaties

Report

WYATT ROY (Longman) (11:59): On behalf of the Joint Standing Committee on Treaties I present the committee's report entitled Report 145, treaties tabled on 26 August and 2 September 2014.

Report made a parliamentary paper in accordance with standing order 39(e).

WYATT ROY: by leave—Today I present the Joint Standing Committee on Treaties report 145. The report contains the committee's views on three proposed treaties: the force posture agreement between Australia and the United States, the agreement between Australia and Japan for the transfer of defence equipment and technology and the agreement between Australia and the US for the sharing of visa and immigration information.

The force posture initiatives were announced in 2011 to support our efforts to deepen our long-standing alliance with the United States. The initiatives involve the annual rotation of the US Marines Corps and United States Air Force personnel in northern Australia. This year's rotation involved approximately 1,500 personnel and that number will grow to over 2,500 personnel in the coming years. The regular influx of United States personnel is expected to provide a considerable economic benefits of the Northern Territory and Australia, particularly with regard to the retail, transport, recreation and other service sectors.

The force posture agreement provides the legal, policy and financial framework required for the full implementation of the two force posture initiatives. For example, the agreement requires respect for Australian sovereignty and laws. It imposes obligations for consultation. It also states that initiatives will occur at Australian facilities, consistent with Australia's long-
standing policy that there are no foreign military bases on Australian soil. It provides certainty around the conditions for US access to Australian-owned facilities, as well as types of activities the US forces will be able to conduct. The force posture initiatives represent an important new element in our defence cooperation with the United States and reaffirms our commitment to that alliance.

The agreement with Japan for the transfer of defence equipment and technology will facilitate Australian access to Japan's world-renowned capability in this area. The agreement will allow Australia's Defence Science and Technology Organisation and Japan's Technical Research and Development Institute to work together more closely on areas of common interest and mutual benefit. The treaty is part of the broader move to deepen Australia-Japan defence cooperation in a range of areas, including in training and exercises, personnel exchanges, maritime security and peacekeeping.

The agreement with the US to share visa and immigration information is required to allow the automation of the existing immigration information sharing process. The process involves the exchange of fingerprints for checking against each country's respective biometric data holdings. The automation of the process is expected to increase the speed, efficiency and volume of that exchange. Currently, the US and Australia exchange up to 20,000 fingerprints a year. If there is a fingerprint match, then agreed biographic information, immigration history and travel information is exchanged. Such matches have uncovered identity and immigration fraud. When fully implemented, this automation system is expected to allow us to exchange in excess of one million fingerprints with the US per year for checking.

The committee supports the ratification of all of these treaties discussed in this report. On behalf the committee, I commend the report to the House.

Mr KELVIN THOMSON (Wills) (12:03): by leave—On report No. 145 from the Joint Standing Committee on Treaties, I concur with the remarks made by the chair of the committee. I thank the chair, other members of the committee and the committee secretariat for the work that they have done in preparing this report.

I did want to make some remarks about chapter 4 of the report, which is the agreement between the government of Australia and the government of the United States of America for the sharing of visa and immigration information. This agreement is required for the automation of the existing immigration information sharing process. This automation is expected to enable increased speed, efficiency and volumes of exchanges. The present arrangements with the United States have enabled up to 20,000 fingerprints per year to be sent for checking. In the event that there is a fingerprint match, then agreed biographic information, immigration history and travel information is exchanged with the country that had the match. Such matches have in the past uncovered identity and immigration fraud.

This is important. Frankly, the extent of immigration fraud is not widely appreciated. Indeed, there were very serious reports in August this year that visa fraud is widespread, but it is not being investigated because the Department of Immigration's investigation and enforcement capacity has collapsed. It has been reported that as many as nine in 10 skilled migrant visas may be fraudulent and that there was a Somali people smuggling cell in Melbourne, which was linked to a terrorist suspect; but the investigation into that ceased due to lack of resources. Meaningful investigations and prosecution activity of migration fraud in the Melbourne office has effectively ceased. A 2010 investigation concluded that around 90
per cent or more of 40,000 fees applications in the general skilled migration program lodged per year for the previous three years were suspect. A 2009 investigation concluded that the student visa program was failing, the general skilled migration program was failing and the falsification of qualifications was prolific.

A key problem is that since 2004 the migration program has skyrocketed that the resources of the department have not increased to keep pace with that. The permanent program has gone up from 100,000 at that time to 240,000 now and we have over one million people in Australia on temporary visas who have work rights. It is simply beyond the department to check the validity of the claims that people are making about their qualifications and work experience. It is apparently even beyond the capacity of the department to close down passport swapping scams—this is not Operation Sovereign Borders; this is operation open borders! I think we need a parliamentary inquiry to look at this. We should learn from these reports that it is better to put real effort into educating and training young Australians and making sure that we have labour market testing for employers so that young Australian graduates and young Australians who are unemployed are offered the jobs before we look overseas.

In fact, I have asked the Minister for Immigration to investigate the reports in The Age of 8 August this year, which were that a corrupt Department of Immigration official helped run a $3 million criminal migration racket involving more than 1,000 fraudulent visa applications. I have asked whether it is correct that the government has issued new licences in the past six months to migration agents who were previously identified by the Department of Immigration as having bribed employers to obtain fake work references for visa applicants. I have asked whether the government will review these licences with a view to withdrawing them. So these are serious issues. In October 2009, a departmental report made the startling finding that the Department of Immigration and Citizenship may have been responsible for granting a record number of student visas to people who may not be considered genuine students, as well as granting permanent residence to skilled migration applicants who did not have the skills being claimed. I hope that these very serious matters will be given the attention they deserve, and I think the House for the opportunity to make these brief remarks.

**BILLS**

**Export Finance and Insurance Corporation Amendment (Direct Lending and Other Measures) Bill 2014**

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

**Ms PLIBERSEK** (Sydney—Deputy Leader of the Opposition) (12:08): I rise today to support the Export Finance and Insurance Corporation Amendment (Direct Lending and Other Measures) Bill 2014 on behalf of the opposition. This support is founded in support for economic growth through export trade and our small and medium-sized businesses. Labor is committed to expanding Australia’s international trading opportunities to generate jobs and growth for the future, and this bill is broadly consistent with that objective.

This bill is similar to, but not as extensive or ambitious as, Labor’s prior bill that lapsed at the end of last year: the Export Finance and Insurance Corporation Amendment (New
Labor's record with the Export Finance and Insurance Corporation goes back to its establishment. In 1991, the Hawke Labor government passed the original Export Finance and Insurance Corporation Bill to re-establish the Export Finance and Insurance Corporation, known as the Export Finance and Insurance Corporation. This original bill established the Export Finance and Insurance Corporation as an independent statutory corporation separate from Austrade, offering competitive export credit facilities for Australian exporters.

The origins of the Export Finance and Insurance Corporation were grounded in a report to the Hawke Government by the Departments of Industry, Technology and Commerce; Foreign Affairs and Trade; Primary Industries and Energy; Treasury; Finance; and the Prime Minister and Cabinet on the effectiveness of the Export Finance and Insurance Corporation and its export finance and insurance services. The scope of the number of government departments involved is illustrative of the reach of the Export Finance and Insurance Corporation's activities and the importance of export markets across the Australian economy.

The Export Finance and Insurance Corporation is Australia's well respected export credit agency. Its mission is to provide finance and insurance support to assist Australian exporters to grow their international businesses in circumstances where there are gaps in, or constraints on, the private market financial sector. The Export Finance and Insurance Corporation's operations are subject to requirements in both the Export Finance and Insurance Corporation Act and the minister's Statement of Expectations. We are pleased to note that the Export Finance and Insurance Corporation still today operates under the minister's Statement of Expectations issued by Labor's former Minister for Trade, Dr Craig Emerson.

Over the years, Labor governments have guided the Export Finance and Insurance Corporation and have sought to keep its operations efficient with changing markets. On 1 September 2011, the then Assistant Treasurer and now opposition leader, Mr Shorten, released the terms of reference for the Productivity Commission inquiry into the Export Finance and Insurance Corporation. The inquiry considered the role for government involvement in the provision of export credits, insurance, reinsurance and other financial services. It also considered the Export Finance and Insurance Corporation's funding arrangements, capital adequacy requirements and the interaction between the Export Finance and Insurance Corporation's operations and other government programs, international agencies and the private sector. After extensive consultation and deliberation, the Productivity Commission delivered its report, which contained multiple recommendations in relation to the Efic's operation. The Labor government accepted the majority of these recommendations and introduced two bills to amend the Export Finance and Insurance Corporation Act. One bill passed in 2013 and is currently in effect. The other bill lapsed when parliament was prorogued ahead of the last election.

It is good to see that the current government has picked up the substance and spirit of this former Labor bill. However, as previously noted, it is disappointing that the government's re-engineered version is not quite as ambitious. The bill only has two principal changes, only one of which was recommended by the Productivity Commission. These changes are the widening of the Export Finance and Insurance Corporation's direct lending function to all
goods, not just capital goods; and the widening of the competitive neutrality provisions as recommended by the Productivity Commission.

In relation to the impact on small to medium-sized enterprises, the Minister for Trade and Investment and the Minister for Small Business put out a media release on 8 October 2014 entitled ‘EFIC's renewed focus on SMEs to boost jobs and growth’. The statement said:

… Export Finance and Insurance Corporation … will be refocused to increase its capacity to finance small and medium sized businesses seeking to capitalise on global trade opportunities.

If there is any refocusing, it is not stated in the bill before the chamber. In Labor's lapsed bill, we saw fit to clearly legislate a requirement that the Export Finance and Insurance Corporation focus its activities towards small and medium enterprises because Labor is a party that supports small business. It is not a party that talks up SMEs but remains buried in the coat pocket of big business. Labor's record on small business is a very good record and one that we are proud of. In government, Labor supported and established a range of programs to assist small businesses to expand their trade and export opportunities.

The Export Market Development Grants scheme is a terrific example. The scheme offered financial assistance for small and medium businesses in a wide range of industry sectors and products. The scheme reimbursed up to 50 per cent of eligible export promotion expenses above $10,000, provided that the total expenses were at least $20,000, and it provided up to seven grants to each eligible applicant.

To boost business links with Asia, Labor established the Asian century business engagement grants for Australian business organisations to improve links with Asia and help broaden their reach into emerging business centres.

The TradeStart program was another platform to assist small- and medium-sized enterprises to achieve long-term success in international business. The Women in Global Business program was established to provide support to women involved in export related activities, offering networking, training and business assistance to increase female participation in international trade and investment, delivering increased economic benefit and job creation through greater diversity. Labor created the Anti-Dumping Commission within the Australian Customs Service to ensure our anti-dumping and countervailing system was strong and robust. These programs were designed to assist small businesses to be export ready and provide them with the tools they need to grow their business and market opportunities internationally.

It is a shame that Labor's legislative mandate to focus on SMEs was not taken up by the coalition in its re-engineered version of this bill. Indeed, the government has shown in many areas that its rhetoric of support for small business is not matched by action. For example, the Prime Minister and his Minister for Small Business demonstrated the little regard they have for Australia's two million small businesses by removing Labor's small business tax concessions, the tax loss carry-back and the instant asset write-off provisions, plus the special depreciation rules for motor vehicles. This will be a significant cost to small businesses across Australia, with the government cutting more than $5 billion of direct tax assistance. Small businesses employ more than five million Australians and are well placed to increase their productivity and employment with the right policy settings. That ought to be a focus of government. Labor initiated and completed many reforms in government to assist these very
same small businesses, and in opposition we will continue to support changes that better support small business.

This bill changes the definition of an 'eligible transaction' by replacing the words 'capital goods' with 'goods', and repealing the definition of 'capital goods'. This change now enables the Export Finance and Insurance Corporation to provide direct loans in relation to non-capital goods as well as capital goods. Given that only about four percent of Australia's exports are capital goods, the opening up of the remaining 96 per cent of non-capital exports as 'eligible transactions' has the potential to have significant ramifications for the operations of the Export Finance and Insurance Corporation. The government has failed to outline the anticipated increase in the Export Finance and Insurance Corporation activity and estimate the expected increase in loans as a result of the changes proposed in this bill. Further, there is no statement from the government on how this change will impact the Export Finance and Insurance Corporation's risk profile or profitability, and in turn how this will impact on the government's capital and other funding arrangement with the Export Finance and Insurance Corporation.

The second substantial amendment affected by this bill is to expand the competitive neutrality provision in the Export Finance and Insurance Corporation Act to encompass all of the Export Finance and Insurance Corporation's operations. Currently, such provisions only apply to short-term insurance contracts. In practice, this is an outdated theoretical provision as the Export Finance and Insurance Corporation now lists only medium-sized insurance as a product. Previously, however, when it did provide short-term insurance contract products, the Export Finance and Insurance Corporation made tax-equivalent payments of $2 million in the 1999-2000 financial year and $0.8 million in the 2000-01 financial year. This amendment was recommended by the Productivity Commission and was included in Labor's lapsed bill.

As a government corporation, the Export Finance and Insurance Corporation is currently exempt from a number of Commonwealth and state taxes. This exemption has the potential to give the Export Finance and Insurance Corporation a competitive advantage over private sector lending institutions. In its 2012 inquiry report, the Productivity Commission recommended that the Export Finance and Insurance Corporation should pay a tax-equivalent charge and a debt neutrality fee in order to ensure that the Export Finance and Insurance Corporation's activity on the commercial account complies with competitive neutrality arrangements. This bill, similar to Labor's prior bill, implements this recommendation. Once implemented, the Minister for Trade and Investment will be able to inform the Export Finance and Insurance Corporation in writing of applicable debt neutrality charges or guarantee fees. This will in turn raise revenue for the Commonwealth. Again, however, the government has not provided any additional information on such estimated revenues.

In conclusion, although we are disappointed with the lack of scope and vision in the government's re-engineering of a lapsed Labor bill, Labor does support this Export Finance and Insurance Corporation Amendment (Direct Lending and Other Measures) Bill 2014. We support economic growth through trade and through our small- and medium-sized businesses. These amendments, when coupled with the promised government direction to the Export Finance and Insurance Corporation to focus on SMEs, have the potential to have a positive impact on exporting small- and medium-sized businesses.

Debate adjourned.
Reference to Federation Chamber

Mr COULTON (Parkes—The Nationals Chief Whip) (12:20): I declare that the Export Finance and Insurance Corporation Amendment (Direct Lending and Other Measures) Bill 2014 be referred to the Federation Chamber for further consideration.

Customs Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014
Customs Tariff Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014

Second Reading

Cognate debate.

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

Ms PLIBERSEK (Sydney—Deputy Leader of the Opposition) (12:21): Labor supports the passage of the Customs Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014 and the Customs Tariff Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014. These bills are an important part of the implementation process of the Japan-Australia Economic Partnership Agreement. Labor supports stronger trading relations within our region and the world. Former Labor trade ministers Simon Crean and Craig Emerson contributed to the progress of negotiations on this trade agreement with Japan. Those negotiations were part of Labor's embrace of our region. The former Labor government's 'Australia and the Asian Century' white paper mapped out the opportunities and the challenges for Australia in our region. It is a bit hard to find the white paper these days—the incoming government junked key white paper initiatives and banished the document itself from the website of the Department of Prime Minister and Cabinet—but anyone who can get a hold of a copy will appreciate the seriousness with which the former government embraced the task of preparing this nation for the coming Asian century.

In relation to trade, the white paper identified the following pathways to help navigate our way: 1) working persistently to reduce barriers to trade and investment through existing multilateral and regional forums such as the World Trade Organization, the G20, the Asia Pacific economic cooperation forum, the Association of South-East Asian Nations and its free trade agreement partners and also through bilateral arrangements; 2) working towards a free trade agreement for the Asia Pacific region by encouraging competitive liberalisation and regional agreements through our ongoing participation in negotiations for the Trans-Pacific Partnership Agreement and participation in negotiations for the Regional Comprehensive Economic Partnership; 3) promoting rules of origin in trade agreements that lower business compliance costs and facilitate trade; 4) assessing the benefits of joining the Pacific Alliance of Chile, Colombia, Mexico and Peru as part of our efforts to position Australia as a connecting rod between Latin America and Asia; 5) working to increase access for Australian investment in Asian markets; 6) continuing to advocate market based reforms in Asia that promote stable, efficient and open financial markets, for example through further work towards the establishment of direct trading between the Australian dollar and the Chinese renminbi in mainland China; and 7) supporting efforts towards complementarity of financial market regulations within the region to open up market opportunities, for example through
APEC's financial market integration efforts including the Asia region funds passport initiative.

These pathways were part of a whole-of-government plan to encourage and support Australian businesses operating in and connecting with growing Asian markets. The white paper notes that Australian businesses and their employees can be big winners from the Asian century with new and expanding opportunities for our miners, our manufacturers, our farmers and our service providers. It notes, however, that Australian businesses—no matter how competitive—cannot participate in the Asian century if they are locked out of markets. That is why in addition to pursuing multilateral and plurilateral agreements, the former Labor government was committed to concluding high-quality bilateral trade agreements with South Korea, China and Japan amongst other trading partners. The key phrase here, of course, is 'high-quality'.

In the assessment of many the Japan-Australia Economic Partnership Agreement fails to meet that test. In almost every area of activity cynicism about what this government is doing is warranted. The conclusion of bilateral trade agreements negotiated according to arbitrary time lines and concluded to coincide with available photo opportunities are no exception. Australian industries were short-changed to facilitate an announcement of the conclusion of negotiations on the Japan-Australia Economic Partnership Agreement during the Prime Minister's visit to Japan in April. That is not just a Labor observation. The National Farmers Federation, the Minister for Trade's old employer, said that the agreement … falls short of the mark. It does not improve or marginally improves market access and terms of trade for a number of sectors such as dairy, sugar, grains, pork and rice. Australian Pork Ltd described the agreement as 'substandard and a missed opportunity'; canegrowers called it 'another kick in the guts for Aussie cane growers'; the Ricegrowers Association was extremely disappointed; the Australian Dairy Association observed 'our words fell upon deaf ears'. These judgements are from industry organisations that rely on governments to advance their trading interests abroad.

After time to review the full agreement and the opportunity for inquiry and report by the Joint Standing Committee on Treaties, Labor and many others have formed the view that, on balance, the agreement is in the national interest. Labor welcomes the modest market access concessions it achieved. These concessions represent a crack in the door for many exporters, especially for Australia's premium agricultural products and our advanced, high-quality service sector. The Japan-Australia Economic Partnership Agreement will enable Australian exporters to establish and build strong quality and reliable brand names in households throughout Japan. This will be crucial in order to hold on to the first-mover advantage provided by this agreement. We know that other competitors, including Canada and the European Union, are negotiating their own preferential bilateral trade deals with Japan. The agreement with Australia includes favourable review mechanisms and most-favoured nations provisions, which hold promise for wider and deeper market access. We urge the government to proactively utilise these mechanisms to gain further market access to Japan, especially for those export sectors dudged by the Abbott government in its haste to announce a deal.

Labor welcomes the liberalisation in investment agreed to in the Japan-Australia Economic Partnership Agreement. Lifting the Foreign Investment Review Board's threshold to over $1 billion for non-sensitive investment from Japan treats Japanese investment the same way as
non-sensitive sector investment from the United States, New Zealand and South Korea. Australia has always relied on foreign capital growth. Lifting the threshold for Japanese investment is a good thing. What is not a good thing is the government's pandering to the National Party by lowering the Foreign Investment Review Board's threshold for agricultural land and agribusiness. It is simply unrealistic to think Australia can scale up to the level needed to meet demand for our premium agricultural products without the help of foreign investment. Additional barriers to investment do not encourage additional investment.

Labor welcomes the absence of an investor-state dispute settlement provision in this agreement. In contrast to other agreements negotiated by the minister over recent months, the Japan-Australia economic partnership agreement does not provide foreign investors with greater rights than domestic investors. Labor strongly opposes the inclusion of investor-state dispute settlement provisions in investment in trade agreements. We note with some concern the investor-state dispute settlement review mechanisms embodied in them. It is difficult to understand why the signing of a future agreement with another country containing investor-state dispute settlement provisions should trigger a review of Australia's agreement with Japan.

Last week the government announced that it had concluded negotiations on a preferential agreement with China that unfortunately includes investor-state dispute settlement provisions. Pursuant to the terms of our agreement with Japan, Australia must commence a review within three months following the date the Australia-China agreement enters into force with a view to establishing an equivalent investor-state dispute settlement mechanism under the agreement with Japan. This is most regrettable. The folding of the Abbott government on investor-state dispute settlement provisions in the Korea-Australia free trade agreement, and now in the China agreement, has not been warmly welcomed by the Australian community. It is clear that such provisions, notwithstanding the inclusion of so-called safeguards, are not desirable and present significant risks.

The Gillard government showed global leadership in this area in 2011 when it announced that it would not agree to provisions in investment and trade agreements that confer greater rights on foreign businesses than domestic businesses or provisions that constrain the ability of the government to make laws on social, environmental and economic matters. Labor has not supported a private senator's bill in this parliament that sought to grow the treaty making powers of the executive. But no sensible government can or should ignore the concerns of many Australians, including the Chief Justice of the High Court of Australia, regarding investor-state dispute settlement provisions.

Today Labor again urges the Abbott government to rethink its decision to include investor-state dispute settlement provisions in trade agreements. In relation to the Japan-Australia economic partnership agreement, we caution against the backdoor introduction of investor-state dispute settlement through the agreement's review provisions. A future Labor government would exercise Australia's right as a party to the agreement to propose the excision of any subsequently included investor-state dispute settlement provisions.

In relation to the movement of people provisions in the Japan-Australia economic partnership agreement, Labor is disappointed by the lack of balance and reciprocity between the parties, specifically with respect to contractual service providers. As with the Korea-Australia free trade agreement, the government has given up the right to undertake labour
market testing ahead of granting 457 visas to categories of foreign workers. These visas allow foreign residents to work temporarily in Australia. In most cases, there is a requirement for labour market testing to demonstrate local skills shortages. We are particularly concerned about the government's decision to deny itself the capacity to undertake labour market testing with respect to contractual service providers from Japan.

Good trade agreements should support and create jobs for Australians. Australians should have the opportunity to fill job vacancies where they have got the capacity to do the job that is required. Exemptions from labour market testing in this and other agreements do not support that objective. No doubt we will get some assurance from the government that the Japan-Australia economic partnership agreement will create more jobs for Australians and no Australian worker will be displaced as a result of the exemption from labour market testing. If that is the case, we ask the government to put in place measures to more accurately track visa entrants based on trade agreement provisions, including exemptions from labour market testing requirements. This will allow us to more accurately measure their impact and devise future policies that better support Australian businesses and workers.

I want to say a few words about the China-Australia free trade agreement announced by the government last week. While we welcome the finalisation of long-running negotiations, Labor is concerned that the deal struck by the government to meet its self-imposed timetable will deliver sub-optimal outcomes. We cannot make an assessment of the quality of the agreement because the government has not seen fit to release the text. Consistent with recent tactics from a government that is well versed in political spin, all we have seen is a bunch of press releases and glossy pamphlets. Last month my colleague Senator Penny Wong, the shadow minister for trade and investment, set out clear benchmarks for a high-quality free trade agreement with China. We will closely examine this deal against those benchmarks. We urge the government to release the text of the agreement so that Labor, the parliament and the Australian community can assess its quality.

Japan and Australia have a good, strong and stable relationship. We welcome the opportunities provided by this economic partnership agreement to further build on that relationship. We have been reliable trading partners for many decades. In 2013 Japan was our second largest trading partner, with two-way trade valued at $70.8 billion. We are also reliable investors. Japan has been a long-term investor in Australia, with investment stock of $131 billion at the end of 2013. This investment has been critical to enable Australia to capitalise on the demand for our resources and provide jobs and economic growth.

Australia has also invested in Japan, with Australia's stock of investment in Japan at $50 billion at the end of 2013. Japan is Australia's second largest agricultural market, with approximately $4 billion in exports in 2013. Australia's agricultural industry is significant for Australia's future economic and job growth. Currently the red-meat sector alone employs more than 200,000 workers, most of whom are in small local government regions. Dairy is forecasting jobs growth in excess of 6,000 skilled workers next year. Australia is the first major agricultural exporter to conclude an economic partnership agreement with Japan. This gives Australian exporters a real competitive advantage.

Japan is also Australia's second largest partner for non-agricultural goods, with over $42 billion in export trade in 2013. This agreement opens the way for significant export growth and jobs in these sectors. On services, this agreement opens the door to expand service
exports to Japan—in particular, legal, education, telecommunications and financial services. Australia's service sector employs four out of every five workers. So we believe that the government could and should have secured a more comprehensive and inclusive agreement with Japan. Nevertheless, we believe that, on balance, this agreement with Japan provides benefits to Australia and is in the national interest. We support the Japan-Australia economic partnership agreement and we support the bills before the House. This support is not however without reservation. For the reasons I have outlined, I move:

That all words after 'That' be omitted with a view to substituting the following words: 'whilst not declining to give the bill a second reading the House urges the government to:

(1) not agree to any inclusion of investor state dispute settlement provisions in the Japan-Australia Economic Partnership Agreement;

(2) enact policies to ensure that Australian workers benefit from jobs growth created under the Japan-Australia Economic Partnership Agreement; and

(3) utilise the review mechanisms in the Japan-Australia Economic Partnership Agreement to seek further market access gains, especially in agriculture.'

The DEPUTY SPEAKER (Mr Goodenough): Is the amendment seconded?

Dr Chalmers: I second the amendment.

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

Mr HUTCHINSON (Lyons) (12:37): It gives me great pleasure to rise in this debate on the Customs Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014, and cognate bill, and speak on what truly was a historical agreement for this nation. In a past life, I spent nearly 14 years working for a Japanese owned trading company in Melbourne. I have spent a lot of time in that country over the years. I have many friends and colleagues there and have done a lot of business there over many years, mainly within the wool industry. This agreement truly is ground breaking.

I acknowledge the work that Minister Robb did with the South Korean free trade agreement—prior to the announcement of the Japan-Australia Economic Partnership Agreement. That was, indeed, an agreement of some note as well. If we are being brutally honest, it was about playing catch-up cricket, I suppose, with our competitors in that space—countries like New Zealand and the United States which had a distinct advantage. Let's make no mistake: we are competing as a nation, as an agricultural exporter, with countries like New Zealand and the United States. The agreement with South Korea was indeed noteworthy from the point of view that it set in place an opportunity for Australia to compete on a level playing field. Let's make no mistake about this: this was the single most protected agricultural importing market in the world, bar none, and we broke through. Minister Robb broke through.

I thought for a minute there that I was in a parallel universe. Those opposite had six years. There were white papers and there were media releases, but there was no agreement. Nothing happened, and they had six years in government. Member for Sydney, for goodness sake, I come from a regional area of Australia. The member for Sydney mentioned dairy. I will make
one comment about dairy. Yes, they did not quite get everything they wanted—that has been well and truly made up for in the recent China agreement, mind you—but they got concessions, and one of the things that they got concessions for was cheese. Lo and behold, my state of Tasmania exports 95 per cent of all the dairy products we produce and much of it is cheese. The tariff free quota on cheese into Japan has increased enormously—so we are not complaining.

For six years we stood there and nothing happened. We were committed, but we were living in a parallel universe and nothing happened. It is about time and we are getting on with it. Did we get everything we wanted? No, we did not. But that is what happens in negotiations. You never get everything you want. I commend Minister Robb and all of those people who did magnificent work. And rice was mentioned rice. Even my 15 year old knows that rice is sacrosanct in that market. If there were one agricultural commodity that was not going to get through, it was likely to be rice.

Make no mistake, this is a huge win for our nation. Whilst the Korea-Australia Free Trade Agreement was catch-up cricket, this was groundbreaking stuff with one of our most important customers. Indeed, Japan is Australia's second largest trading partner. As a result of a historic economic partnership agreement which was signed in April this year, more than 97 per cent of Australia's exports to Japan will receive—and here is the key word—'preferential' access or enter duty free when the JEPA is fully implemented. We are competing as a nation and we are an exporting country.

I touched briefly on dairy. The member for Corangamite—who sits here—also comes from a state where they manufacture dairy products. I think the majority of Australia's dairy products are manufactured in the state of Victoria. So, whether it be the by-products of milk powder, the proteins and different things—all of which now have preferential access into that important market—or whether it be dairy and the cheeses that I mentioned previously, whilst they did not get everything they wanted, they were all advantaged enormously there.

There are a number of things I could talk about. I could talk about, for example, the education services and the cooperation that will undoubtedly come with, for example, the University of Tasmania and the excellent research capacity that that the Japanese have in Antarctic research. I have no doubt that, as a result of these collaborative arrangements, and the Japan-Australia Economic Partnership Agreement, we will see further collaboration as a result.

My state is not a big producer of wheat, but we do produce a lot of malting barley—and indeed some very fine beer to go along with that malting barley. But what I wanted to focus on particularly, though, was beef and the benefits for the beef industry from this agreement. I do not believe there are too many beef cattle in the member for Sydney's electorate. But, nevertheless, beef was unanimously hailed as a success out of the Japan-Australia Economic Partnership Agreement. Significant concessions have been given upfront—and this is very important. Whilst the tariffs do reduce over a period of time, we have got substantial reductions in tariffs for beef.

When I look through this agreement, it could have been the Tasmania-Japan free trade agreement, because the benefits are there for seafood and the benefits are there for beef. Indeed, we have a Japanese owned feedlot in Tasmania that I know as a result of this agreement is planning to expand its commodity lines. Who do we compete with there? We
compete with the United States. We are an expensive country, and there are the freight challenges that we have out of my state, and all of a sudden the feedlot in Tasmania is looking to compete with US beef into the Japanese market with frozen product. Their primary product, of course, is high-value chilled product. That is the main game for this country and certainly for my state of Tasmania. We do not have the scale of Queensland, notwithstanding the terrible drought they are having there at the moment, or the Northern Territory but we can put high-quality branded grass-fed and grain-fed beef into a very important market like Japan. It is not a particularly attractive issue, but the concessions granted on offal are significant as well.

The member for Sydney in her contribution acknowledged the most favoured nation status that Japan has given Australia in this agreement. What does 'most favoured nation' mean? It means that if at any time in the next few years the United States or any similar competitor to Australia exporting into the Japanese market get a better or more substantive agreement we can revisit our agreement immediately. These are well-negotiated and significant concessions, and again I commend the minister for the work he has done. This truly is a groundbreaking agreement. It has been a long time in the making—it started under John Howard, but for a while after that there seem to have been a parallel universe, in terms of the contribution of the member for Sydney. Nevertheless, this is something that we should as Australians celebrate. This is the second of three substantial agreements that this government has been able to negotiate since coming to government. Did we get everything we wanted? No, we did not. Will this be of substantial benefit to our nation, that is an exporting nation, and will it put more money in the pockets of farmers in the electorate that I represent? Absolutely—and that is the ultimate test. Yes we have to get behind a whole range of other initiatives that, again, the government was concerned about in respect of the Export Finance and Insurance Corporation Amendment Bill, which we debated prior to this bill—allowing, for example, not just cows to access insurance but also the product that those cows produce, milk. That is pretty important as well. So there are some practical changes that the government is making.

This agreement is a game changer. After the announcement was made I sent an email to a number of colleagues I had worked with in Japan many years ago just to get their feedback. The press in Japan was very positive about this. Make no mistake, Japan has made enormous concessions—it has been a very protected market for a very long time. The thing that the Japanese customers and consumers were looking forward to most was being able to buy more Australian beef—and some of that beef will be Tasmanian. That is a wonderful story. I thank the House for the opportunity to make a contribution today.

Dr CHALMERS (Rankin) (12:49): The Customs Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014 and Customs Tariff Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014 implement the Japan-Australia Economic Partnership Agreement, and we are also debating the amendment moved by my colleague the member for Sydney. We have had some very distinguished visitors to this chamber and to our country in the past 12 months or so, some of them associated with the G20 that has just finished, but it is important to recall the visit of Japanese Prime Minister Abe to this chamber earlier on during this parliament because he did bring a very welcome message to Australia about the deepening of economic and defence ties between our two democracies. There were some light moments in that speech, as there were in some of the
other speeches given by esteemed leaders in this place, but that fundamental message about
closer economic ties was a message our whole nation could appreciate. That is what we are
talking about in the context of this agreement. As my colleague said, we have a number of
reservations but we do support the agreement that the government has struck with the
Japanese.

The agreement is the second of the three significant trade negotiations that Australia
concluded this year, the others being with Korea and China. Colleagues on both sides of the
House have mentioned those agreements and it was appropriate that the member for Lyons
mentioned the work of the trade minister. Whether you agree with every aspect of every
agreement, they are hard work for the people associated with them. I want to pay tribute in
particular to the DFAT officials, the PM&C officials and the Treasury officials—Australian
patriots who work on these agreements over a long period, certainly longer than the life of
any of the last couple of governments. They do put in long hours to bring these agreements to
fruition, so I want to pay tribute to them. I also want to pay tribute to the six years of work
done by my esteemed predecessor in Rankin, Dr Craig Emerson, along with Simon Crean and
also Richard Marles for the role that they played in these agreements.

Throughout the life of at least the last three Labor governments we championed freer trade,
because that is consistent with Labor principles and it is consistent with our approach to
growing the economy and creating jobs here in Australia. We do appreciate that average
Australian families are major beneficiaries of freer trade because of cheaper consumer goods
and greater access to a diversity of products from right around the world. Free trade also helps
us to develop stronger international ties culturally and economically, which makes for a far
more dynamic and resilient economy. In that context, a trade agreement with Japan is an
important stepping stone for Australia.

Honourable members are aware of some of the statistics about the trade relationship. Let
me just touch very briefly on some of those. Japan is already Australia's second-largest
agricultural export market, worth about $4 billion last year. It is also our second-largest
market for non-agricultural goods—something like $42 billion worth in 2013. Our trade
surplus with Japan was a bit over $28 billion in 2013, which is second only to our trade
surplus with China. Exporters have historically faced, and currently face, higher tariffs into
Japan, with agricultural tariffs of up to 219 per cent currently being levied. As it stands, Japan
is a big market for Australia. There are some really good foundations of that relationship, but
we hope and expect to see this agreement build on that economic relationship to the benefit of
Australians.

When it is implemented, Australia will become the first major agricultural exporter to enter
into a bilateral agreement with Japan. This gives Australia what the aficionados call 'first
mover advantage' over our competitors. It means Australia will be able to develop a whole lot
of relationships and have greater presence with Japanese consumers before some of our global
competitors can. It also means Australian exporters will have access to preferential tariff
arrangements that our competitors in New Zealand, Canada, the US and the EU will not
necessarily have. On top of that, the inclusion of a most favoured nation provision means that
we will maintain that first mover advantage even as other nations enter into agreements with
Japan. Any tariff cuts that Japan gives our competitors in the future will automatically flow
through to Australia as well.
It is worth touching on some of those tariff advantages that Australia will enjoy as a result of the Japan-Australia Economic Partnership Agreement. More than 97 per cent of our exports to Japan will enter duty free or will receive preferential access when the agreement is fully implemented. It entirely eliminates tariffs on all of our current minerals, energy and manufacturing exports. Given that LNG, coal and iron ore are currently Australia's top three exports to Japan, this will be a big benefit to the resources industry. In the services sector the agreement guarantees Australian service providers outcomes equal to or better than the best commitments Japan has made in any of its other agreements. There are a range of ways that that will be important. Japan will maintain levels of access for Australian legal service providers, financial service providers and telecommunications companies, and Japanese students will also become eligible for certain government scholarships to study at a university in Australia, which is also very important.

In the investment space, the decision to raise the Foreign Investment Review Board screening threshold for non-sensitive sectors should be interpreted by Japan as a sign that Australia is keen for Japanese investment here. In agriculture, as my colleague said, we do think it would have been possible to secure a more comprehensive and inclusive agreement. Despite all of the other benefits I have mentioned, it is the case in some areas—acknowledged by the member from the opposite side of the House—that there have been some exclusions from the deal. We acknowledge some good aspects, including the abolition of tariffs on milk products, wine, seafoods, lamb, beer, wool, honey and cotton. We also acknowledge that Australia will become the only nation with a preferential tariff on beef, which will be a good head start for the Australian beef industry. Tariffs on beef and pork will be reduced, but they will still be in place even in 18 years time, which is not an ideal outcome.

The agreement does not contain tariff reductions, as others have mentioned, for processed or high-polarity raw sugar, which makes trade with Japan more difficult for the sugar sector. As a result of these weaknesses, the agreement has been criticised by a number of industry groups, which we should note in this place, including the NFF, the canegrowers associations, the Australian dairy industry, the Ricegrowers' Association of Australia and Australian Pork. As part of the amendment moved by the Deputy Leader of the Opposition, we have called on the government to work harder to seek further market access gains, especially in those agricultural areas.

As well as sharing the agricultural sector's, or part of the sector's, concerns with the market access outcomes in parts of the agreement, the opposition also has concerns around labour market testing requirements under the Japan-Australia agreement. We do believe that Australians should have the opportunity to fill job vacancies where they have the capacity that is required to do the job. This is a really important point, even for those of us who support the agreement. This is a crucial point worth noting. We are concerned about the government's decision to deny itself the capacity to impose labour market testing on contractual service providers from Japan under the 457 visa program. Section 457 visas allow foreign residents to work temporarily in Australia. In most cases, there is a requirement for labour market testing to demonstrate those local skills shortages, as is appropriate.

This agreement provides that Australia will permit Japanese nationals to perform certain categories of work temporarily in Australia without any requirement for labour market testing to assess whether the work can be performed by Australian residents first. These categories
include the traditional business visitors, intracorporate transferees and investors, as well as the contractual service suppliers. We believe, on this side of the House, that the government should retain labour market testing or comparable safeguards on temporary migration, and that is another reason why we have moved our amendment.

One of the major issues identified in the very good JSCOT committee report on the Japan-Australia Economic Partnership Agreement was non-tariff barriers. A common view held by businesses who currently trade with Japan is that the market is complicated and difficult to work in, with unique trading arrangements. A recent study for the Export Council of Australia, undertaken by Austrade, Efic and the University of Sydney, found that the key barriers to doing business in Japan were licences and standards, local culture and a complex regulatory framework. For example, Japan's sanitary and phytosanitary protocols are exceptionally high, even by Australia's very stringent standards.

Apple and Pear Australia reported that despite the tariff reductions on Australian apples, only nine per cent of apples grown in Australia are able to be exported to Japan. In particular, all apples grown on the Australian mainland are prohibited, making tariff reductions meaningless for many of those growers. As it stands, only Tasmanian apples may be exported to Japan. These, we feel, are overly stringent non-tariff barriers. They can make gains from trade very difficult for affected industries.

The agricultural sector is not the only one to have to deal with a difficult regulatory framework in Japan. The Financial Services Council have also indicated the need to simplify regulations, including their desire for a licensing mutual recognition arrangement. Action to address non-tariff barriers to trade between Japan and Australia was one of the key recommendations put forward by the JSCOT when they examined this treaty. The government needs to do as much as it can, even more than it is currently, to resolve the non-tariff barriers to trade between Australia and our trading partners, including Japan.

I have argued in this place previously that we need to evaluate trade agreements on balance and not on the basis of one very specific part of an agreement or another. In trade, as in business, as in all fields of life, not every deal is a perfect deal, which means that Labor is always committed to closely scrutinising the outcome of all of the Abbott government's trade negotiations. As policymakers and as parliamentarians we do have a responsibility to be hard headed and to seek an agreement which is, on balance, in the best interests of Australians, whether that be our businesses, our workers or both.

Despite our concerns about labour market testing and a less than ideal outcome in the agreement for parts of the agricultural sector, Labor will be supporting the Japan-Australia Economic Partnership Agreement. In doing so, we acknowledge that bilateral FTAs will never be the ideal way to go about trade liberalisation, for those of us who believe in trade globalisation, and I think that was a point made very well by colleagues on both sides of the House in that important JSCOT report. The best progress is multilateral and an approach that addresses both the tariff and non-tariff barriers to trade. But, in an environment where multilateral momentum has stalled, bilateral and regional FTAs do play an important role as 'stepping stones to multilateral agreements', as my colleague Senator Wong has described them.

The Japanese academic Takashi Terada has described this as the 'domino approach' to regional integration in a piece for East Asia Forum, which is a tremendous source of
information and commentary on these matters. He and other trade academics are excited by the prospect that the trade deal signed between Japan and Australia will lead other countries to feel an incentive to strike deals and agreements with the two countries. So, really, the writing is on the wall for the US and others to obtain similar benefits as a result of negotiations for any proposed Trans-Pacific Partnership Agreement. This means that one of the most profound effects of the JAEPA could be, in an ideal world, the regional and multilateral progress we see as a result.

Labor is supporting the agreement and the bills before the House today. We have noted our concerns about labour market testing and the non-tariff barriers to trade. But, on balance, we will be supporting the deal for three key reasons. The first is that the agreement will likely create economic growth and jobs for Australians; the second is that it will give Australian exporters first-mover advantage over our competitors; and the third is that it will ideally lead the way for further regional and multilateral trade progress into the future.

Mr McCormack (Riverina—Parliamentary Secretary to the Minister for Finance) (13:03): It is a pleasure to follow Dr Jim Chalmers, the member for Rankin, who in a past life was chief of staff to the immediate past Treasurer and who succeeded Craig Emerson in the electorate of Rankin. He acknowledged Dr Emerson's work in getting these trade agreements through, and I too acknowledge the former member's work in this regard. I will admit also that my friend the member for Rankin was Executive Director of the Chifley Research Centre after leaving Wayne Swan's office and then was preselected for Rankin. That is a bit of history for you on Dr Chalmers.

The Chifley Research Centre is replicated in the National party by the Page Research Centre, and the Page Research Centre, in conjunction with Senator Matthew Canavan—who is doing some fine work for Queensland as a Nationals senator—has republished this book in recent times, John McEwen: His Story. This relates to the legislation before the House, and it is historically important, because John McEwen helped to forge Australia's first relationship with Japan as far as trade is concerned. I will just read from this little 86-page book, about when Black Jack McEwen went to Japan and helped to forge that first relationship. He writes:

The circumstances that had made Britain and Australia such big customers for each other's products were being repeated with the Japanese. In addition, under the terms of the peace treaty following World War II, Australia was obliged to make some move in favour of trade with Japan. We decided to have a go at negotiating a trade treaty with Japan. The negotiations were complicated by our obligations under the General Agreement on Tariffs and Trade.

Now, it would not have been easy for Black Jack to help forge a relationship with Japan, particularly at that time, when there was a lot of hostility—understandably—from many Australians towards the Japanese following the atrocities perpetrated on prisoners of war during the Second World War, between 1939 and 1945. There was a lot of racial intolerance towards the Japanese over what had been perpetrated on Australian soldiers, Australian nurses and Australians in general. Black Jack fought through that, realising the great potential there was in having a trade treaty with Japan—and full credit to him.
Similarly, this government has forged another trade agreement with Japan. The Customs Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014 and the Customs Tariff Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014 are good pieces of legislation, and it is with pleasure that I speak on these bills. The economic partnership agreement between Japan and Australia established earlier this year by the Prime Minister and the minister for trade, Andrew Robb—who is doing a fantastic job, an absolutely fantastic job—is a groundbreaking trade deal. It will drive economic growth and continue to build and to develop stronger trading relationships in Asia.

Collectively with the Korea-Australia and China-Australia preferential trade agreements—I prefer to call them preferential trade agreements, because they are not totally free trade; if they were, rice and all these other things would be included—the Japan-Australia economic partnership agreement forms a powerful trifecta and positions Australia as a major partner to these three economies, which are powerhouse economies both in our region and globally. Indeed, the three trade agreements with South Korea, China and Japan, negotiated and concluded by the coalition government this year, are the most comprehensive trade deals ever achieved by Australia in Asia. Together these three economies represent more than half of Australia’s exports. Not only will all Australians benefit from this landmark agreement with Japan but regional Australia in particular will be a substantial benefactor. I represent the seat of Riverina, which will be a winner from these trade agreements, the Japanese trade agreement in particular. Australia and Japan concluded negotiations in April this year during the Prime Minister’s historic and highly successful visit to North Asia. He conclusively signed the agreement with Japanese Prime Minister Shinzo Abe during Mr Abe’s visit to Australia on 8 July.

Japan is an economic heavyweight. John McEwen recognised that. Tony Abbott recognises that. Japan has a population of almost 127 million people now, a rapidly growing middle class and the third-largest economy in the world, and it is our second-largest export market. This partnership agreement with Japan represents enormous new opportunities and an expansion of current trading relationships for Australian producers, farmers and exporters. This is the most ambitious trade deal Japan has concluded with any nation whatsoever. It is the first time that Japan has signed a trade deal with another major agricultural country—and it is with Australia. It is a remarkable achievement, particularly for Australian farmers, for Riverina farmers.

Australia will benefit from major concessions across a wide range of areas, most notably in agriculture but also in education. A domain of traditional sensitivity for the Japanese is agriculture. This agreement will give Australian primary producers and exporters a significant competitive advantage by expanding current access to new Japanese markets. It eliminates high tariffs on a wide range of Australian exports. It will see more than 97 per cent of Australia’s exports to Japan either receive preferential access over our global competitors or enter duty free when the agreement is fully implemented. This agreement positions Australia to capitalise on providing produce and services to an exploding population across Asia, which is expected to grow from 600 million to more than three billion people within the next 15 to 20 years. This economic partnership is an important step forward in our trade relationship with Japan, but the establishment of trading agreements with South Korea and China are a significant advancement for diplomatic relationships in the wider North Asia region. Building
stronger trading relationships with Japan will have profound effects on local job creation, will lead to greater market certainty and will secure a positive future for Australia's economic growth.

Australia's agriculture sector is world class. We all know that. We should be extolling the virtues of Australian agriculture at every possible step. We all should—on both sides of the House—because Australia's agriculture is the very best in the world. We produce more than we can consume at home. About two-thirds of our domestic agricultural production is exported overseas, as it needs to be. We need trade agreements. We need to help the balance of payments. To reduce the barriers we face in major agrifood markets overseas we do need these sorts of trade agreements. Our competitors in the United States of America, Canada, New Zealand and Brazil, for example, will not have the level of access that we have negotiated, that Andrew Robb has negotiated.

This is a major win for our beef producers. Under this agreement the frozen-beef tariff will be reduced from 38.5 per cent to 19.5 per cent over 18 years and that for fresh/chilled beef will go to 23.5 per cent over 15 years. This is an excellent outcome in our largest market for beef, with a trade valued at close to $1.5 billion last year. I know how much the Minister for Agriculture, Barnaby Joyce, has pushed our beef—pushed the live cattle, pushed the chilled boxed beef—at every opportunity. We are making great strides in that area. Meat and Livestock Australia forecasts that, as a result of the Japan-Australia Economic Partnership Agreement, sales will jump by $5.5 billion over the next 20 years. Importantly, unlike our competitors, Australia will never again have to face Japan's 50 per cent snapback tariff on beef.

Similarly, we have also negotiated good export outcomes on dairy, wheat, malt/barley, sugar, seafood, oilseeds, wine and a whole host of other agricultural goods. It is great news. A large number of these horticultural products are produced in the Murrumbidgee and Coleambally irrigation areas in the Riverina. I actually have some of the irrigators sitting in my parliamentary office here in Canberra now. I know that they are very excited about the prospects that these sorts of trade arrangements have for themselves, for the local producers whom they represent.

In citrus—oranges—the 16 per cent tariff faced by Australian exporters in our peak exporting season will be eliminated over 10 years under this economic partnership agreement. What great news, absolutely fantastic news, for Griffith, for Leeton, for Coleambally, for Hillston, for Narrandera, for all of those great citrus-producing areas in the Riverina!

With dairy there are new market access opportunities in a heavily regulated industry, with a complete network of World Trade Organization quotas and domestic laws and quotas controlling all aspects of production and importation. However, Japan is one of Australia's most important dairy markets and Australia is Japan's largest supplier. Our exports were valued at $452 million last year, including $372 million of cheese, which faces tariffs of up to 29.8 per cent. Under the new partnership agreement dairy exporters will be able to access a new Australia-only duty free cheese quota for natural cheese for processing, growing from 4,000 tonnes to 20,000 tonnes, and also for cheese for shredding, growing from 1,000 tonnes to 5,000 tonnes. That is good news.

For a company trying to resurrect its original 1921 locally made and handcrafted cheese-producing facilities, this agreement is just the kind of incentive, just the kind of opportunity,
that Coolamon Cheese Company in my electorate, would be looking for and could potentially benefit from. The Coolamon Cheese Company is expected to open mid next year and will see the creation of 12 to 15 full-time jobs in Coolamon. That might not sound like too many to the member for Kingsford Smith, who is sitting opposite, although he has been to my area and he knows that for little towns 15 jobs is a huge number. The multiplier effect from that is massive. Coolamon Cheese Company will produce handcraft boutique cheeses under the guidance of Australia's most experienced cheesemaker, Barry Lillywhite, and will be an icon for the Riverina. I am sure the member for Kingsford Smith will enjoy some of that product when I bring it in after the factory opens mid next year.

Mr Thistlethwaite: Look forward to it!

Mr McCormack: 'Hear, hear,' I hear the chamber say! Wine exports to Japan were worth an estimated $42 million last year. Australian wine is currently at a disadvantage to Chilean wine. Under their partnership agreement with Japan, Chile secured tariff elimination over 12 years. It is a great result for Australian wine producers, such as De Bortoli and Casellas, in the Riverina that the 15 per cent tariff imposed on our wine will be eliminated over seven years under this agreement. When I bring the member for Kingsford Smith some Coolamon cheese, I will have to bring him some Riverina wine as well!

Honourable members interjecting—

Mr McCormack: You can hear that the chamber is so excited about the prospects of this for small Riverina farmers!

Our grains—including wheat, barley and sorghum—and their milling products are one of Australia's biggest agricultural exports to Japan, worth $770 million last year. Wheat on its own was worth $356 million, making Japan our fourth largest wheat market. Wheat is so important. It is so critical to the Riverina. Whilst we normally want rain—and lots of it—because there is money in mud, at the moment we just want dry and clear skies because our farmers are busy stripping. Riverina farmers on their headers listening to this broadcast know how valuable and good our wheat is in the Riverina—and elsewhere.

Japan's grain trade is highly regulated. While there are relatively low tariffs on grain, there are complex tendering arrangements, WTO quotas, duties and other mark-ups. Outside this quota system, wheat for food and feed faces prohibitive tariffs when quotas have been met. Under the economic partnership agreement, Australian grain growers will exclusively be able to immediately export wheat and barley for feed duty free outside of the existing quota system as well as have streamlined export arrangements for some Australian wheat varieties. This is another win for Riverina grain growers. With the rise of a bulging middle class across Asia, Australian growers have a premium product for a premium market which poses little threat to local regional growers across Asia, so crucial to economic growth in developing nations. This
partnership agreement with Japan presents increased opportunities for Australian producers, who will inject high-quality products into new and existing markets.

By establishing and building upon our existing strong trade relationship with Japan, this coalition government is achieving results. Farmers, industry and regional Australia can only get stronger and better because of what we as a government are doing. We are kicking goals. We are doing what we said we would do. We are getting access to these rich Asian markets. I commend the trade minister, Minister Robb, for what he has done to forge these relationships. I can only commend these bills to the House. They are very important. They are certainly important for Australian farmers. When Australian farmers are strong, so too is our nation.

Mr THISTLETHWAITE (Kingsford Smith) (13:18): I look forward to the wine and cheese night next year in the parliamentary secretary's office! I support the passage of these bills, the Customs Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014 and sognate bill. This is enabling legislation which gives effect to agreed reductions in tariffs and rules-of-origin agreements under the Japan-Australia Economic Partnership Agreement. I support the passage of these bills because they liberalise trade. They will create greater access to a very large and growing market in Asia for Australian producers. In turn, that will create jobs.

However, that is in respect of this enabling legislation. In terms of the wider Japan-Australia Economic Partnership Agreement, I and the Labor Party have reservations, particularly in relation to the elements related to access to the Australian labour market. Under this agreement, access to the Australian labour market by Japanese labour will be liberalised in the form of the removal of and reduction in some of the guarantees and protections that are currently in place for Australian labour through labour market testing prior to Japanese or any other labour being introduced into the Australian market. I will have more to say on that in a moment.

I support these bills because they encourage greater access to markets. They will create jobs in Australia. This legislation will give Australian exporters increased access to the Japanese market and a 'first mover' advantage over key competitors such as New Zealand, Canada, the United States, the European Union and others who are seeking further market access in Japan.

In the past, Australia's trade relationship with Japan has focused on energy and resources. In 1957 Australia and Japan signed an agreement on commerce which designated Japan as a 'most favoured nation'. As a result of this agreement and the resultant increased ties with Japan, Australia benefited greatly. In the late 1960s, Japanese investment and vision helped to develop the Western Australian iron ore industry. In turn, Japan benefited from access to Australian iron and coal, supercharging its industrialisation and economic boom in the 1960s. Trade between our two countries would go on to increase four-fold from the mid-1970s through to the 1980s. This is a wonderful example of trade liberalisation resulting in benefits, economic growth and job creation for both of our economies. Our economic partnership has continued to grow, with Australian exports to Japan doubling from $24 billion in 2001 to $50 billion in 2011.

Labor has strongly valued the work to bolster Australia's economic relationship and ties with Japan. It was between 2008 and 2013, under Labor, that the majority of the negotiations—the heavy lifting, if you like—for this agreement were conducted. In addition,
to a large extent, Labor is responsible for laying the groundwork necessary for Australia and Japan to come together and reach this agreement.

In October 2012, the Labor government released the *Australia in the Asian century* white paper, designed to ensure we had the very best chance at maximising the opportunities of large-scale growth in the Asian region. The white paper included a comprehensive examination of five key areas: strengthening the economy, particularly through stronger trade relations; building capabilities; connecting with growing Asian markets; building sustainable security; and developing deeper and broader relationships.

It is good to see that vision outlined by Labor in the Asian century white paper being brought to fruition in this agreement. Growth in two-way trade between Australia and Japan has also coincided with the diversification of products and services that passed between our countries. Today, Japan is Australia's second largest agricultural market for Australian agricultural products, with approximately $4 billion exported in 2013. Australia's agricultural industry is significant for our nation's future and for jobs growth. Currently, the red meat sector alone employs more than 200,000 workers, most of whom are in small local government regions. Dairy is forecasting jobs growth in excess of 6,000 skilled workers next year.

Japan is also Australia's second largest market for non-agricultural goods, with over $42 billion in 2013 being traded with Japan. This agreement opens the way for significant export growth in jobs in these sectors. But the agreement on the whole, not specifically the legislation that we discussed today in terms of tariff reductions, does have some misgivings and shortcomings, and it is not without its detractors. Labor believes that the government should have done more to secure a more comprehensive and inclusive agreement with Japan. The agreement is being criticised by a number of industry groups and organisations whose job it is day to day to represent Australian businesses who are looking to secure greater access to markets in Asia, particularly Japan. The president of the National Farmers' Federation, Brett Finlay, was quoted in *The Sydney Morning Herald* on 8 April, saying: 'The agreement does not improve, or only marginally improves, market access in terms of trade for a number of sectors, such as dairy, sugar, grains, pork and rice.' The canegrowers association, the Australian dairy industry, Ricegrowers' Association and Australian Pork Ltd also had a few choice words for this agreement earlier this year.

The largest reservation that I have and the great disappointment about this agreement is the reduction in the liberalisation of protections put in place to ensure Australians have first access to Australian jobs. This agreement provides that Australia will permit Japanese nationals to perform certain categories of work temporarily in Australia without the requirement for labour market testing to assess whether the work can be performed by Australian residents. That is something that does not have the support of the wider Australian community. All Australians believe that, given that we have large youth unemployment in particular regions throughout Australia and an unemployment rate that is growing in our nation, Australians should have first access to jobs, particularly jobs in some rural and regional communities through which these will be based. To remove elements of labour market testing—the requirement for employers to advertise locally first, to test the market in a local economy before advertising and before going to foreign labour to fill vacancies—does not wash with the Australian public. It is a great deficiency in this agreement. I only hope that
this is not the thin end of the wedge, and Labor waits with bated breath to see what has been negotiated in terms of the details with regard to the China free trade agreement. Some of the categories that will be allowed greater access to the labour market and where the labour market testing rules will be relaxed include traditional business visas, intercorporate transferees and investors, and contractual service suppliers. Labor is disappointed that the agreement does not maintain policy space for labour market testing conditions, particularly for contractual service providers, which cover a whole host of industries throughout Australia.

Labor does agree with the Joint Standing Committee on Treaties report on the Japan-Australia economic agreement, including its conclusion, to support the implementation of this agreement, and JSCOT’s concluding comments, which state: 'The Japan-Australia economic partnership agreement will give Australian exporters significantly improved market access in goods and services, eliminating or sufficiently reducing tariffs on a wide range of Australian goods exports, including beef, natural cheese, wine, horticulture and energy resources and products. It will guarantee equivalent or better market access than Japan has provided any other trading partners in key areas of commercial interest to Australian service providers, including education, financial, legal, telecommunications, engineering and other professional services.'

That is why I support the passage of these bills. That is why Labor supports the passage of these bills—for the benefits that they will bring to those industries and those exporters in Australia. Nevertheless, we reserve our rights to oppose the wider agreement in respect of what has been negotiated by the government relating to labour market testing and the relaxation of those conditions in Australia, which unfortunately may see Australians miss out on job opportunities, particularly in rural and regional areas.

By supporting these bills, Labor will ensure Australian industry gets the earliest possible access to first mover reduced tariffs on goods exported to Japan and new market access for services. Labor has for many years recognised the great opportunities that will continue to present themselves in the Asian region and has worked hard to highlight the importance of harnessing these to further enhance jobs and growth for the Australian economy.

Labor supports these bills but exemplifies our commitment to labour market testing and the ideals contained in that. I want to congratulate and put on record my congratulations to the people who do the heavy lifting with these trade agreements, and they are notably the staff of the Department of Foreign Affairs and Trade. Credit also needs to be given to former trade ministers, in particular Craig Emerson and Richard Marles, for their work in bringing this economic partnership agreement and these bills to fruition.

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

STATEMENTS BY MEMBERS

Australian Broadcasting Corporation

Ms ROWLAND (Greenway) (13:30): Yesterday in question time we had the unedifying spectacle of the Prime Minister giving us a demonstration in lying about lying. We all know that the night before the election the Prime Minister promised the Australian people that there would be no cuts the ABC and no cuts to the SBS. Those opposite were elected on this
platform of no cuts the ABC or the SBS. They have betrayed that trust with their local communities.

That promise was made by a Prime Minister looking straight into the camera in Penrith in Western Sydney. No amount of hand wringing, petitions against oneself, letters to Mark Scott or feigned indignation from the front and back bench of those opposite is going to change the fact that they have ripped half a billion dollars out of the ABC and the SBS after being elected on a promise not to make any cuts. All of those opposite are guilty of inflicting these cuts that was see, amongst other things, 400 ABC employees lose their jobs; the Adelaide ABC production studio close; regional ABC posts in Wagin, Morwell, Gladstone, Port Augusta and Nowra shut; Radio National's Bush Telegraph cease; and the Newcastle afternoon show axed. There will be no more state specific 7.30 program. Women's sport is cut. Those opposite can have an ABC that is nothing more than a glorified Twitter feed if they like, but Australians want diversity of content. They want Australian stories and they want our ABC protected.

(Time expired)

Page Electorate: Alstonville Public School

Mr HOGAN (Page) (13:31): It is always a highlight when you have a local school visit Parliament House. I had a special highlight today because not only did the Alstonville Public School visit Parliament House but the Alstonville Public Primary school band also played in the Great Hall in Parliament House. It was a fantastic performance. This assistant principal, Kirstin Beck, conducted the band. They had teachers Luke Miller and Helen Mooney there. They only got off the bus from home at 6.30 this morning. They then helped launch the Christmas season at parliament, which was officiated by the Speaker of the House of Representatives, Bronwyn Bishop, and the President of the Senate, Senator Stephen Parry.

They played a number of songs: True Colours, which was fantastic; Rule the World; and Rock U Melody. Mrs Beck also got us to dance to Eye of the Tiger. They did their teachers, their parents and our community proud with a wonderful performance in the Great Hall. They are visiting again tomorrow to have a tour. There are two other schools here tomorrow from my electorate: the Westlawn Public School will be here as well, with teachers Robyn Anders and Brendan Alford and parents Michelle Price and Anthony Elward. Then in the afternoon, the Yamba Public School will also be visiting with teachers Mary Hogan—I do not think she is related to me, but we will check—and Craig Paul and support teacher Megan Bell. It was a great pleasure today.

Australian Broadcasting Corporation

Mr CONROY (Charlton) (13:33): Yesterday we learned that 1233 ABC Newcastle has been decimated by this government. Because of their budget cuts, we will lose Helen Clare, Carol Duncan and their teams who produce quality radio shows that speak to and about our community. Most importantly, our community will suffer because this will have an impact on the station's ability to provide emergency coverage.

Nobody from Newcastle, Lake Macquarie or the Central Coast will forget the devastating bushfires that ravaged our region in October last year. In my electorate in Minmi and in Wyee, families were evacuated and traffic diversions put in place. It was the local ABC radio that kept us informed of where evacuation centres were, when it was safe to return home and what the impact was on our environment and on our towns. It was the local ABC radio that
provided a space for the outpouring of community spirit. They harnessed the generosity of the people that live in the Hunter and helped coordinate donations for those who had been forced to flee their homes and who had lost so much.

It is in times of disaster that we see the best in our communities and 1233 ABC Newcastle is a vital part of ours. To see it gutted by this government is devastating. The government is hurting the people of the Hunter region and they should be ashamed. They made a solemn election eve promise of no cuts to the ABC. It is the people of the Hunter and the great services of the 1233 ABC that suffer because of this lie.

**White Ribbon Day**

Mr WYATT (Hasluck) (13:34): I take seriously my roles as a husband and a father. I know that most Australian men do too. This year, I became an ambassador for White Ribbon, the male-led campaign to end men's violence against women. White Ribbon is about challenging the behaviours of the minority who use or condone violence against women. While these are the views of a minority, family violence is a serious matter. In Australia, family violence is the principle cause of homelessness for women and their children. Family violence is the leading contributor to death, disability and illness in Australian women aged 15 to 44. One in four children see family violence during their childhood, which is a form of child abuse.

This year, I formed the bipartisan group of Parliamentarians Against Family Violence with my colleagues Tim Watts and Andrew Broad. Today, I swore an oath never to commit, excuse or remain silent about violence against women. Almost 140,000 Australians have sworn the same oath and I hope that many more do the same. Good men cannot and will not sit on the sidelines while those they love are at risk of harm. In particular, if we take a stand on a very unified basis, then we can make a difference to the lives of our women in Australia, their children and their families.

**Australian Broadcasting Corporation**

Ms RYAN (Lalor—Opposition Whip) (13:36): It was the eve of the election campaign. There was our would-be Prime Minister. He could see the holy grail. He could taste the prime ministership. Then came the question. He reached for the grail with his final promise: no cuts to the ABC or SBS. He promised one thing and did the opposite. This time, it was the ABC. I want to highlight that the cuts will impact on the televising of women's sport. This will send participation and gender equality backwards.

I want to highlight Minister Pyne's hypocrisy in organising a petition that is best summed up with this contribution in his petition from Arthur Spanos:

Mr Pyne, what is the point of you being a minister in the Federal government if you need to resort to change.org in order to exert an influence on a policy of your own making?

Will you use the same tactic when the university of South Australia increases the cost of a degree?

Mr Pyne the petitioner, we have a message for you today: tens of thousands have signed a higher education petition. I look forward to your capitulation!

**Reid Electorate: Annual Greek Street Fair**

Mr LAUNDY (Reid) (13:37): Earlier this month, I was delighted to join hundreds of people at the annual Greek street fair in Burwood. Dancing performances, live Greek music,
competitions, market stalls and, of course, wonderful Greek food were showcased with typical Greek hospitality.

The event was brilliantly organised by the Greek Orthodox parish community of Burwood and the district to mark the feast day of their patron saint, St Nectarios. It was a fantastic day of sharing Greek cultural heritage and spirit with our wider local community.

All proceeds from the event went towards the projects of the Greek Orthodox parish, including maintenance of its heritage gothic sandstone church, funding of its Greek language school and vital community activities for people of all ages. The parish was first established in 1970 and has been serving the spiritual, cultural and educational needs of my local Greek Australian community since that time.

I would like to congratulate all the volunteers involved in organising the event with particular mentions going to: Chris Syrios, president of the parish community; Christina Efthymiades, secretary of the parish; Father George Liangas, the parish priest, whose lovely family I did meet as well; the ladies auxiliary and all the members of the event on the committee. It was, as always, a fantastic day and I urge everyone in Sydney to try to get along to the fair next year. I know I will. Opa!

Ms BRODTMANN (Canberra) (13:39): I would like to express my concern about cuts to the ABC and the resulting loss of content. Aside from shedding 400 jobs, the public broadcaster is cutting content, and I am particularly concerned about a loss of great local journalism and TV around the country, particularly in rural and regional Australia. The announcement to close five regional radio outposts at Nowra, Wagin, Morwell, Gladstone, and Port Augusta will have an enormous impact on those towns. These local radio stations are often the lifeline of their towns. They allow residents to connect through storytelling where it is often difficult due to distance.

These types of regional radio stations also provide sometimes lifesaving messages to their communities in disasters. I want to know: what will happen in an emergency once these regional outposts are shut down? How will the people of Nowra or Morwell stay safe in a bushfire this summer?

I still can remember how the ABC, here in Canberra, covered the 2003 bushfire disaster and how the Canberra community turned to a known and trusted source in that time of emergency. That is why I stood on the lawns of Parliament House this afternoon, fighting for a cause I believe in.

Our ABC should be an ABC for all Australians, whether they live in Melbourne, Sydney or Gladstone. They deserve the diversity of local content that only the ABC can offer. Australians have a right to feel betrayed by the Abbott government, and I will continue to highlight its broken promises.

Hume Electorate: Gundaroo

Mr TAYLOR (Hume) (13:40): I would like to congratulate the community of Gundaroo on some recent village events which have been a great success. A couple of weeks ago, I was delighted to attend the 150th celebrations of the old Presbyterian church in the village. The church building was a ruin in the 1980s; however, over the past few decades it has been restored by the local church community. As part of the celebrations, there was a community
picnic with old-style games and a brilliant speech delivered by Marion Meischke, Sascha Sheehan and Deborah Colliver which covered significant events in the history of the church.

Last month I also attended the Gundaroo Music Festival, another great day, featuring a range of local and regional bands, and culminating in a performance by none other than Daryl Braithwaite—more my vintage than the next. The music festival is now in its second successful year, thanks to Scott Harding and a team of helpers. The origin of the event is very local. Resident Scott Windsor is a keen musician and was diagnosed with motor neurone disease around 18 months ago, and Scott, with his family and friends, had the idea of creating the event to raise money for, and awareness of, the disease.

I look forward to attending another significant anniversary for Gundaroo in March next year, joining principal Sue Kominek in the 150th celebrations of the Gundaroo Public School. Gundaroo is a great little community. Keep up the good work.

Australian Broadcasting Corporation

Mr STEPHEN JONES (Throsby) (13:42): Last week, we felt that the gold medal for hypocrisy in this place was going to go to the member for Sturt. We thought he was a deadset winner. This guy is the Liberal Party's one-man answer to GetUp! because he said the land speed record in rushing from the cabinet meeting where he stuck his hand in the air and voted for the cuts to the ABC and then rushed back to his electorate to put out a petition against his own government, his own cabinet saying, 'You can cut anywhere you like, but keep the cuts out of my electorate.'

Since that extraordinary display of cabinet solidarity, we have seen an absolute conga line of coalition MPs who have stood up and said these cuts to the ABC, particularly in regional Australia, are an absolute outrage. The problem for them is that they have shown, once again, that those in the coalition are lions in their electorate but they are absolute lambs when they come here to Canberra. One such lamb is the member for Gilmore, Ms Ann Sudmalis, who has written this breathless letter to the CEO of the ABC, calling the cuts and the closure of the ABC's Nowra office absolutely deplorable. Well, I have got a proposition for the member for Gilmore: you can barrack for the fire, or you can barrack for the fire brigade. You cannot do both, or you will end up burning yourself.

Capricornia Electorate

Ms LANDRY (Capricornia) (13:43): It was with much pleasure that I recently hosted our honourable Speaker of the House of Representatives on a visit to Rockhampton. Madam Speaker spent time with Year 12 girls from five high schools as a motivational speaker encouraging young women, and she addressed a business lunch hosted by Capricorn Enterprise.

Madame Speaker also addressed 91 women at a women's breakfast hosted by CQUniversity at its Willby's training restaurant. CQU recently merged with CQ TAFE to become Queensland's first dual-sector university. The meal and service was provided by students undertaking certificate training in kitchen and hospitality duties. During the breakfast $500 was raised for the Zonta breast care cushion program.

Rockhampton's Zonta President, Rosalie Welburn, explained that Zonta volunteers hand-sew special cushions for women who have undergone surgery for breast cancer. The cushions are handed out in local hospitals to women who have had a breast removed and required
immediate support in their breast area. This is a very personal service that Zonta provides to our community.

Nationwide, up to 15,000 are diagnosed with breast cancer each year. The diagnosis and subsequent surgery can have a devastating psychological impact. I commend Zonta for their support of women who are faced with such a predicament.

Australian Broadcasting Corporation
Special Broadcasting Service

Ms CHESTERS (Bendigo) (13:45): Last week, in Bendigo, over 100 people rallied in Hargreaves Mall, at the front of Senator Bridget McKenzie's office, a Nationals member, calling on the government to reverse its savage cuts to the ABC. People in Bendigo signed petitions and stood up and said that they loved their ABC and that they did not support the government's cuts to the ABC and SBS. I was proud to stand on the lawns of Parliament today, with that banner and ready to present to the government. That is representation. It is not representation to be part of a party, to be part of a coalition, that votes in favour of cuts, that is quite complicit as it sits here and agrees with that, and then goes on TV and on radio and says, 'Oh, the ABC shouldn't be cutting services in my electorate. It shouldn't be cutting those services to my constituents.' The ABC has got to cut somewhere. Costs go up.

Those opposite claim to be the government that represents big business, so who is it going to be? You have got part of the government saying, 'Do not shut down the studios in Adelaide.' You have also got part of the government saying, 'Do not shut down the Bush Telegraph.' What is it going to be? Is it going to be the bush, or is it going to be Adelaide? The government need to reverse these cuts. They need to listen to the Australian people. The ABC is not the propaganda arm of the government of the day. The ABC is the people's voice. It is the people's broadcaster. And it is time this government did the right thing and reversed the cuts to the ABC and listened to the Australian people.

Australian Broadcasting Corporation
Special Broadcasting Service

Mr RAMSEY (Grey) (13:46): Yesterday I spoke in the Federation Chamber about the ABC closing down Port Augusta and its withdrawal of service from South Australia. I am transfixed to sit here today—because I spoke about the cuts to the ABC—and listen to speaker after speaker on that side of the chamber now describing a 4.6 per cent cut as a savage cut. This shows they have absolutely no understanding of what businesses throughout Australia are going through. In fact, the ABC is being reduced from $5.5 billion to $5.2 billion over the next five years. That is not a savage cut. Any organisation worth their salt could follow the plan put out by the efficiency review board to identify those easy savings.

Let me point out that this same organisation had the money to send the Q&A show to Indonesia, to China and to India. It has the money to advertise ABC programs on Fox. It is a major sponsor of the Festival of Dangerous Ideas in Sydney. It booked out the Sydney Opera House. That is no cheap venue. I do not exactly know what the rates on the Opera House are at the moment, but I can tell you that it is a lot of money. The ABC had ample room to cut their expenditure, without cutting into regional Australia—one of the few places they fulfil their charter.
Australian Broadcasting Corporation
Special Broadcasting Service

Ms O'NEIL (Hotham) (13:48): It has been just over a year since literally millions of Australians and nearly 100,000 in my electorate of Hotham went to the ballot box and made a decision, as is their democratic right, on who should form government in this country—and they did so based on a number of promises that were made. We heard so clearly throughout the campaign that there would be no changes to pensions, that there would be no cuts to health and that there would be no changes to education funding in Australia. Then right on the night before the election, we had the Prime Minister go on SBS and say in crystal clear language that there would be no cuts to the ABC and the SBS. Over the last year, we have watched each of those pillars of trust being cast aside by this Prime Minister and this government. I have to say that the feeling out in the electorate at the moment is that this promise about the ABC and the SBS is the straw that broke the camel's back. The man who is leading this country cannot be trusted. Nothing that comes out of his mouth can be relied upon by the Australian people.

We know in this chamber that the ABC and the SBS provide very important services, and we have heard a little bit about that today—regional and rural content, the important role that the SBS and the ABC play in delivering emergency services and children's programming—all of these things. But even if you do not think these are important services, the breach of trust at the heart of this unbelievable. Not only are the government lying; but they are lying about lying—and that is what is so disappointing. Front up, prove to the Australian people that you have got some integrity and at least be honest about these cuts. (Time expired)

Free Trade Agreements

Mr BROAD (Mallee) (13:49): Today I rise to talk to the Australian parliament about the China-Australia Free Trade Agreement, the South Korea Free Trade Agreement and the Japan Free Trade Agreement. All these agreements have been very welcomed by the agricultural producers across the electorate of Mallee. We know in the electorate of Mallee that we can produce some of the best fruit and vegetables that can be produced anywhere in the world, and we welcome the opportunity that presents itself through a free trade agreement. We are also very conscious that this opportunity must make its way into reality by delivering good financial policy, good roads and good employment services so that we can make sure that we have got people to capitalise on the opportunities of the free trade agreements.

One of the things in these free trade agreements which I am very proud of is that we have made provision within them to lower the limit for agricultural land purchases from $248 million to $15 million. I look forward to being part of a government that brings this to fruition. We must have a register of land ownership for Australian agricultural land. We must lower that threshold to $15 million. We must broaden the skill set of the Foreign Investment Review Board so that they have a passion for making sure that Australians can sell their product, instead of selling the farm, and we must increase compliance and prosecutions for those who seek to step outside that. A good agreement, a good export opportunity and Australians being able to capitalise on that agreement instead of selling our land is what this government is committed to delivering.
Indi Electorate: Victory Lutheran College

Ms McGOWAN (Indi) (13:51): I am delighted today to welcome students of Victory Lutheran College to the Parliament of Australia. These students are from all over my electorate but particularly from Wodonga, the beautiful Yackandandah and the especially wonderful Indigo Valley. The vision of Victory College is to build a Christian community devoted to developing the whole child—a learning community, a spiritual community, a celebrating community and a prophetic community. Victory College in 2015 will have over 670 students and 80 staff and so it plays a major role in my community, providing education from P right through to year 12.

I have been delighted to be a guest at the college on a number of occasions and recently meeting the members of the school board and the Lutheran Parish Council. I would like to congratulate Mr Cain McDonald, the principal, and the Lutheran community of Wodonga for their fantastic effort in establishing this school. To the students of this college: I hope today sets a really strong foundation for your involvement in politics and being part of the wonderful democracy that is Australia.

Domestic Violence

Mrs PRENTICE (Ryan) (13:52): I rise today to speak about the scourge of our society—domestic violence. It is a blight on our country. It is unacceptable that nearly half of the Australian population has experienced violence since the age of 15.

I have been a proud member of Zonta for many years and we are running a determined campaign called 'Zonta Says No' to help combat violence against women on an international scale. Since 1923 Zonta International has been striving to end violence against women by increasing the level of non-discriminatory education, guaranteeing women access to resources and representation on the same basis as men, protection of women with one-stop medical, legal and social help and by ensuring perpetrators of violence are held to account.

As well as supporting women in need, Zonta is also providing training and engagement seminars for men as violence against women is not just a women's problem. In Queensland, between January and June this year, 11 women were actually killed as a result of domestic violence. So far in Australia this year, 58 women have lost their lives. We need to be ever vigilant and alert to the level of all forms of domestic violence in our country and, indeed, countries like our nearest neighbours Papua New Guinea, where the situation is one of the worst in the world. It is indeed time to talk more openly and honestly about domestic violence and to say to the victims, 'I believe you.' Zonta says 'no.'

Australian Broadcasting Corporation

Mr FEENEY (Batman) (13:54): Australians were shocked this week to hear that the government had broken yet another promise and proceeded with its plans to attack the ABC, slashing some $200 million from their budget.

This July I assisted and supported the organisation of a public meeting in my home electorate of Batman, bringing together the ABC Friends organisation and members of the community. Literally, hundreds of passionate Batman constituents turned out to voice their opposition to the government's proposed cuts and to voice their support for the independent broadcaster, which has been such a constant in many of our lives.
In addition, I have received innumerable letters, emails and petitions, calling on the government to keep their hands off the ABC budget. The people of my electorate have clearly spoken in support of our national broadcaster. They are very plainly saying to those opposite, ‘This is not what you promised, this is not what we want and we will hold you to account.’ Let’s hope those opposite will finally listen to the Australian people and overturn these cuts, because perhaps the saddest thing of all is that not only has this been a dramatically broken promise, but it has been delivered by a government that refuses to even admit that it has broken a promise—adding insult to injury.

**Hinkler Electorate: School Award**

Mr PITT (Hinkler) (13:55): In 2013 Bundaberg was devastated by flood for the second time in three years. Nearly every home in North Bundaberg was inundated and sustained significant damage.

Yesterday the Bundaberg North State School received a 2014 Resilient Australia Award for its BEAR Plan. The BEAR Plan—Breathe, Exit, Ask, Relax—successfully assisted students to overcome the associated trauma. The school became the hub for physical and emotional support for students and their families. By teaching deep breathing, along with other strategies, such as moving to a safe location, checking their negative self-talk and some relaxing activities, the students became better able to cope in the classroom.

Students were also given teddy bears to help calm them when they became emotionally overwhelmed. Having a school teddy bear for comfort also provided a secure, safe connection. They also received rulers, water bottles, fridge magnets and wrist bands—like the one I am attempting to wear today, but I am not quite the right size, I am afraid—to remind them of the BEAR acrostic. They received the award from the federal Minister for Justice Michael Keenan at a special ceremony at the Australian War Memorial in Canberra yesterday.

I would also like to take this opportunity to thank the minister for visiting my electorate last week. Hinkler residents had the opportunity to discuss the impacts and causes of crime in the community at a forum in Hervey Bay. The event was well attended by Neighbourhood Watch groups, local police, businesses, schools, state and local government representatives. Minister Keenan also met with the Fraser Coast District Law Association and Hervey Bay Chamber of Commerce, as well as stakeholders concerned about the exploitation of workers in the horticulture and tourism sectors.

**Australian Broadcasting Corporation**

Ms RISHWORTH (Kingston) (13:57): Today the outrage from the community continues about the cuts to the ABC. Not only is there outrage about the cuts and outrage about the broken promise, but there is outrage about the hypocrisy of those on the other side who want to protect their local community but who also sanction the cuts wholeheartedly. Of course, one of those is the member for Sturt whose hypocrisy is in full flight. He thinks that the South Australian people are silly enough to not realise and see through his game. But they do.

Indeed, you only have to go to his own petitions to see some of the comments. First, Sharlene: ‘Talk is cheap, Mr Pyne—no cuts to the ABC or SBS.’ Then there is Elizabeth: ‘The irony of this situation is that Mr Pyne is part of the problem but he wants to be exempt from the consequences. Christopher Pyne needs to persuade the cabinet to reverse these ABC cuts.’ My favourite is from Twitter; it sums up his hypocrisy the best: ‘Petitions are fun. That’s why..."
I am asking you to sign my petition to myself—asking me to petition me about cuts we're making to the ABC. Quite frankly, it is time for Christopher Pyne, the member for Sturt, to stand up in Cabinet and actually vote against these cuts—and not just go to change.org to try to make a change, because that is not going to work.

Victoria State Election

Ms HENDERSON (Corangamite) (13:58): Last week it was a great pleasure to join Victorian Premier Denis Napthine at the opening of the Waurn Ponds Police Station in South Barwon SES. Just up the road is the new Waurn Ponds train station—yet another example of how the Victorian government is delivering across the Geelong region.

This Saturday there is a stark choice. A re-elected Napthine government will build the East West Link and deliver nearly 7000 jobs during construction. State Labor will shut it down and destroy those jobs. State Labor is also intent on harming local beaches and our precious environment on the Bellarine; its Bay West port plan to blast Port Phillip Heads and dredge the bay will do irreversible environmental damage. Over the past four years the Napthine government has built a strong and prosperous economy, delivered surplus budgets and Victoria is the only state with a AAA credit rating. State Labor and Daniel Andrews, with their insidious links to the CFMEU, will send our state backwards. Member for South Barwon, Andrew Katos, and Liberal candidates Paula Contell, Tony McManus and Ron Nelson are working hard to build a better Geelong. Better schools, better local hospitals, a bypass for Drysdale, a $35 million redevelopment of GPAC, funding for a new convention centre are some of their local commitments.

To build a better Geelong and a better Victoria, I urge all Victorians to get behind—

The SPEAKER: It being two o'clock, in accordance with standing order 43, the time for members' statements has concluded.

CONDOLENCES

Whitlam, Hon. Edward Gough, AC, QC

Debate resumed on the motion:

That the house record its deep regret at the death on 21 October 2014 of the Honourable Edward Gough Whitlam AC, QC, former Member for Werriwa and Prime Minister, and place on record its appreciation of his long and highly distinguished service to the nation and tenders its profound sympathy to his family in their bereavement.

The SPEAKER (14:00): The question is that the motion moved by the Prime Minister be agreed to. I ask all honourable members to signify their approval by rising in their places.

Honourable members having stood in their places—

Question agreed to.

The SPEAKER: I thank the House.

MINISTERIAL ARRANGEMENTS

Mr ABBOTT (Warringah—Prime Minister) (14:01): I inform the House that the Minister for the Environment will be absent from question time today to attend a funeral. The Minister for Industry will answer questions on his behalf.
Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:01): My question is to the Prime Minister. On the night before the election, 'somebody' was interviewed on SBS and made the following statement: 'No cuts to education. No cuts to health. No change to pensions. No change to the GST, and no cuts to the ABC or SBS.' Prime Minister, no-one will now own up to making that statement. Does the Prime Minister have any idea who said this?

Opposition members interjecting—

The SPEAKER: We will have some silence. The Prime Minister will resume his seat. We have had a question asked. We will now be silent while we listen to the answer.

Opposition members interjecting—

The SPEAKER: The Prime Minister has the call—and that includes the member for Wakefield, unless he wants to leave straightaway. The choice is yours.

Opposition members interjecting—

The SPEAKER: The Prime Minister has the call. And, if the member for Jagajaga wants to be first out, she will keep it up too. The Prime Minister has the call.

Mr ABBOTT (Warringah—Prime Minister) (14:02): Of course I made that statement.

Opposition members interjecting—

The SPEAKER: If there is any more of that clapping, those people who clap will leave.

Opposition members interjecting—

The SPEAKER: There will be silence for the question to be answered.

Opposition members interjecting—

The SPEAKER: That includes the member for Chifley. The Prime Minister has the call.

Mr ABBOTT: Members opposite claimed that the deficit was going to be $30 billion at that time. That is what they claimed. Of course it came in at closer to $50 billion. Under circumstances like that—

Opposition members interjecting—

Government members interjecting—

The SPEAKER: I know it is near the end of the year, but we have two weeks of this, so both sides of the House will stop the chit-chat across the chamber and we will hear the answer of the Prime Minister.

Mr ABBOTT: Under the circumstances that we subsequently found ourselves in, it was important to make sensible savings, and that is exactly what we are doing. Why is it fair—

Opposition members interjecting—

The SPEAKER: The member for Batman will leave under 94a.

The member for Batman then left the chamber.

Mr ABBOTT: Why is it fair to exclude the ABC from the kinds of efficiency savings—
Opposition members interjecting—

The SPEAKER: The member for Parramatta will join him, under 94a.

The member for Parramatta then left the chamber.

Mr ABBOTT: that every other government entity is subject to? The Leader of the Opposition asks about who said what. Who was asked yesterday: 'You cannot criticise though if you are not in a position to say that you would reverse the cuts if you were in the same position?' Who was asked that? After a whole lot of obfuscation—

Opposition members interjecting—

The SPEAKER: The member for Griffith.

Mr ABBOTT: someone was asked would you reverse the cuts if you took office?

Opposition members interjecting—

The SPEAKER: The member for Sydney will desist.

Mr ABBOTT: Who was that? Did someone say 'Backstabber Bill'? No-one could have said that, because that would have been out of order. But what does he say? He says: 'We don't think the cuts need to be as deep as they are.' That is what he said. What a hypocrite! What a fraud!

Mr Burke: Madam Speaker—

The SPEAKER: Has the Prime Minister concluded his answer?

Mr Burke: Madam Speaker—

The SPEAKER: The Prime Minister has concluded his answer.

Mr Burke: Madam Speaker—

The SPEAKER: The Manager of Opposition Business on a point of order? It had better be a proper one.

Mr Burke: It is. In the management of the House, the technicians do not turn off a member's microphone until you give another member the call. You have consistently refused to give the call on any point of order until you think the Prime Minister might have finished, and then you give the call. It makes the concept of raising a point of order irrelevant.

The SPEAKER: The member will resume his seat. There is no point of order.

Trade with China

Ms LANDRY (Capricornia) (14:06): My question is to the Prime Minister. Will the Prime Minister inform the House how the China-Australia free trade agreement will boost growth and create jobs in the red meat and livestock sector, including in my electorate of Capricornia?

Mr ABBOTT (Warringah—Prime Minister) (14:06): It is great to have a question from the member for Capricornia, the beef capital of Australia, which I was pleased to visit just the other day. This government has delivered over the past 12 months. The carbon tax is gone. That is a saving of $550 for the average Australian household. We have all but stopped the boats and that means that lives are being saved. We are building the roads of the 21st century and that is giving the people of Australia who would otherwise be stuck in traffic jams their
lives back. And we are getting the budget back under control because that means that taxes can be cut.

Almost nothing that this government has done will make as much difference to the long-term future of our country as the China-Australia Free Trade Agreement. Again, I congratulate the Minister for Trade and Investment for his extraordinary work. This free trade agreement will be good for jobs, good for consumers and good for growth, and it sets up our country for the future. The Howard government started it, and the Abbott government has delivered it. It is good for jobs, it is good for consumers and it is good for our exports.

The OECD says that beef will become the fastest growing import into China. As China becomes more middle class, its diet will become more middle class. Under the free trade agreement, beef tariffs, currently up to 25 per cent, will, when it is fully implemented, drop to zero. The 12 per cent on beef offal will be entirely gone; sheepmeat tariffs of up to 23 per cent will be gone too; and the 10 per cent tariff on live cattle exports to China will be gone as well once the free trade agreement is fully implemented. It is no wonder that Meat & Livestock Australia said:

The Australian red meat and livestock sectors will benefit by $11 billion from the elimination of tariffs negotiated under the China-Australia Free Trade Agreement.

Opposition members interjecting—

Mr ABBOTT: All these people shouting—you would think they would be pleased. Meat & Livestock Australia also said:

Few other initiatives pursued by the Australian Government could do more to improve supply chain returns than a true free trade agreement with China.

Opposition members interjecting—

The SPEAKER: There will be silence on my left, particularly the member for Hotham.

Mr ABBOTT: I guess all this shouting means that members opposite are against it—that is the only conclusion we can come to.

Mr Dreyfus interjecting—

The SPEAKER: The member for Isaacs!

Mr ABBOTT: Trade means jobs; freer trade means more jobs—that is why free trade agreements are at the heart of our agenda for a strong and prosperous economy.

The SPEAKER: It is impossible to hear answers being given in this place with the cacophony coming from my left. It is to cease. If it means a whole lot of people have to be removed in order for that to happen, so be it.

Australian Broadcasting Corporation

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:09): My question is to the Prime Minister. I refer the Prime Minister to his previous answer, in which he blamed the state of the budget for breaking his promises about the ABC. On 13 August last year, in answer to the following question, 'The condition of the Budget will not be an excuse for breaking promises?’, does the Prime Minister, Tony Abbott, recall saying, 'Exactly right. We will make—we will keep the commitments that we make.'
Mr Hockey: Fixing your mess!

The SPEAKER: The Treasurer will desist, as will the Leader of the House.

Ms Plibersek interjecting—

Mr ABBOTT (Warringah—Prime Minister) (14:10): The Deputy Leader of the Opposition says that we had PEFO. Well, they said that the deficit would be $30 billion; it turned out to be closer to $50 billion—

Ms MacTiernan interjecting—

The SPEAKER: The member for Perth will desist.

Mr ABBOTT: so, under the circumstances under which we now find ourselves, it is necessary for the ABC to face the kind of savings search which every other part of government is subject to. The Leader of the Opposition thinks there is something wrong with finding savings in the ABC.

Mr Shorten interjecting—

The SPEAKER: The Leader of the Opposition has asked his question and will desist.

Mr Perrett interjecting—

The SPEAKER: The member for Moreton is warned!

Mr ABBOTT: Who said yesterday, 'We don't think the cuts need to be as deep as they are'? Who said yesterday, 'We wouldn't be making the same cuts'?  

Ms Macklin interjecting—

The SPEAKER: The Prime Minister will resume his seat, and the member for Jagajaga will leave under 94(a). The Manager of Opposition Business on a point of order.

Mr Burke: Madam Speaker, I raise a point of order on direct relevance. There is no way the material that the Prime Minister has just turned to can be directly relevant to the question that was asked.

The SPEAKER: There is no point of order.

Mr ABBOTT: This is someone who Julia Gillard could not trust, someone who Kevin Rudd could not trust, and now he wants to make trust an issue. Well, I tell you what: the act of faith—

Opposition members interjecting—

The SPEAKER: The Prime Minister will resume his seat. The member for Isaacs on a point of order? We have already had one on relevance.

Mr Dreyfus: Madam Speaker, I raise a point of order. The point of order is under standing order 91(c). We are seeing wilful disregard of the standing orders by the Prime Minister.

The SPEAKER: The member will resume his seat.

Mr ABBOTT: This is an important question and it is an important issue, and when the budget situation deteriorates from what Labor said was a $30 billion deficit to what turned out to be closer to a $50 billion deficit, obviously government has to respond accordingly.

Mr Burke interjecting—
The SPEAKER: The member for Watson is warned!

Mr ABBOTT: All we are doing is applying to the ABC the same kind of search for efficiencies that have been applied to every other part of government. What the Leader of the Opposition is trying to suggest—

Ms Plibersek interjecting—

The SPEAKER: The member for Sydney is warned!

Mr ABBOTT: is that the ABC should be a protected species. Wrong! The Leader of the Opposition—

Mr Perrett interjecting—

The SPEAKER: The member for Moreton will leave under 94(a).

The member for Moreton then left the chamber.

Mr ABBOTT: is trying suggest that the ABC should be a protected species, but he is not even straight about that, because when he was asked yesterday, 'Would you reverse the cuts if you took office?' he replied, 'We don't think the cuts need to be as deep as they are.' So tell us: just what should be cut? What should be cut? And when he was put on the spot he said, 'We wouldn't be making the same extent of cuts to the ABC.' So, there is the difference. Well, what cuts would the Leader of the Opposition be making? If the Leader of the Opposition does not like the savings that the government is proposing, if he wants to be fair dinkum and if he wants to avoid the charge of hypocrisy or even fraud, he should tell us exactly what he has in mind.

Mr Shorten: I just want to table the Prime Minister's hypocrisy—the Prime Minister's lack of fair dinkumness.

The SPEAKER: That cannot be a serious question. It is impossible to table a concept.

Trade with China

Ms O'DWYER (Higgins) (14:15): My question is to the extraordinary Minister for Trade and Investment. Will the minister outline to the House the types of opportunities that will open up for Australian businesses, services and investors in China as a result of the landmark Australia-China Free Trade Agreement?

Honourable members interjecting—

The SPEAKER: I hope the extraordinary Minister for Trade and Investment heard the question, because I did not. You can repeat the question, and there will be silence as we listen to it.

Ms O'DWYER: Thank you, Madam Speaker. My question is to the fantastic Minister for Trade and Investment. Will the minister outline to the House the types of opportunities that will open up for Australian businesses, services and investors in China as a result of the landmark Australia-China Free Trade Agreement?

Mr ROBB (Goldstein—Minister for Trade and Investment) (14:16): I thank the wonderful member for Higgins and congratulate her on her chairmanship of a very important foreign investment inquiry.

Mr Champion interjecting—

The SPEAKER: The member for Wakefield! One more utterance and you are gone.
Mr ROBB: Since the first fleet Australia has relied heavily on foreign investment to drive growth and jobs. However, recently one criticism of important Chinese investment is that it is all one way—that Australian companies cannot invest in China. The free trade agreement concluded last week has seriously begun a process to change all that. Of course, in industrial areas 100 per cent Australian ownership and investment has been possible for some time. For example, BlueScope Steel has got eight wholly owned Australian factories across China in Colorbond and is doing very well.

Importantly, however, the free trade agreement opens up such investment opportunities to a wide range of services where Australia excels. For example, Australian aged-care companies will be able to establish one or many aged-care homes, own 100 per cent of these profit-making facilities and take key members of their staff with them under the reciprocal labour arrangements that have been agreed. Similarly, Australian private hospital owners will be able to construct, fully own and operate hospitals across China and also qualify to take advantage of the reciprocal labour mobility agreement. Wholly owned Australian telecommunications companies will be able to supply Chinese domestic multiparty services as well as participate in joint ventures with up to 55 per cent equity to supply online data and transaction processing services. The wholly owned Australian provision of restaurant and hotel owners, travel agencies and tour operators, contract manufacturing services covering a very wide range of manufactured products and Australian construction companies will be exempted from business scope restrictions, allowing them to take a wider range of commercially meaningful projects.

Mr Conroy interjecting—

The SPEAKER: The member for Charlton is warned!

Mr ROBB: As well, Australian insurance providers will be able to enter the market for motor vehicle insurance, a very lucrative market in China, and there are a raft of other restrictions across the financial services sector being given first mover advantage to Australian financial services companies. This is an agreement that will drive a huge transition in the export of Australian services, creating many jobs and serious growth for generations of Australians.

Australian Broadcasting Corporation

Special Broadcasting Service

Mr CLARE (Blaxland) (14:19): My question is to the Prime Minister. This morning the member for Grey referred to the Prime Minister’s now infamous promise of no cuts to the ABC and SBS, and he said:

"That is not the greatest piece of footage I’ve seen … the Prime Minister would wish he hadn't made that exact statement."

Does the Prime Minister agree with the member for Grey and does he now wish he had never made that exact statement?

Mr ABBOTT (Warringah—Prime Minister) (14:19): I dare say the member for Lilley wishes he had not said:

The four years of surpluses I announce tonight …
I wish that a deficit which the Labor Party said was $30 billion had not blown out to almost $50 billion. That is what I wish. I wish it did not fall to me and this government to tackle six years of debt and deficit disaster from members opposite. That is what I wish. I wish that the Leader of the Opposition was more trustworthy. That is what I wish. There are lots of things that I wish for, but above all else—

Opposition members interjecting—

Mr Conroy interjecting—

The SPEAKER: The member for Charlton!

Mr ABBOTT: Above all else, I wish that members opposite had the character and courage of some of their predecessors like Bob Hawke and decent Labor leaders. That is what I wish.

Government members interjecting—

The SPEAKER: There is too much noise on my right as well.

Mr ABBOTT: As for my good friend the member for Grey, he and I are pretty well always on a unity ticket, and I can certainly agree with him.

Mr Pyne: I rise on a point of order. The member for Lilley's behaviour during that answer was utterly appalling. He called the Prime Minister every name under the sun and he should be required to withdraw it. He should be required to withdraw the unparliamentary statements that he made.

Ms Burke: I rise on the same point of order. If the Leader of the House is going to point to people's behaviour on this side then maybe he should look at his colleagues' behaviour on the frontbench as well. This, as you well know, was a two-way street, and maybe the member for Dickson might want to out himself as well for his appalling behaviour during that.

The SPEAKER: I have to say that a further member in the chamber indicated unparliamentary language on the part of the member for Lilley. Did the member—

Honourable members interjecting—

The SPEAKER: I think the answer is that the member for Lilley will withdraw.

Mr Swan: I withdraw.

Honourable members interjecting—

The SPEAKER: The Minister for Health says he said nothing unparliamentary.

Honourable members interjecting—

The SPEAKER: Enough is enough. If the Minister for Health would simply say to the House that he will always conform with the standing orders, that would be a good start.

Mr Dutton: Madam Speaker, in your presence I will always do my best.

Australian Broadcasting Corporation

Ms McGOWAN (Indi) (14:23): My question is to the Minister for Agriculture. The agriculture sector relies on programs such as the ABC's Bush Telegraph to connect, inform, educate and prosper. For the sector to take advantage of the economic opportunities that will exist under the recent free trade agreements, producers, manufacturers and city based distributors need to connect and be connected around Australia. Minister, would you please
ask the ABC board to consider the needs of regional Australia when developing programs to replace Bush Telegraph?

Mr JOYCE (New England—Minister for Agriculture and Deputy Leader of The Nationals) (14:24): I thank the honourable member for her question and note that obviously the ABC is an integral part of regional Australia. And of course the ABC, like every other department, has had to deal with the curse of the Labor Party and the curse that was delivered to us by a budget where, the member for Lilley told us, there was going to be an $18 billion deficit—an $18,000 million deficit, which is quite extraordinary. What we actually got delivered was a $48 billion deficit—a $48,000 million deficit.

Ms Ryan interjecting—

The SPEAKER: The member for Lalor!

Mr JOYCE: And by reason of that, of course, there have been pressures all through the budget. But it was brought about by those who sit opposite. It was brought about by them. Of course, if they were able to manage the economy then we would not have to be dealing with these issues.

Mr Conroy interjecting—

The SPEAKER: The member for Charlton will leave under 94(a).

Mr JOYCE: But we are dealing with these issues, and I apologise on their behalf to the member for Indi for the appalling management of the other side. And of course we will stay in close negotiation with Mr Scott. Mr Scott has full responsibility for what happens as regards how he deals with the cuts brought about by an appalling Labor economic management. And we will do our very best to make sure—

Mr Fitzgibbon interjecting—

The SPEAKER: The member for Hunter is warned.

Mr JOYCE: that the best outcomes are found for regional people, despite this appalling management that was a curse of the previous government, led by the member for Lilley and ably assisted by all those opposite.

Resource Exports

Dr SOUTHCOTT (Boothby) (14:25): My question is to the Minister for Industry. Would the minister inform the House of the benefits to the Australian resource industry of the Australia-China Free Trade Agreement?

Mr IAN MACFARLANE (Groom—Minister for Industry) (14:26): I thank the hardworking member for Boothby for his question and thank him for his strong and steady commitment to the resource industry in South Australia. He knows, as most people in this chamber know—perhaps not so many on that side, but certainly everyone on this side knows—that a strong and growing resource sector is an important part of having a strong and growing economy providing jobs, particularly in his state of South Australia.

The historic China FTA builds on the back of the Korea and Japan FTAs, and I have to congratulate the fantastic Minister for Trade for what he has done with these. He has done in a year what that side could not do in six. In fact, in his first months he did more than they did in
six. He got one away almost straight up, and of course since then he has completed the
trifecta. And the burden of tariffs on the Australian resource products, including iron ore,
coal, copper, aluminium, zinc, nickel and uranium, will now be eliminated as a result of the
successful negotiation of the China FTA. The three per cent tariff on coking coal and
remaining minerals commodity tariffs will be immediately eliminated, and the six per cent
tariff on thermal coal will be gone within two years—an absolutely fantastic effort but, most
importantly, an effort that will create greater viability for those industries in Australia, and
that means greater job security.

On full implementation, all resource exports will enter China duty free—incredible access
for an industry that exports $75 billion worth of minerals and $10 billion worth of energy
commodities to China annually. This incredible access is welcome news for many leading
Australian resource companies, such as BHP Billiton, Rio Tinto, Fortescue, Newcrest and
Woodside. And the news has also been very welcomed by organisations such as the Minerals
Council. The Minerals Council described the agreement as a 'watershed achievement in
Australia's relationship with China' which will 'eliminate tariffs that add nearly $590 million
in costs to the bilateral minerals and energy trade’. The Australian Mines and Metals
Association, in a similar vein, said that the FTA will:
… strengthen our bilateral engagement and provide further momentum for the resource industry to drive
the Australian economy, create jobs and improve living standards.

And that is what good government is about.

Coming up to the end of our first year in office, I will say that along with the FTA we
scrapped the mining tax and the carbon tax. (Time expired)

Australian Broadcasting Corporation

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:29): My question is to the
Prime Minister. On the night before the election the Prime Minister promised that there would
be no cuts to the ABC. We now know that that is not true: Morwell's regional radio post shut,
the Bush Telegraph silenced, the Victorian edition of 7.30 cut. How many Victorians will lose
their jobs because of the Prime Minister's broken promise?

Ms Butler interjecting—

The SPEAKER: The member for Griffith is warned.

Mr ABBOTT (Warringah—Prime Minister) (14:29): Madam Speaker, how can the
Leader of the Opposition be complaining when he supports the cuts? He supports cuts. He
was asked yesterday: would you reverse the cuts if you took office? And he said, 'We do not
think the cuts need to be as deep as they are.'

Mr Burke: Madam speaker, I rise on a point of order: direct relevance. In this question
time, under direct relevance, the Prime Minister has been allowed to throw any abuse he
wants at the questioner.

The SPEAKER: The member will resume his seat. On the question of abuse, there is
more than enough of it in this chamber today. The Prime Minister has the call.

Mr ABBOTT: The Leader of the Opposition just said across the table, 'You will find out
where our cuts are when we come to government.' That is exactly what he said. What
incredible arrogance. He was asked yesterday: would you reverse the cuts if you took office?
Ms King interjecting—

The SPEAKER: The member for Ballarat.

Mr ABBOTT: And he said, 'We do not think the cuts need to be as deep as they are.' So why is it that this Leader of the Opposition supports cuts but will not tell us what they should be?

Mr Shorten interjecting—

The SPEAKER: The Leader of the Opposition does not give instructions in this chamber, I do. The Leader of the Opposition has the call.

Mr Shorten: Madam Speaker, I rise on a point of order. This Prime Minister is now lying about lying.

The SPEAKER: The Leader of the Opposition will withdraw.

Mr Pyne interjecting—

The SPEAKER: The Leader of the House did not have the call.

Mr Pyne: Madam Speaker, I am happy for the opposition to withdraw but the Prime Minister simply repeated what the Leader of the Opposition said, which was that we will find out when they come to government. What he said about the cuts that Labor would make was that we would find out when they come to government. He has slipped up, he should be man enough to admit it and he should withdraw the allegation he made against the Prime Minister.

The SPEAKER: The Leader of the House will resume his seat. The Leader of the Opposition has the call and will withdraw what he said.

Mr Shorten: I withdraw.

The SPEAKER: The Prime Minister has the call.

Mr ABBOTT: The Leader of the Opposition supports cuts because that is what he said to ABC radio but he will not tell us what they are.

Mr Burke: Madam Speaker, I rise on a point of order.

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

Mr ABBOTT: So what is going on here? The truth is that the Leader of the Opposition is simply untrustworthy. As his former colleague Craig Emerson said—

Mr Dreyfus: Madam Speaker, I rise on a point of order. I would again ask you to enforce the standing orders. Under standing order 91(c) we have wilful disregard by the Prime Minister of the standing orders, who has not attempted relevance this question time.

The SPEAKER: That is not correct. The member will resume his seat. We have already had a point on relevance. The Prime Minister has the call.

Mr ABBOTT: Craig Emerson, the former member for Rankin, talking about the Leader of the Opposition—I am quoting from Paul Kelly's book—said he was telling both camps what they wanted to hear. Kelly went on to say:

The distrust between Rudd and Shorten was intense and enduring.

Mr Shorten: Madam Speaker, I rise on a point of order. I just asked: how many Victorians are going to lose their jobs?

The SPEAKER: The member will resume his seat.
Government members interjecting—

The SPEAKER: I will have silence on my right including from the member for Corangamite. The Prime Minister has the call and we will have silence to hear the answer.

Mr ABBOTT: All through question time today and yesterday, the Leader of the Opposition has been talking about trust—

Mr Dreyfus: Answer the question.

The SPEAKER: The member for Isaacs will leave under standing order 94(a).

The member for Isaacs then left the chamber.

Mr ABBOTT: I am talking about trust and this is what Paul Kelly said about the Leader of the Opposition: the distrust between Rudd and Shorten was intense and enduring. The Gillard camp was contemptuous of Shorten—

Mr Brendan O'Connor interjecting—

The SPEAKER: The member for Gorton will join the member for Isaacs.

The member for Gorton then left the chamber.

Mr ABBOTT: considering him weak and duplicitous. Neither side trusted him and neither side revised his view. Well if Kevin Rudd and Julia Gillard could not trust bill Shorten, neither can the Australian people.

Trade with China

Mr PASIN (Barker) (14:34): My question is to the Minister for Agriculture. Will the minister outline to the House what the historic Australia-China free trade agreement will mean for our horticultural and viticultural industries, particularly in my seat of Barker?

Mr JOYCE (New England—Minister for Agriculture and Deputy Leader of The Nationals) (14:35): I would like to thank the member for Barker for his question, a member who is right at the epicentre of the horticultural industry and the biggest citrus-growing area. He has invited me down there to Mt Gambier to see the livestock selling centres. The electorate of Barker also has the Murray land and the river land. But what it is about the seat of Barker is that it is the area where you can turn water into wine. We must remember that it is where the Barossa Valley is and obviously Coonawarra as well. It is good to be able to inform the people from the seat of Barker about some of the benefits that have been brought about by the great work of the trade minister. We are all endorsing the work of the trade minister.

The tariff on oranges will go from 11 per cent down to zero per cent over eight years, so the people in China get the capacity to enjoy our oranges from the seat of Barker. The tariff on grapefruit will go from 12 per cent down to zero over eight years. It was good work by the trade minister and the people of Barker can supply those products. The tariffs on lemons and on limes will go from 11 per cent down to zero. I once more commend the Minister for Trade and the great work he has done to help the people from Barker.

The tariff on grapes—fresh and dried—will go from 11 to 13 per cent down to zero. I am very happy to see the great work the almond company in Renmark has done with one of our fastest growing exports, with the tariff on almonds reduced down to zero to try and grow our economy, to make sure that more money goes back through the farm gate, to make sure that
the mums and dads who suffered under the previous government actually start getting a fair return.

I am happy to see that in the wine industry the tariff on wine for less than two litres will go from 14 per cent down to zero over four to five years. The tariff on wine greater than two litres will go from 20 per cent down to zero over four years and the tariff on spirits and liqueurs will go from 10 per cent down to zero.

You could have actually guessed that this was going to be a good outcome, because Chile got a free trade agreement back in 2006 and they have had a sevenfold increase in their wine exports. Any person who was wise would have been able to look across the Pacific and say, ‘We should do what they are doing.’ But what were we doing instead of looking across to the Pacific? What we had was the Labor Party involved in this nefarious imbroglio of the Labor Party’s leadership, which has been ably discussed by the Prime Minister, and chopping and changing between leaders. Instead of looking at Chile they looked at the East Timor solution, where they forgot to tell East Timor about it. Instead of looking across at Chile and seeing what they were doing, the Labor Party had the computers in schools program with a $1.4 billion blow-out. Instead of looking across at Chile to see what they were doing, so we could get a better return to our farmers, they were worried about set-top boxes. Do you remember that—$350 for a set-top box when you could buy it from Harvey Norman for $168? They were not looking across the Pacific; they were just looking at themselves.

Australian Broadcasting Corporation

Ms PLIBERSEK (Sydney—Deputy Leader of the Opposition) (14:38): My question is to the Prime Minister. Yesterday, referring to the Prime Minister’s cuts to the ABC, Senator Abetz said, ‘Nobody has lost their job.’ Prime Minister, with the announcement yesterday that 400 ABC staff would lose their jobs, how can the government continue to deny that its broken promises are hurting Australians?

Mr ABBOTT (Warringah—Prime Minister) (14:38): Obviously, I deeply regret the fact that changes which the ABC management have made will produce job reductions. I deeply regret that. But, if the Deputy Leader of the Opposition were as concerned about jobs as she says she is, or as she claims to be, why don’t they support the East West Link in Melbourne? There are 7,000 jobs in the East West Link, and members opposite want to rip up the contract. That is what they want to do. There are 7,000 jobs in the East West Link, and members opposite support Dan Andrews in wanting to rip up those contracts. If they are fair dinkum, they should tell Dan Andrews to keep the contracts and keep the jobs.

The SPEAKER: The Prime Minister will resume his seat. If the Manager of Opposition Business is going to ask a question on relevance, it was quite relevant, as the question was about jobs. The Manager of Opposition Business will resume his seat.

Mr Burke: I rise on a point of order, Madam Speaker. I still have the right to raise the point of order.

The SPEAKER: Unless I do not think it is relevant.

Mr Burke: Madam Speaker, are we now at the point where, if a question is asked about ABC jobs, any job in the nation other than ABC is suddenly relevant to the question? That makes question time irrelevant.
The SPEAKER: Your question is irrelevant. The member will resume his seat. If he reads the *Practice* he will find that there is provision there that if it is anticipated that a point of order is going to be one which is not helpful to the cause, it does not have to be taken. I would refer you to the *Practice*.

**Medibank Private**

Mr SIMPKINS (Cowan) (14:40): My question is to the Treasurer. Will the Treasurer outline to the House the economic importance of the successful float of Medibank Private that occurred at midday today?

Mr HOCKEY (North Sydney—The Treasurer) (14:40): I thank the honourable member for Cowan for his question. I note today we took another step forward on delivering our economic action strategy for a stronger and more prosperous Australia. The Medibank Private float is the third biggest initial public offer share listing in the world this year—and we have delivered it in Australia. It is a core policy principle of the coalition that we as a government should stick to our knitting—that we should be focused on delivering essential services for the community and that, when the government owns a business, that business should be set free to compete in the marketplace.

Medibank Private competes with over 34 other funds in private health insurance. It has been a longstanding policy of the coalition that this is not a business that government should be involved with. Let us remember that, every year under Labor, they would dig deep into Medibank Private and raid the assets of Medibank Private to try and fatten up their budget. They did it each year in a more desperate plea to try and deliver the surplus that they actually never delivered. Our view has been that this entity should be able to properly serve the best interests of its 1.2 million policyholders. It should properly serve the interests of the Australian people by focusing on the job that it must do, especially in competition with 34 other players.

At 12 o'clock today 400,000 Australians became direct shareholders in Medibank Private. They received, on the listing price, a 10 per cent benefit for backing Medibank Private. That is a reward for their enterprise in investing in the initial public offer. Indeed, millions of other Australians have become instant shareholders in Medibank Private through their superannuation and, in particular, through self-managed superannuation. This is what we are about: fixing the budget, fixing the economy and strengthening the enterprise of the Australian people.

What is particularly pleasing is that every dollar that is raised by the government in the sale of Medibank Private today is going to go back into new productive infrastructure in the Australian community. So when Mike Baird announces new harbour crossings in Sydney, that is helped to be funded by the Medibank Private sale today, because we are recycling asset values. The sad thing is the Labor Party are opposing all this. They are opposing the privatisation of Medibank Private. My colleague, Senator Mathias Cormann, has done an outstanding job on this, ably supported by the people of Australia.

**Australian Defence Force**

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:44): My question is to the Prime Minister. I refer to the Prime Minister's shameful decision to cut the real pay,
Christmas leave and recreational leave of Australian Defence Force personnel. Will the Prime Minister finally do what Labor has been calling for and reverse his disgraceful decision to cut the pay and conditions of our defence forces?

Ms Butler: Take some responsibility for the mess you left.

The SPEAKER: The member for Griffith has been warned!

Mr ABBOTT (Warringah—Prime Minister) (14:44): Obviously it would be better if we were able to pay the courageous and highly professional members of our defence forces more. But when we are trying to deal with a debt and deficit disaster that members opposite created, it is impossible to pay everyone all that we would like. As always, we are keeping these matters under close review. But the fact is that we cannot pay people everything that we would like to pay, we cannot pay people everything that they deserve, when we have a situation, thanks to members opposite, of $50 billion-a-year deficits as opposed to $20 billion-a-year surpluses when the coalition was last in government.

Mr Snowdon interjecting—

The SPEAKER: The member for Lingiari!

Mr ABBOTT: Before members opposite wax too sanctimonious and self-righteous about defence, let's never forget that they cut $16 billion out of defence. Let's never forget that Labor reduced defence spending as a percentage of GDP to the lowest level since 1938; that is what they did. While I am on the subject of trust, let's not forget that members opposite know how untrustworthy the Leader of the Opposition is. I am doing the people of Australia a service by letting them know what the Leader of the Opposition is really like. Again I quote Paul Kelly:

The distrust between Rudd and Shorten was intense and enduring. The Gillard camp was contemptuous of Shorten, considering him weak and duplicitous—

Mr Burke: Madam Speaker, on a point of order: there is no precedent for this sort of material to be considered directly relevant to a question of this nature. And when we are talking about Defence Force pay, of all issues—

The SPEAKER: The member will resume his seat. The question was a general question about pay cuts. The Prime Minister has the call and I will listen to his answer.

Mr ABBOTT: Like all of the questions that the Leader of the Opposition asks, it is essentially about trust and it is essentially about honesty. His trust and honesty is an important issue for this parliament to consider and this parliament needs to know what his colleagues think of him:

The distrust between Rudd and Shorten was intense and enduring. The Gillard camp was contemptuous of Shorten, considering him weak and duplicitous. Neither side trusted him and neither side revised its view.

This is a Leader of the Opposition whose colleagues do not trust him. If he is not trusted by his own colleagues, he should never be trusted by the people of Australia.

Infrastructure

Mr SUKKAR (Deakin) (14:47): My question is to the Treasurer. I remind the Treasurer that it will take a person driving home from work in Melbourne tonight over an hour to get from Citylink to the Eastern Freeway.
Ms MacTiernan interjecting—

The SPEAKER: The member for Perth will leave under 94(a).

Mr SUKKAR: How will the government cut travel times and improve productivity through building the infrastructure of the 21st century such as the East West link and are there any risks to these reforms going ahead?

Mr Burke: Madam Speaker, on a point of order: under standing order 100, it is clearly ironical to ask the Treasurer about someone driving a car! Clearly, there is no way this is in order!

The SPEAKER: The member will resume his seat or he will leave under 94(a). The member will leave under 94(a).

Mr HOCKEY (North Sydney—The Treasurer) (14:49): It is a very important question that obviously the Labor Party do not like. Let me come to the point. Currently, around 200,000 vehicles make cross-city journeys through the north of Melbourne each day. That is expected to double within the next two decades. Currently, independent studies show that a journey across Melbourne from the Eastern Freeway through Alexandra Parade and across to Citylink can take up to 63 minutes each way—on average, 41 minutes. Under the deal that we have done with the Napthine government to build East West link, we are going to cut that from a potential 63 minutes each way to 10 minutes each way, bypassing 23 sets of traffic lights. Let me be very clear. It is only the coalition government in Victoria that is going to deliver East West link.

Mr Danby interjecting—

The SPEAKER: The member for Melbourne Ports!

Mr HOCKEY: It is only the coalition government in Victoria that is going to cut up to two hours of travel time each year—to just 20 minutes—and it is a partnership between the infrastructure Prime Minister and the coalition Premier of Victoria. What is the risk? The risk is that Labor is elected in Victoria on Saturday. A vote for the Labor Party on Saturday is a risk to 7,000 jobs. The only way to deliver 7,000 new jobs in Victoria under the East West Link is to vote for the coalition.

Mr Danby interjecting—

Mr Marles interjecting—

The SPEAKER: The member for Melbourne Ports and the member for Corio!

Mr Danby interjecting—

The SPEAKER: The member for Melbourne Ports will leave under 94(a).

The member for Melbourne Ports then left the chamber.

Mr HOCKEY: If the Labor Party is elected on Saturday, not only will Victorians lose out on the $3 billion that the Commonwealth government has specifically allocated to East West link, but they will also face a bill of over $1 billion in compensation to be paid to builders for a road that was never built. This is what the Labor Party is about; they are wreckers.
Ms Ryan interjecting—

The SPEAKER: The member for Lalor!

Mr HOCKEY: Nothing illustrates that more than the determination of the Labor Party in Victoria to stop 7,000 jobs under the East West link, to cost Victoria $3 billion of Commonwealth funding, to cost Victoria over $1 billion in compensation for builders and to cost Victoria the chance to be a more productive economy.

Ms Ryan interjecting—

The SPEAKER: The member for Lalor will leave under 94(a).

The member for Lalor then left the chamber.

Mr HOCKEY: I say to the people of Victoria: if you care about jobs, if you care about your economy, vote for the coalition on Saturday.

DISTINGUISHED VISITORS

The SPEAKER: I advise honourable members that we have with us today a senior delegation attending the 4th Annual China Advanced Leadership Program of the Australia and New Zealand School of Government, led by Secretary Tongue. We also have with us Mr Karl O'Callaghan, the Police Commissioner of Western Australia, and on this day, White Ribbon Day, I make him particularly welcome.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Liberal Party Leadership

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:52): My question is to the Prime Minister. I refer to the Prime Minister's remarks at the 50th anniversary of *The Australian* newspaper where he said, 'No paper more closely corresponds with the true spirit of Australia.' Does the Prime Minister therefore agree with the judgement of the *Weekend Australian* that said that his leadership is languishing, flaky and insipid?

Mr ABBOTT (Warringah—Prime Minister) (14:53): If the Leader of the Opposition wants to quote *The Australian* editorial at me, why don't I quote Paul Kelly at him? Paul Kelly, is the prince of political historians. He is the most distinguished journalist historian in recent Australian history. If the Leader of the Opposition wants to quote deprecating editorials, let me yet again quote:

The distrust between Shorten and Rudd was intense and enduring. The Gillard camp was contemptuous of Shorten, considering him weak and duplicitous. Neither side trusted him and neither side revised its view.

That is the point: neither side revised its view, and I am very confident that *The Australian* editorialist will revise his view.

Building and Construction Industry

Ms HENDERSON (Corangamite) (14:54): My question is to the Minister for Education representing the Minister for Employment. Will the minister inform the House how the government plans to restore the rule of law to our construction industry. What other views have been expressed that create obstacles to that goal?
Mr PYNE (Sturt—Leader of the House and Minister for Education) (14:55): I am very grateful to the member for Corangamite for her question, because it gives me the opportunity to remind the people of Australia and the House that, under the Howard government, the then Minister for Workplace Relations—now the Prime Minister—ensured that there was a tough cop on the industrial beat through the establishment of the Australian Building and Construction Commission. That led to some very practical outcomes. One of those was that it saved the Australian consumers $7.5 billion. It also increased productivity in building and construction by 17 per cent after it was introduced.

Under the current Leader of the Opposition, who was then the weak and duplicitous workplace relations minister, he reversed these changes. He reversed the Australian Building and Construction Commission—it was scrapped. He introduced the Fair Work Building and Construction Division, which had less power and less money, and he brought the CFMEU back into the cabinet room and gave them a seat at the table of cabinet.

Even worse than the current Leader of the Opposition here in Australia, the leader of the opposition in Victoria has proposed ripping up the Victorian building code. He wants to tear up—

Opposition members: Hear, Hear!

Mr PYNE: 'Hear, hear', they are saying. 'Hear, hear', the socialist left is saying. He wants to tear up the building code in Victoria. A very respectable Australian, no less than the former royal commissioner into the building and construction industry, Terence Cole, said about this idea: 'Only a political party enthralled to the building unions would contemplate abolishing a state's building code.' That is exactly what Daniel Andrews proposes to do if he is elected Premier on Saturday in Victoria. The CFMEU will be back at the cabinet table in Victoria, back running the state of Victoria, because a vote for the Australian Labor Party on Saturday is a vote for the CFMEU.

But even worse than that, a vote for Daniel Andrews is a vote for John Setka to be back at the cabinet table in Victoria. John Setka is the state secretary of the CFMEU. If Labor wins on Saturday, John Setka and the CFMEU will be telling Daniel Andrews and the Victorian Labor Party what to do. Laurie Ferguson is nodding his head. That is what he wants to see happen. He wants the CFMEU back running Victoria, but Victorians do not want it. They have had four years of industrial peace in that state. They do not want the bikies back running Victoria. A vote for Labor on Saturday is a vote for the CFMEU and John Setka.

Budget

Mr BOWEN (McMahon) (14:58): My question is to the Treasurer. A few weeks ago while standing next to the Treasurer the Finance Minister said, 'We are taking responsibility and we will stand by how we perform against our forecasts.' Will the Treasurer be taking responsibility for his government's performance in his upcoming budget update or will the Treasurer be blaming a revenue problem, Labor, or both?

Mr HOCKEY (North Sydney—The Treasurer) (14:58): I will be blaming both, because Labor is responsible.

Mr Champion interjecting—

The SPEAKER: The member for Wakefield has gone too far and will leave under 94(a).
The member for Wakefield then left the chamber—

A government member: Swanny has gone pale.

Mr HOCKEY: I look at old Swanny up there, and he is shaking his head at the behaviour of the member for McMahon—and I can understand why, Swanny. The best thing about the member for McMahon is that he makes Swanny look good. That is the best thing about him.

Of course, the Labor Party promise surpluses. In fact, it was the member for McMahon who stood at this dispatch box with a great history of commitments. I have been waiting all week for questions on fuel. He was the man who invented Fuelwatch. He was going to watch it, but the problem was it collapsed. Then he was worried about grocery prices. He invented GroceryWatch, but then GroceryWatch collapsed.

Of course there were a few other collapses when he was the minister—like Timbercorp, a few other advisory businesses, Great Southern; a whole lot of them. And then there was the collapse of border security. That happened under him as well. How many people came in? Twenty-five thousand people came in on boats when this man, the member for McMahon, was the Minister for Immigration—25,000 people came in on boats, unlawfully, when he was the Minister for Immigration. Just to cap it all off, for the brief period that he was the Treasurer of Australia, after the member for Lilley decided to resign—I will give him that; he decided to resign—the member for McMahon oversaw an increase in the budget deficit in just a few weeks from $18 billion to $30 billion. One of the problems was that Labor committed to years of growing expenditure at an annual increase in excess of three per cent—for years and years and years. They did that on the back of promised revenue that never turned up—like the mining tax. The mining tax was a great success—another Labor invention! Who on earth would come up with a tax that raises no money—zero? Only the Labor Party. They said there would be rivers of gold, because the member for Lilley based his forecast of an $18 billion deficit on the back of iron ore prices twice as high as they are today. The member for McMahon had iron ore prices at over $100 a tonne, and today they are $60 a tonne. We will be fixing up Labor's mess for decades to come.

Crime

Mr WOOD (La Trobe) (15:01): My question is to the Minister for Justice. Will the minister update the House on what the government is doing to disrupt organised crime in Australia and to stamp out union corruption within the building and construction industry?

Mr KEENAN (Stirling—Minister for Justice) (15:02): I thank the member for La Trobe for his question. As a former police officer he would understand that organised crime gangs are an ongoing threat to Australia's security, and this government remains disturbed about the links between those gangs and certain union officials. The Royal Commission into Trade Union Governance and Corruption has received significant evidence of widespread corruption within the building industry in particular, where union officials either facilitate that corruption or are complicit in those activities. This is particularly evident in Victoria, whose building unions are notorious. The Prime Minister joined with Premier Napthine on 30 October to announce Commonwealth funding for a joint police task force to expose illegal activities within Victoria's unions. This task force of up to 30 Victorian and federal police officers will investigate crimes as revealed by the royal commission into union corruption, which includes
blackmail, extortion, kickbacks, intimidation and cartel behaviour. The counsel assisting the royal commission stated in his submission:

The evidence in relation to the CFMEU case studies indicate that a number of officials of the CFMEU seek to conduct their affairs with a deliberate and disturbing disregard for the rule of law.

That evidence is suggestive of the existence of a pervasive and unhealthy culture within the CFMEU under which:

(a) the law is to be deliberately avoided, and is to be regarded as an irrelevance, where it stands in the way of achieving the union's objectives …

This points to a disturbing underbelly within the CFMEU in particular—issues that have been willfully ignored by previous Labor governments. As the Minister for Education pointed out, the previous Labor government abolished the tough cop on the beat, the Australian Building and Construction Commission—the one body that was standing up against corruption in the building industry. This government is determined to get to the bottom of corruption, criminality and organised crime links inside the union movement. The task force will play an essential role in that, making sure that work places in Victoria are safe and productive and are run according to the rule of law.

Despite all this evidence that has been tabled before the royal commission, the Victorian branch of the Labor Party refuses to cut ties with the convicted criminals in the CFMEU. If Daniel Andrews were to be elected Premier of Victoria, the most powerful person in Victoria would be the secretary of the Victorian CFMEU, John Setka. The risk to Victorians is too great. Those governing and those aspiring to government should not tolerate criminal activity.

Budget

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (15:05): My question is to the Prime Minister. Since the election the government has doubled the deficit, consumer confidence has fallen by 13 per cent and youth unemployment levels are at their highest since October 2001, when the Prime Minister was the minister for employment. Will the Prime Minister use his upcoming minibudget to scrap his unfair budget and just start again?

Mr ABBOTT (Warringah—Prime Minister) (15:05): No.

Australian Broadcasting Corporation

Special Broadcasting Service

Mr COLEMAN (Banks) (15:06): My question is to the Minister for Communications. Will the minister explain to the House how the government determined the efficiency measures at the ABC and the SBS which were announced last Wednesday?

Mr TURNBULL (Wentworth—Minister for Communications) (15:06): I thank the honourable member for his question. It is important to set out clearly the government's process in determining the savings imposed on the ABC and the SBS and to dispel the outrageous claims made by the opposition today. Only today we had out at the doors the Leader of the Opposition and the shadow minister becoming more and more excited as they accused the government of engaging in a vast right-wing conspiracy, with mutterings about grassy knolls. The vapours of tremulous indignation were so pumping up the mighty heaving bosom of the Leader of the Opposition that he seemed to grow as he denounced our policy. He accused us of being a book-burning government. And, as those indignant vapours filled his chest, even his jacket fitted—it was incredible! Anything was possible; he was so big!
And then came the question: 'So, are you going to restore the funds cut?' He slipped back down. He slipped back down into his jacket. Once again, it dwarfed him.

Let us be clear. What we did was very simple. We inherited a deficit which Labor said was $18 billion. By the PEFO, just before the election, it was $30 billion. Then, after the election and the MYEFO, it was $48 billion. We inherited a massive deficit. So, clearly, every part of government had to play its part. What we did was businesslike and methodical. We went through the ABC and SBS with the benefit of a real expert—Peter Lewis, one of the most experienced CFOs in the industry—and we identified, in the case of the ABC, $254 million of savings that could be achieved over five years without reducing the money available for programming. And that is what we did. Those savings come from efficiencies. They could have been saved by Labor if they had cared about spending taxpayers' money efficiently, but they did not. They boasted that no government ever spent more on the ABC. They just gave them more and more money, heedless of efficiencies, heedless of the state of the budget and heedless of the fact that every other Australian was pulling his belt in tighter. This was a reckless Labor government, and we are yet again cleaning up its mess.

Mr Clare: I rise on a point of order.

Honourable members: Too late!

The SPEAKER: The Prime Minister has the call. The minister had finished his question. Is it relating to the question?

Mr Clare: It is.

The SPEAKER: Then it is too late for the point of order.

Mr Clare: I ask the minister to table the report he was referring to.

The SPEAKER: In that case—the shadow minister has asked for the tabling of the report to which the minister referred.

Mr Turnbull: It is confidential. I was not reading from it.

The SPEAKER: He was not reading from it.

Mr Clare: I am asking you to table the report—

The SPEAKER: The minister has said it is confidential. The Prime Minister has the call.

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

STATEMENT BY THE SPEAKER

Christmas Tree

The SPEAKER (15:10): Before people leave the chamber, I would just like to say—on a happy note—that today the President of the Senate and I switched on the lights on the Christmas tree in the marble foyer, which is a giving tree. I encourage all members to purchase from the gift shop a red disc, which you can hang on the tree indicating the donation that you are prepared to make to the two charities involved, which are Lifeline and the Aboriginal Literacy Foundation. If people could dig deep for those two charities, I think that would be a wonderful way to express our Christmas spirit.
PERSONAL EXPLANATIONS

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (15:10): I seek to make a personal explanation.

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

Mr SHORTEN: Most certainly.

The SPEAKER: Most grievously. The member has the call.

Mr SHORTEN: Today during question time the Prime Minister asserted I said across the table that Australians would find out about our cuts when we came to government. I said no such thing. We oppose the Prime Minister’s unfair budget and his cruel cuts.

Mr Pyne: I rise on a point of order. It is not in order for the Leader of the Opposition to tell a bald-faced lie to the chamber in the way that he has just done. I heard him say, ‘You will find out about our cuts when we come to government; you will find out when we come to government.’ A personal explanation should not be used to mislead and lie to the parliament.

Mr Albanese: Madam Speaker, on the point of order: the member should withdraw the statement that he just made about the Leader of the Opposition.

The SPEAKER: He did not use unparliamentary language. You can object to it.

An opposition member: Yes, he did!

The SPEAKER: No, the unparliamentary language is when we use the term to describe the person.

Mr Albanese: And he did just that, Madam Speaker.

The SPEAKER: No, he did not. But, if the Leader of the Opposition wishes to clarify his position, he may do so.

Mr Pyne: Further to the debate, the Leader of the Opposition is relying on the hope that the cameras or the audio did not pick up his statement. I would ask you to check the audio and the cameras to see if the Leader of the Opposition has just used the facility about misrepresentation quite out of order.

The SPEAKER: I will undertake to take a look at the tape.

QUESTIONS TO THE SPEAKER

Standing Order 94(a)

Mr ALBANESE (Grayndler) (15:12): I have a question to you, Madam Speaker. In the context of this, it is 12 months since this parliament, the 44th Parliament, started meeting. Is the Speaker aware that you are now the record holder, having excluded more members of this chamber than any previous Speaker since Federation, now that you today passed the 250 mark?

The SPEAKER (15:13): I am perfectly well aware of what occurs in this chamber. I would point out to the Leader of the Opposition that, if there were not disorderly conduct, it would not be necessary.

Leader of the Opposition

Mr CIOBO (Moncrieff—Parliamentary Secretary to the Treasurer) (15:13): Madam Speaker, I also have a question to you. I saw the Leader of the Opposition and heard the
Leader of the Opposition make the statement the Prime Minister said, and I am concerned that the Leader of the Opposition has inappropriately used the House, and in fact has misled the House, in terms of his comments. I would ask you to make a decision in relation to the appropriateness of what was said by the Leader of the Opposition.

The SPEAKER (15:13): The member will resume his seat. I have already said I will look at the tape.

COMMITTEES

Intelligence and Security Committee

Membership

The SPEAKER (15:14): I have received advice from the Prime Minister—
Honourable members interjecting—
The SPEAKER: Discussion across the chamber will cease!
Ms Burke interjecting—
The SPEAKER: I do not think we need any chit-chat about intimidating women. People have a go here, but I am not intimidated. I have received advice from the Prime Minister nominating members to be members of the Parliamentary Joint Committee on Intelligence and Security.

Mr PYNE (Sturt—Leader of the House and Minister for Education) (15:14): by leave—I move:

That, in accordance with the provisions of the Intelligence Services Act 2001, Mr Clare and Mr Dreyfus be appointed members of the Parliamentary Joint Committee on Intelligence and Security.

Question agreed to.

DOCUMENTS

Presentation

Mr PYNE (Sturt—Leader of the House and Minister for Education) (15:15): Documents are presented as listed in the schedule circulated to honourable members earlier today. Details of the documents will be recorded in the Votes and Proceedings.

MATTERS OF PUBLIC IMPORTANCE

Budget

The SPEAKER (15:15): I have received a letter from the honourable member for McMahon proposing that a definite matter of public importance be submitted to the House for discussion, namely:
The Abbott Government's unfair Budget damaging Australia's economy.
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 BOWEN (McMahon) (15:15): In recent days, the parliament and the people have been exposed to the spectacle—the undignified spectacle—of the Prime Minister ducking and weaving, denying promises that he made on camera, denying the implications of what he said,
denying what he said to the Australian people and the firm commitments he made to the Australian people before the election. It is an undignified spectacle from the Prime Minister of Australia. He has had one defence against all of it; he says: 'Yes, but I am fixing the budget. I am doing all this to fix the budget. I know I said before the election that I wouldn't use the budget as an excuse to breach my promises, but I'm fixing the budget.' That is his alibi to the Australian people. That is his excuse for the breach of his commitments to the Australian people right across the board, including Australia's pensioners, Australia's families and Australia's Friends of the ABC and Save Our SBS. That is his alibi and excuse. But his alibi is a false one; his excuse is a feeble one, because, despite that excuse, he is not fixing the budget. Even by his own test, the budget is getting worse on his watch and on his Treasurer's watch.

It takes a special kind of talent to bring down a budget so unfair and so regressive and so rejected by the Australian people and the parliament! This is a budget which rips our social fabric as well as making our economy worse; that takes a special kind of talent from a very ordinary Treasurer! We have a Treasurer so driven by prejudice that he is prepared to bring in cuts which not only damage Australian families but also damage confidence in the Australian economy, damage the budget itself and damage business conditions right across the country. This is a Treasurer who is so determined to score political points that he is talking our economy down and using irresponsible language. The Treasurer of Australia is so determined to play politics that his words and deeds are a wrecking ball to confidence.

We have an unusual situation in Australia. Normally, it is the government talking the budget up and the government talking the economy up. That is the normal situation. In Australia, we have a Treasurer determined to talk the economy and the budget down, and an opposition responsibly pointing out the economic and budget fundamentals. That is how extreme and desperate this Treasurer is. The Treasurer talked the economy down in the lead-up to the budget, and we saw the impact immediately. When the Australian people actually saw the budget and the cuts their Treasurer had in mind, we saw the impact on our economy even more starkly.

We had the Treasurer and Prime Minister say there would be an adrenaline rush to the economy and consumer confidence just by their very election. Well, some adrenaline and some rush! We have seen consumer confidence fall 13 per cent since the election. The new Treasurer, the former shadow Treasurer, has had plenty to say about consumer confidence over the years. He issued a press release on 14 December 2011 in relation to a decline in consumer confidence entitled 'Consumers lose confidence in government'. He tweeted—he does like Twitter, our Treasurer, and he used to like it a little more. He used to consult it about public policy, about little matters like climate change! He did a cracker of a tweet on 14 May 2013! He tweeted:

This Budget delivers even more debt, deficits, taxes and broken promises from a Government that can’t be trusted.

He's a clairvoyant! He saw his own budget coming 12 months in advance! I am often critical of our Treasurer, but he could see into the future on that particular occasion!

But make no mistake: the impact on the Australian economy and on consumer confidence is a direct result of his words and his deeds, and there are plenty of people who have made
this point. In relation to the latest Westpac index of consumer sentiment in May, Westpac's chief economist, Bill Evans, commented:

The sharp fall in the Index is clearly indicating an unfavourable response to the recent Federal Budget. That was one of the sharp declines in consumer confidence. When asked by Westpac in May what impact consumers expected the budget to have on their family finances over the next 12 months, 59.2 per cent considered that they would worsen—and they are right. What an impact that had on consumer confidence right across the country. In September, the budget still loomed large. It was delivered in May; in September, it still loomed large in relation to consumer confidence. On recall of major news items, the proportion of respondents recalling news items relating to budget and taxation issues was the second highest since the survey was introduced in the mid-1970s. Do you know when the highest one was, Madam Speaker? It was the one just before, under this Treasurer as well. He has the highest and the second highest on his watch. This is a direct result of his words and his deeds.

We hear a lot from this Treasurer and this government about how they are business friendly and they understand business, but there actions belie their words. The Australian Institute of Company Directors have called them out for what they are. They did a survey of directors across the country, with almost half the directors claiming the government's performance is impacting negatively on their business decisions. A majority of directors believe that the federal government's performance is negatively affecting consumer confidence—well, there is plenty of evidence for that. Around half of directors rate the government's performance in office as poor or very poor. It gets worse. Directors have become more pessimistic about the future, and an increasing number of them say the federal government does not understand business and does not understand their concerns. This is the impact of this so-called pro-business government and this pro-business Treasurer.

This has a direct impact on the budget bottom line. We are going to see a budget update in a couple of weeks. Remember when the previous government had to write down revenue? The Treasurer would get into full huff-and-puff mode. He would beat his chest like only he can. He would allege a scandal; he would allege incompetence; he would say that there was no revenue problem and that it would all be different under his watch. What do we get today when we ask, 'What will you do: will you blame revenue or blame Labor?' He is not a man for half measures, our Treasurer. He proudly proclaims, 'Both.' He is going to blame both. What a diminished figure this Treasurer is.

We will see the impact of his own actions and words in a couple of weeks in the budget update. We have already seen it in the figures. We have seen it in consumer confidence. We have seen it in the national performance of services survey. Seventy per cent of our economy is services and we have seen them contract for eight consecutive months. We saw in September the link made directly by that survey to the budget. The survey raised 'concerns about the weak state of the local economy and the effect of federal budget uncertainties'. That is a direct result of this Treasurer's incompetence, his lack of an economic strategy and his lack of an ability to convince the parliament or the people that his policies are fair—because they are not. His budget is fundamentally unfair and it is also wrong for the Australian economy.

We have a Treasurer who fundamentally misjudged the state of the economy in May, who thought that the economy could do with a dose of him talking it down, who thought that the
economy could do with a dose of his harsh cuts and who thought that the economy could do with a dose of his rhetoric and his actions—and the economy is paying a price. Every Australian worker is paying a price, Australia's young people are paying a price, with youth unemployment the highest it has been since the new Prime Minister was minister for employment, with youth underutilisation at a record high in the labour market and with a youth unemployment crisis—and what is this government's response? To deliberately create an underclass by throwing people under 30 off the Newstart allowance. That is a shame when it comes to fairness and it is a shame when it comes to economic policy.

Is it any wonder that we see senior Liberals privately speculating in quite an extraordinary development, and perhaps senior Nationals as well, that the Treasurer might not make it to the next election? He might join that small and exclusive group of treasurers who are so incompetent that they cannot make a term. This Treasurer might be sacked by the Prime Minister and the Minister for Communications put in his place. This Treasurer is so incompetent that senior Liberals speculate that he will not make it because he is incompetent, because he misunderstands the economy, because his unfair policies are bad for Australian families, because he has created budget emergencies right across the country—

Mr Briggs interjecting—

The SPEAKER: It all sounds a bit disorderly to me! You will desist across the table.

Mr BOWEN: because he has created budget emergencies for Australia's states, because he has created a national budget emergency, because he is incompetent, because he is not up to the job, because he is a bad Treasurer, because he does not understand the Australian economy, because he does not understand the impact of his words and his actions and because his prejudice is so bad that he introduces unfair policies which not only are unfair but are bad and damaging to the economy, which is in his care. (Time expired)

Mr Albanese: I raise a point of order, Madam Speaker. During the last two minutes of the shadow Treasurer's contribution, the member for Mayo yelled out unparliamentary language and was not called to account by you, in the context in which today, in response to my question, you indicated that there was unruly behaviour in the House. I put it to you, Madam Speaker, that both sides need to be held to account, not just one side. That was an example of outrageous behaviour—

The SPEAKER: The member will resume his seat. The behaviour being complained of by you after today's performance is just so ironical that it is not worth passing comment on. What we saw were two men in this chamber shouting at each other.

Mr Albanese interjecting—

The SPEAKER: The member will resume his seat.

Mr Albanese: Aren't I entitled to raise a point of order?

The SPEAKER: Not if I anticipate that I know what it is.

Mr Albanese: Well, you're a genius then, Madam Speaker.

The SPEAKER: Indeed I may well be, compared to you.

Mr Albanese: You might allow me to make the point, Madam Speaker.

The SPEAKER: No, I am going to call the assistant minister and ask him: did he use unparliamentary language during the shouting match? If he did, he will withdraw.
Mr Briggs: I withdraw.

Mr McCormack (Riverina—Parliamentary Secretary to the Minister for Finance) (15:27): Thank you, Madam Speaker. I would like to put on the Hansard record that I do think you are a genius. I commend you for your 'giving tree'. I think it is very appropriate, and I would urge members to take the opportunity to make a donation and put an offering on that tree, which has an angel on top which I believe bears a resemblance to your face, Madam Speaker.

The Speaker: I don’t think so!

Mr McCormack: Given the fact that it is 25 November, one month out from Christmas, and with apologies to Clement Moore, I have a poem for the House, because Labor is fixated with the night before the election. So here is my poem:

Twas the night before the election, when all through this House
Not a creature was stirring, not even a mouse.
The stocking was empty, the cupboard was bare,
Because Labor had governed for six years without care.

Indeed they had. That is why our country, our nation, is in such a mess.

The member for Gippsland pointed out to me that during the member for McMahon's effort he was talking about the Prime Minister using an alibi in that the budget was worse than expected. Yes, Member for Gippsland, the budget was worse than expected, but an alibi is only needed, as the member for Gippsland pointed out, when a crime has been committed. The only crime that has been committed was by the Labor Party, and that was over six long, shameful years when they took the electorate for granted, they took the nation for granted and they took the economic management of our country for granted.

On 12 May 2011, Wayne Swan, then the Treasurer, was caught out on morning radio, when he could not answer as to the last time a Labor government had produced a surplus. It was pointed out that it was 1989, which was before the member for Longman even saw the light of day—before he was born. The member for McMahon was sworn in as Treasurer on 27 June last year, after those rather forgettable years of mismanagement by Wayne Swan, the member for Lilley, and he served until the election. The deficit blew out from $18 billion to $30 billion in just a few weeks prior to the election.

Then when the Mid-Year Economic and Fiscal Outlook was produced, the Treasurer, Joe Hockey, discovered to his horror that the deficit was, in fact, $48 billion, with cumulative deficits as far as the eye could see—$123 billion. We heard in question time today—it may not have been heard in this raucous end of the chamber—the member for Fraser calling out, 'What are you doing about the deficits, Joe?' Fair dinkum! Love a duck! Really and truly! The deficits were caused by that side.

Seeing as I am into quoting today, Aristotle said more than 400 years before Christ, 'To avoid criticism say nothing, do nothing, be nothing.' I think that probably sums up to this country what the Leader of the Opposition, who is not fit to lead, is all about. On 12 November this year, a journalist asked him, 'What would you say to Vladimir Putin if you came across him at the G20?' Shorten said, 'Nothing.' The journalist asked, 'Just to clarify, you would not seek to talk to Mr Putin?' Shorten said, 'Not in the first instance.' Doesn't that
sum up what the member for Maribyrnong offers to this nation, what he brings to this parliament and what he gives to the Australian public? Nothing. It is absolutely diddly-squat.

The contrast between the coalition’s success after just 14 months in government and Labor’s legacy after six years in office could not be more stark. Contrary to what those opposite would have you believe and contrary to what the red-faced member for McMahon was shouting across the dispatch box, we are cleaning up after Labor’s debt and deficit legacy. We are investing for the future. We are getting on with the job of building a more prosperous nation for Australians.

Labor did not have the stomach for difficult choices. But we are getting on with the job. I bumped into the Minister for Immigration the other day in the airport. He told me that we have closed nine detention centres. The member for Rankin might laugh, but we have closed nine detention centres. Most of the unauthorised arrivals in those detention centres came when the member for McMahon was doing the job or trying to do the job or, indeed, failing dismally at the job of being the immigration minister. Labor’s policies allowed in 55,000 people—half of whom came under the member for McMahon’s watch—who we then had to deal with and process. Each and every one of them cost taxpayers $170,000.

Labor put more beds in detention centres than they put into hospitals in Australia, which is absolutely shameful. If we had not had to spend money on those sorts of programs, maybe the ABC would not have to undergo the savings that it is now and would not have to undergo a saving of less than one per cent per year for five years of their $5,500 million budget. The choices are quite stark. You either get Labor again at the next election and they will bring back the carbon tax, a revised version of the mining tax and the illegal arrivals, or you stick with the government of the day, the coalition, who are building the roads, stopping the boats, ending the waste and doing everything that we said that we would do.

Let’s not get too caught up in an interview on SBS the night before the election. Let’s not get too cute about what might have been said the night before the election. We are doing things because our economic situation, as left by Labor, is in a mess and we need to fix it up. The mums and dads out on the street expect us to do just that. They do not get too caught up with the big words and weaselly words of the member for McMahon, who is just doing a job advertisement to be the next opposition leader. Do not worry. He is not counting the numbers of the deficit. He should have been doing that when he was the Labor Treasurer for a few short weeks. He is doing the numbers on getting the job of opposition leader. Quite frankly, I feel a little bit sorry for the member for Maribyrnong. I feel sorry the him because he has not got the wholehearted support of those people behind him. Nor does he deserve to have it, because he knifed two Labor Prime Ministers—Rudd and Gillard. Let’s not forget that.

But the fact is we have a Prime Minister who has the wholehearted support of the Liberal and National parties. That is what we are about. We are about solid, strong, secure government. That is what we are bringing to the Australian people. That is what we are bringing to make sure that the debt and deficit legacy of Labor is but a distant memory. We have removed the carbon tax, as we said we would. That is a $550 saving for the average family. We have removed the mining tax, as we said we would, so that we can create jobs and growth in the electorate of, for example, the member for Flynn, who I can see in here. I know the member for Dawson was absolutely elated when that mining tax was lifted.
Had it not been abolished, Labor's mining tax could have been expected to raise $668.5 million over the forward estimates. But the associated spending by Labor was expected to reach more than $17,000 million. How could they raise $668.5 million but forward spend $17 billion and then go and promise the regions all these sorts of things that they knew they were never going to have to deliver? Labor knew they were never going to be able to deliver them because they knew they were not going to be in government. They knew that they had mucked it up so badly in six long, disastrous years that change was needed. Indeed, on 7 September last year, change was accomplished.

Achieving efficiency savings across the Commonwealth and the ABC has to occur. We would all love to be able to fund the ABC to the level it has now. But under Labor there were 10 per cent efficiency cuts in defence. Did we hear the chest beating and hand wringing from the ALP on that? I almost said 'the ABC'; I meant the ALP. Did we hear that once? Not really. They just came in and cut defence. They pared it back to pre World War II levels, back to 1938. People in my electorate were absolutely outraged. I know how people in the electorate of the member for Gippsland—who is the Parliamentary Secretary to the Minister for Defence and doing a damn fine job at it, too—were outraged about that. So let's not get too cute about a few cutbacks to organisations which need efficiency measures to be implemented. Let's not get too cute when their side actually cut back spending in defence by 10 per cent at a time when we were fighting a very deadly war in Afghanistan. Let's not get too cute about that. We have abolished the carbon tax. We are getting on with the job of building the roads of the 21st century. We are repairing the mess that Labor left. We are fixing up the budget so that we will, one day, get back in surplus.

Mr HUSIC (Chifley) (15:44): Member for Riverina, you are no poet laureate. You should stay away from the poetry and stick to the limericks. The one about the budget standing on the burning deck, as if all of your commitments are turning into ash and all of your promises about what you would do would go. The only thing I will give the Treasurer credit for is he is very effective at this one thing: he will tell you something with such bluff and bluster that in six months time you will be guaranteed he will walk away from it, guaranteed that he will crab walk away from the commitment he made. Because, remember earlier in January 2013—

Mr Pasin: Let's talk about Swanny's surplus.

Mr HUSIC: and thank you member for Barker for walking straight into it. Because earlier, in January 2013, I remember the shadow Treasurer, now Treasurer, telling ABC AM, and I quote: 'Our commitment is emphatic. Based on the numbers published today, we will deliver a surplus in our first year and every year after that.' That is what he said last year. And guess what happened? He walked away from that.

The member for Mayo wants to refer to our time in government. You often hear from the coalition a reference to, 'But what about your time in government?' The thing is this: on the path to your office, on the path to election, you made it a virtue by saying that what you say you will do you will deliver. Those opposite said that, if they make a commitment, they will deliver it. But, every time they make a commitment, they cannot.

The other time when the Treasurer spoke with such confidence, such gusto that he would be able to achieve was in May 2013, when he said: 'I can promise that the coalition will deliver a better budget bottom line than Labor.' A better bottom line. Let's fast forward six months to their first MYEFO document. PEFO—independently established—said that the
budget deficit will be $30 billion. What happened? By MYEFO it went to $47 billion for their first one. This was not a case of trying to blame the former government; there were active decisions that were made by those opposite that contributed to it: the $9 billion they gifted and handed over to the Reserve Bank; the $1.1 billion that they turned their back on in terms of profit shifting and the way you could have dealt with that. They turned their back on changing the way in which wealthy superannuants are taxed. Their active decisions deteriorated the budget. So when the Treasurer, in May 2013, said, 'I can promise that the coalition will deliver a better budget bottom line than Labor,' again, wait six months and it all turns to dust.

The Treasurer got a few good confidence figures in November 2013 and he suddenly went out and told everyone. He got a few good figures on consumer confidence and in November of last year said, 'Consumers have now started taking their wallets out of their pockets.' And guess what happened six months after that. After the consumers took their wallets out of their pockets, these people opposite took $6,000 out through their budget. A budget that ripped people off. It ripped off pensioners. It lifted fuel tax. It ripped off people who wanted to send their children to university. It imposed a GP tax. The consumers took their wallets out and then they got thugged by this government in their very first budget. And what happened as a result? Confidence tanked.

When you look at all of the figures, one after the other, the business sector cannot believe what they are seeing. What they are seeing now is people concerned about whether or not they will be able to spend, because the budget has ripped $6,000 out of families. At a time when the economy needs that confidence, it is not there. The only time you see confidence is from one person, and it is the Treasurer just before he is about to make another stuff-up; he will tell you one thing on one day, and in six months' time it will end and be departed from. Just like a Prime Minister who is simply incapable of telling the truth. You cannot trust a single commitment given by this government; they will walk away from it once they have the votes, and that is what people should remember.

Mr FLETCHER (Bradfield—Parliamentary Secretary to the Minister for Communications) (15:42): The proposition before the House this afternoon is that apparently there is an unfair budget which is damaging Australia's economy. That is the proposition which has been put. Let us remember that what damaged the economy of Australia was six years of chaotic and incompetent management. Who can forget the rank incompetence of a Treasurer who stood up in May 2012 and said: 'The four years of surpluses I announce tonight are a powerful endorsement of the strength of our economy'? What about the ignominious failure to deliver? What was that a powerful indicator of? What was that a powerful indicator of was that panicky and inexperienced hands were at the economic wheel. This was a man who promised a surplus for 2012-13; he actually delivered an $18 billion deficit following deficits in the previous four years of $27 billion, $54 billion, $47 billion and $43 billion—and yet he expected the Australian people to believe that he would deliver a dramatic turnaround in one year. An indicator of rank incompetence and rank inexperience. What he did do was leave this country on a trajectory heading towards a massive government debt, had corrective action not been taken, of $667 billion by 2024 according to his own documents.

Who can forget some of the high points of the damage to Australia's economy that was done by the chaotic incompetence of the previous government? Who can forget the blow-out
of $11 billion in border protection costs? Who can forget the blow-out of some $6 billion to $8 billion in the cost of school halls? Who can forget the pink batts program, which cost $2.8 billion and four lives, or the $900 stimulus cheques sent to 27,000 Australians overseas and 21,000 dead people? We ask who can forget? I will tell you who can forget that: it is the people on the other side of the chamber who are forgetting that. They have wilfully blinded their minds and they have closed their ears to the historical record. But the accuracy of the historical record is there. The Labor Party has the temerity to talk about an unfair budget; what could be more unfair than the generational inequity of loading a huge debt burden on successive generations because you are too weak and too incompetent to make the necessary decisions?

By contrast, what is boosting the economy is a well-structured budget that is part of an integrated economic strategy to back the private sector and to build prosperity. Let's look at some of the indicators: the ABS data released on 6 November this year is that jobs growth is 12,300 per month this year. That is more than double the 2013 average. In the ANZ's consumer confidence survey released on the 25th, consumer confidence is at 114.3—above the long-run average since 1990. The NAB's monthly business survey for October showed that confidence was up by 12 points, which is the biggest monthly gain since 1998. Those are the facts about how the economy is performing. It is doing that because what this government is doing is establishing the conditions for the private sector to prosper.

If there is one thing that the Rudd-Gillard-Rudd government never understood, it was that the prosperity that generates the tax revenue—on which all of the incidences of a civilised society depend, such as health, education and aged-care—depends on the private sector. The Rudd-Gillard-Rudd government seemed to think that you could solve everything by pumping taxpayers' money into government owned ventures: $43 billion was pumped into the National Broadband Network company and $10 billion went into the Clean Energy Finance Corporation.

What were we left with? A series of deficits and a huge debt, which we are now steadily and credibly working to turn around. We have a steady and credible plan to reduce the budget deficit over four years. We are steadily doing what we said we would do. We have removed the carbon tax and the mining tax, as we said we would. We are putting in place the stimulus to get the private sector working and we are capturing business opportunities through the enormously important free-trade agreements in Korea, Japan and China. We are doing what we said we would do to stimulate the private sector. That is the way to generate prosperity, boost the economy and create more jobs. What could be fairer than that?

**Dr CHALMERS** (Rankin) (15:47): In February 2013, as the days of summer and cricket gave way to the days of autumn and football, the now Prime Minister stood up in Sydney and promised two things. The first thing he said was that if the coalition government was elected, there would be:

…an instantaneous adrenaline charge in our economy.

The other thing he said to CEDA on 15 February 2013 was that there would be an 'instantaneous surge of confidence' in the economy. Of course, the reality has been very different.

As the shadow Treasurer has said and as my other colleagues have said, the government has misread the economy. That has cost confidence. When you damage confidence, you
damage growth and you damage jobs. If we cast our minds back to the time of the Prime Minister's speech, they were handing out this glossy pamphlet with Joe Hockey on the front with the blank look on his face and they were promising that the sun would shine and the birds would sing if they were elected. They said that confidence would be boosted, jobs would be boosted, the cost of living would come down and living standards would go up.

If we cast our minds to that period, we know that the reality has turned out very differently. When they try to justify it and when they try to explain all of their other broken promises on hospitals, schools, the ABC, the SBS, pensions and petrol—all of those broken promises—they say, 'Don't worry. We know we broke all of those promises, but judge us on our economic promises.' That is as if there is some sort of hierarchy of hypocrisy that the Australian people will let them get away with. They say, 'We have broken all of these other promises, but judge us on the economy.'

On the basis that you can choose opinion but you cannot choose facts, let's run through some of them. Our world ranking on living standards has gone from 8th to 14th in the world since the government was elected. The cost of living, as a result of their budget, is an extra $6,000 per year for an average family. The unemployment rate was 5.6 per cent on the day that the government was elected; it is now 6.2 per cent. There are 40,000 extra people looking for a job today than the day that the government was elected. When it comes to consumer confidence, it is down 13 per cent since the government was elected. Business confidence has gone down since the budget came out. When it comes to the budget, in the first mid-year update the Treasurer doubled the deficit.

We now have another mini-budget coming up. It is due in the next few weeks. Already, the excuses are mounting about this mini-budget coming up in a couple of weeks' time. Our front bench asked the Treasurer today to pick from a menu of excuses and he said, 'I will have all of them. I will have all of the excuses. I will have every excuse on the menu. Any excuse you want to pitch up to me, I am happy to rely on.' As the member for Wakefield said, it was like fish jumping into a boat. It was like we had hooked him by making him admit, two or three weeks earlier than he had hoped, that he is going to go for every single excuse. He is going to blame everyone else except himself, despite having been the Treasurer for the last 15 months.

I remember very well when the Treasurer was the shadow Treasurer he would always say, 'Well, you can't hide behind the iron ore price. You can't hide behind the global economy. You can't hide behind fluctuations in world prices for resources.' Already, we have seen with the sneaky little leaks to the gallery upstairs that that is exactly what he intends to do. The government promised that they would make the budget better. The budget in this mini-budget will be worse. They promised that they would fix the cost of living. If you ask families in my community and communities right around Australia, including communities represented by those opposite, they know that the budget makes the cost of living worse. The government said that they would be part of the solution when it came to the budget or cost of living and they have turned out to be part of the problem.

There is another little sneaky thing that people need to keep an eye out for. The member for Jagajaga and I have been discussing this. With all of these are cuts that are rightly held up in the Senate, the Treasurer—in his typically sneaky way—will try to claim them as savings and improvements to the budget bottom line when the mini-budget comes out. Is it any wonder that Laurie Oakes talks about Joe Hockey being like the Hindenburg?
There is a quote in the Laurie Oakes piece, and it says:

People criticised Joe for going on holidays to Fiji. Now some of us are sorry he came back.

I think that a lot of people on that side of the House over there, judging by their silence and judging by them pretending to read and all that sort of thing, agree with it. The fact is, it is beyond question: their misreading of this economy is costing this economy confidence, and when it is costing this economy confidence it is costing growth and jobs as well.

Mr WHITELEY (Braddon) (15:52): What an interesting MPI we have here today; the Abbott government is unfair and is damaging Australia’s economy! Let us talk about an unfair budget. What is more unfair than a political party, that held office in this country for six years, that has basically stolen every last dollar and cent from my children and my future grandchildren. Going into the future, accumulated deficits of $123 million and debt owed by this country of $667,000 million. What is more unfair than that?

Doing what is right for our great country is not easy. It is not easy; in fact, it is tough. It takes courage, and it takes courageous people, and it takes a courageous political party. Doing what is right for your political party in the case of the ALP is always easy—just instil fear, promise the world to everyone and tell everyone that you are a friend. It is like the old Joh Bjelke-Petersen line: feed the chooks—just had out more money.

The question is, to all the smart alecs on the other side, who is paying for it? Who is paying for it? The member for Charlton over there stood in this place recently, talking about the fact that he wanted a future for his children while he was talking about the carbon tax. He wanted a tremendous future for his children. Why did he not actually make a similar speech as each and every budget was rolled out by his treasurers every single year when he accumulated a deficit? Why don’t you tell your children about that?

This lot opposite, who held the Treasury benches for six years, had leaders that could not lead, treasurers that could not count, immigration ministers that could not say no and finally they had a foreign minister that could not find a pair of pyjamas that matched his ego. They stand for nothing. They have great bravado in this place, as we just heard a few moments ago, where they are hanging their hats, their coats, their jocks and their socks on the power of the Senate to stand in the way of a courageous government that is trying desperately to get this country’s debt and deficit under control. Well, I have got news for you, and if you listen then you might learn something. The news is: you do not, even with your best friends the Greens, hold control of the Senate. I actually believe that the crossbench senators in the other place are more than honourable. They are certainly more honourable than you and the Greens, that is for sure. I think, deep down in my heart of hearts, that they too want to save their children and their grandchildren from the absolute cliff-face dilemma that this country is going to face through the next generation. I think, with all the honourable intentions that we can find, that we will find a way, together with the crossbenchers, to make a move forward.

We are a government that is serious about what is best for the country, not what is best for us. If we were doing what is best for us, we would be taking the easy road as you did for six years. After six years, this is the question I have for the Australian people. They gave a verdict on September 13 last year. The question is this: did they vote to give us the mandate to do the things we want purely because this lot over here were relationally dysfunctional, or was it because they were economically incompetent, or was it both? It was both. The
Australian people installed a government to get debt and deficit under control. As I wrap up, I will tell you something for nothing: you can do a lot to instil fear into individuals and into individual groups and scare the daylights out of them, or you can do something for the nation and build a future. *(Time expired)*

**Ms BUTLER** (Griffith) (15:57): As you well know, during the last Labor government we had a global financial crisis, and because of the expert financial management of that Labor government, what did we come out of the global financial crisis with? We had a AAA credit rating, one of the lowest net debts in the OECD and the 12th largest economy in the world. If you want to talk about debt, you compare the net debt that Australia had at the end of the global financial crisis with the OECD average. Everyone in this chamber knows that Labor's expert management during the global financial crisis saved hundreds of thousands of jobs. It is something we are very proud of because on this side of the chamber we actually care about jobs. We are not out there saying that the cuts to the ABC, the flagrant breach of promise by this government, is somehow not of any consequence, when one in 10 jobs in the ABC is going. We actually understand that every one of those people who are losing their jobs before Christmas is going to be devastated because we care about jobs, unlike this mob. What have they done?

What is the unemployment rate now? It is 6.2 per cent, seasonally adjusted. A 6.2 per cent unemployment rate because of the record of this government. When are you lot going to start taking responsibility? You are in government. Start taking some responsibly for the state of this nation and the state of its economy—6.2 per cent unemployment. Might I add that in my home state of Queensland, it is seven per cent, seasonally adjusted. It is an absolute disgrace. It is an absolute shame what Liberals and Nationals do to our economy and to our unemployment rate.

Why does this mob opposite, this government opposite, not care about the jobs for working Australians? Don't they understand that in a more equal economy, in an economy where people have dignity, they have work, not only is it good for the economy; it is good for the budget? I say on this point of jobs that one of the greatest problems with not having a job is that it makes it even harder to bear the cost of living. What has this government done for the cost of living?

*A government member interjecting—*

**Ms BUTLER:** I hear someone over there interjecting about the carbon tax. I am so pleased that that is being interjected to me, because 59 per cent of households say that the repeal of the carbon tax has had absolutely no impact, no reduction, on their household expenses—no reduction whatsoever. But what is happening with the cost of living, what is happening in households, what is happening around the kitchen table is that one half of households say that they are cutting back on essential items. How is that for consumer confidence! How is that for the economy! Half of households are cutting back on non-essentials. What is an even greater shame than that is that one-third of households are cutting back on essentials. In fact, 15 per cent say that they have deliberately missed paying a bill by its due date, because of the cost of living pressures that are on their household at the moment. It is a crying shame.

It is about time that the Liberal-National government, the Abbott government, a year into their first term, started taking some responsibility for the consequences of their own actions.
Stop pointing the finger at Labor. Stop pointing the finger at our side of the chamber. Stop being so obsessive about us and start taking some responsibility for what you have done. What is our economic legacy? The 12th biggest economy after the global financial crisis, hundreds of thousands jobs saved, AAA credit rating and one of the lowest net debts in the OECD is what our legacy is. What is your legacy going to be members opposite? Is it going to be tens of thousands more unemployed? There are 40,000 more people in employment queues since this rotten first Abbott budget. It is an atrocious record so far, and one of which this government ought to be ashamed.

What about consumer confidence? We know that this government's first rotten budget smashed consumer confidence. Consumer sentiment is down 13 per cent since the election. Unfortunately, it is what economists have come to expect of this government, with Westpac's chief economist saying in November: 'This is an unsurprising but still disappointing result.' They are not surprised that you lot are smashing consumer confidence; they are just very, very disappointed. It is a shocking first budget, it is an unfair budget and it is damaging the Australian economy—and you ought to be ashamed.

Mr SIMPKINS (Cowan) (16:02): I welcome the opportunity to speak on this MPI.

Mr Pasin: Go easy, Luke.

Mr SIMPKINS: I will be nice. What we have come to see in the last year is a number of great achievements. The carbon tax has been taken away; it is gone. Hence, Australian families are $550 a year better off. We have even had lower public transport fares and the lower cost of utilities—it is endless like that. From a Western Australian perspective, the mining tax has gone. And we are doing what we can to help out that sector as well. There is stopping the boats. This is an $11 billion saving as a result of having a border control system, a humanitarian intake that now depends on need, not on how much cash you have got—a compassionate approach at last.

In amongst all of that, we have made great steps forward with the free trade agreement with Japan and the free trade agreement with China. This is helping to build the economy and helping to concentrate on what can be achieved in the future so that we can go to our schools and talk about what great benefits are coming in the future. I think these are really good things. There are a lot of positive things to be said. There is the red and green tape reduction. There is over $2 billion at least a year in savings as a result of what this government has done. So there are lots of good stories to be told.

I guess one of the things that we still must approach is the fact that we have been left with a budget problem; there is no doubt about it. We have got to manage the budget. We have got to have this country living within its means. We cannot just increase the debt. I hear a young child up there in the gallery, and I do worry about the debt levels that are going to be left to the children of this country. I think it is the responsibility of this government and this nation to make the adjustments that we need right now so that this country can live within its means, so that we are not just shifting the debt to future generations. Children being born today will effectively have $25,000 or more in debt allocated to them, because what has happened in the past has to be fixed. I worry about the standard of living of people who are being born right now, unless we can get the budget under control. When I look across to the other side, I think the children of the future will remember who was responsible for that. In fact, I think in the future children will curse the day that Kevin Rudd was elected and then Julia Gillard, who
followed him, and then Rudd again. They will curse the day that these people who could not manage an economy, who could not manage a budget, have shifted that debt to them. The people who will have to pay for the reckless spending in this country will rue the day that those opposite were elected, because they have to live with what that lot left them.

There are a lot of people in this parliament who are friends of groups. I believe that the friends of motoring are having a function and the friends of netball also have a function coming up soon. But there is also a group that is not bipartisan, and that is the friends of debt and deficit over there and they joined with their mates, the Greens—people who get in the way of responsible government and will not help this country and this government to make this country live within its means. They reach out to greed and they ask everyone, ‘What’s in it for you?’ They reach out and try to get people to think only of themselves, and in that they are betraying the future generations of this country—the children of this country who will have to live with generations of problems, debt and a lower standard of living—because they will not help us get things back under control. It is an absolute disgrace, and they will be held accountable for it. The Australian people will remember who was responsible for this mess.

Ms CLAYDON (Newcastle) (16:07): I rise to join with my Labor colleagues in drawing the House’s attention to the unfair nature of this government’s budget and the absolute damage it is doing to the Australian economy. There is only one member opposite who has actually nailed this, but they are not actually present today and that was the member who, when this budget first came down, had the courage to call this budget what it is—This stinking, rotting carcass around this government’s neck. It has been that since day 1 and they can't shake that smell—they can't get rid of it. They have shaken it every which way, but nothing helps.

It is the Australian public that knows exactly—they have your measure on what this budget is like. The people of Newcastle know full well what this budget is doing. There is so much evidence to show, contrary to the bluster from members opposite—the busting of business confidence, the plummeting of consumer confidence post-budget. This so-called adrenalin charge is astonishing—I mean: the battery ran out sometime ago; I don't know where it has gone; but it is just spluttering along at some terrible pace behind. For people in my electorate this budget is making it harder and harder to get a job. Since this budget came down in my electorate of Newcastle the unemployment rate has nearly doubled, moving from 4.7 to eight per cent. Thousands of people in my electorate have lost their jobs since this government was elected—workers at Arrium, the Hunter TAFE, WesTrac, Pacific National, QantasLink and Sandvik, just to name a few, have lost their jobs. What about this week, Mr Deputy Speaker, and the cuts that were never going to happen—the cuts to the ABC. Remember? Now we have the farcical situation where members opposite are lying about the lies. We have petitions from government members—
Mr Keenan: On a point of order, Mr Deputy Speaker. The member is aware that that is unparliamentary and she is required to withdraw.

The DEPUTY SPEAKER: I think you will note that on both sides that has been used quite frequently in the last few days and so it is not a point of order.

Ms CLAYDON: The cuts to the ABC which have been so devastating in my community of Newcastle—1233 Newcastle has lost more than a third of their staff this week. Members opposite, where were you when the Commission of Audit was coming down? Were you warning about these job losses from the ABC? Not a peep from members opposite! Where were you when the budget was being debated in this chamber? Were you worrying about jobs in regional Australia? There was not a peep—nothing from you guys whatsoever. These are real jobs in my community, and people are really hurting. There are people grieving for their work—

Mr Whiteley: On a point of order, Mr Deputy Speaker. I was wondering if the member could clarify how much the Labor party intends to put back into the ABC budget.

The DEPUTY SPEAKER: There is no point of order.

Ms CLAYDON: Those opposite own their own budget and their own stinking, rotting carcass. They need to take a little bit of responsibility for what they are doing in government, because the people of Newcastle have their measure. They know what you are up to. In addition to the job losses at the ABC, workers in the shipbuilding industry at Forgacs still face an uncertain future, because this government could not bring themselves to bring forward some contracts for supply ships that might be tendered out to Australian manufacturers. No, oh no. Remember the lies we had? The lie about no capacity in Australia to build these ships—it was another lie. If this government continues down this current path and locks Forgacs and other shipbuilders will be out of multibillion contracts, then it is going to mean that everyone is out of work. (Time expired)

Ms PRICE (Durack) (16:12): I think we all know who the rotting, stinking carcass belongs to. This topic for the MPI today takes me back to my university debating days. It would just be dreadful today if I had drawn the affirmative team and had to speak in support of this ridiculous topic. My team would be the losers for sure, hands down, just like Labor lost—lost control, lost sight, lost their way, lost the right to govern in September 2013. But today, Labor's matter of public importance is not difficult to oppose. Yes, they lost the plot as well.

We have heard it all today in this MPI, but it is worth repeating. Let's look at a few facts about Labor's 2007-2013 mess. Between 2008 and 2009, Labor delivered a deficit totalling $191 billion. Labor left accumulated deficits totalling $123 billion. If you say it quickly enough, it does not sound like a lot. Without intervention, the Australian budget would have been in deficit for 16 consecutive years—not just 'unfair', but incredibly irresponsible by those on the other side.

But we have intervened to stop the madness—the Abbott government's good fair budget management will recover the Australian economy. Let me say a little more on Labor. Labor presided over the fastest deterioration of our debt position in more than 50 years—since the Second World War. Labor introduced more than 20,000 new or amended bits of regulation, and that is new red tape; that is money and time down the drain; that hurts business; that is
unfair and that damaged the economy. Without intervention, small business might just be
down the gurgler, but we have intervened, chopping the tape, reviving business—that is the
Abbott government's good fair budget management: rebuilding the economy, rebuilding
confidence. We have our eye on the ball, our eye on the budget, our eye on the outcome to
reduce Labor's appalling debt legacy and restore Australia's budget situation.

Let me turn to rural and regional matters. The National Farmers' Federation issued their
scorecard on the Abbott government's recently announced FTA. The NFF have awarded the
maximum five stars to dairy, beef, veal, sheepmeat and horticulture and four stars to wine—
and I am very pleased for my member opposite. This means either major or outstanding
improvements on Labor's dismal economic and budget legacy. The China FTA will create
more jobs and opportunities by providing for Australia to invest in China in industries such as
aged care, private hospitals, telecommunications, hospitality, travel agencies, construction and
motor vehicle insurance. So those opposite can have their little outburst, but the facts speak
very loudly. The Abbott government's fair and disciplined budgeting is rebuilding Australia's
economy.

The DEPUTY SPEAKER (Hon. BC Scott): Order! The discussion is now concluded.

Mr Brough interjecting—

The DEPUTY SPEAKER: I heard those comments and they were not complimentary to
the occupant of the chair. You might like to withdraw them.

Mr Brough: There was no intention whatsoever of being offensive to you, Mr Deputy
Speaker, so I very genuinely withdraw.

The DEPUTY SPEAKER: Thank you.

BILLS

Customs Amendment (Japan-Australia Economic Partnership Agreement
Implementation) Bill 2014

Customs Tariff Amendment (Japan-Australia Economic Partnership Agreement
Implementation) Bill 2014

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

to which the following amendment was moved:

That all words after "That" be omitted with a view to substituting the following words: "whilst not
declining to give the bill a second reading the House urges the government to:

(1) not agree to any inclusion of investor state dispute settlement provisions in the Japan-Australia
Economic Partnership Agreement;

(2) enact policies to ensure that Australian workers benefit from jobs growth created under the
Japan-Australia Economic Partnership Agreement; and

(3) utilise the review mechanisms in the Japan-Australia Economic Partnership Agreement to seek
further market access gains, especially in agriculture."
Mr EWEN JONES (Herbert) (16:16): What Andrew Robb has done with this free trade agreement with Japan is a fantastic thing. Just before the election in 2013 Andrew Robb addressed a capacity crowd at a lunch in Townsville. The words he said that day will stay with me always. He said that in the tropical world—that is, between the Tropic of Capricorn and the Tropic of Cancer—there are around 600 million people who would be considered to be in the middle class and by 2035 that number is expected to grow to 3.6 billion. Most of those people will be directly on top of North Queensland, so it is important to be able to get free trade agreement signed. We have signed free trade agreements with Korea and China and there are more to come.

My region, my state and our country are perfectly positioned in that space. What we must do, though, is remember that this is not just about food and fibre, it is not just about mining. This agreement and the agreement with China have also freed up the services economy. We have got a bunch of school kids up behind the glass and I say hello to them. You can only sell an asset once; you can sell something to an overseas country once and you can trade those sorts of things. But Australia is a service based economy. When you kids graduate from high school, go to university or get yourself a trade—if you go into the Army and become a logistician—the great things that you learn will put you in good stead to feed into this service based economy, to be the representatives of Australia and take our economy further. This is not just about food and fibre. This is one of the things that Andrew Robb has been saying all the way through. It is about our services—accountants, solicitors, town planners, architects, builders and our construction industry. All those people will feed into this. It is the people who run nursing homes, our nurses. All those trades that you kids will do when you leave school will feed into what this free trade agreement tries to do.

We have to understand where we are in the world and the opportunity that we have in this space. We have an opportunity to service 3.6 billion people, most of whom live directly above us in the Asian zone. That is the massive opportunity that we have. What we must also understand is that just signing a free trade agreement does not mean that the job is done. A free trade agreement is just an invitation to the table. All a free trade agreement does is give you an opportunity to impress. When you run a dairy farm and want to make sure that your top-quality cheese, yoghurt and milk gets into these markets, you get an opportunity through a free trade agreement to present to people in these markets. But you still have to close the deal. You still have to use your ability as a salesperson and the quality of your product to get that job done. A free trade agreement allows you deliver your product for the price they are prepared to pay and make a profit along the way. The Minister for Trade, Andrew Robb, the Minister for Foreign Affairs, the Treasurer, the Prime Minister and the Deputy Prime Minister are doing a great job into space. We are in this game and it has taken 10 long years of hard work across three or four parliaments to get this work done. We are doing it because, when I am older, I will need you guys to look after me. That is why we are doing it. It will make sure that you guys will have the opportunity to get in there and have a real go.

I am from Townsville. Townsville has two Japanese sister cities—Shunan, which is located in Yamaguchi Prefecture, and Iwaki. In that space, we are reaching out on a cultural basis. This is not just across coal, wheat, grapes or wine; it includes our arts, our culture. We have a massive ability to provide for people in this space. This free trade agreement is a great thing for Australia. The work that Andrew Robb has done in this space has been fantastic for our
country. The work is still going on and it will be perfect for when you guys start to leave school. That is the message that I want to hear. My son is in grade 7. When he leaves school, when he gets in this space, I want to make sure that he has an opportunity to make a real name for himself when he goes overseas. I thank the House and I support this legislation wholeheartedly.

Mr MATHESON (Macarthur) (16:22): I rise today to speak on the Customs Tariff Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014. This bill represents a great opportunity for Australia. I take this time to pay tribute to our fantastic trade minister, the member for Goldstein, Mr Andrew Robb, for his proven leadership, his effortless negotiation and commitment to building positive relationships between Australia and Japan. Australia and Japan have enjoyed close ties over the years, but this economic partnership agreement is a historic agreement that will benefit Australians for decades to come.

Under the leadership of the trade minister, Australians have witnessed the largest Australian trade envoys reaching out to Japan, China and South Korea. Each of these trade delegations have resulted in positive outcomes for the Australian economy, Australian business and Australian consumers. The Abbott government's message to the world is crystal clear: Australia is now under new management and we are open for business. I am proud to say that throughout all these rigorous negotiations our government has kept the national interest at the forefront of their decision making. The coalition stated from the outset that these agreements must be in our national interest, and we have delivered.

The Japan-Australia Economic Partnership Agreement is a great win for the Australian economy and for the people of Macarthur. It represents the best quality trade deal that Japan has ever concluded. More than 97 per cent of Australia's current trade with Japan will receive preferential access or enter duty free when the agreement is fully implemented, giving Australian farmers, producers, manufacturers and exporters a significant competitive advantage. The agreement encompasses a wide range of goods and services. Most importantly, it represents a fantastic deal for Australian farmers. As one of our most valuable beef markets, this new agreement with Japan will see our beef exports, which are currently worth $1.4 billion, receive an immediate and significant competitive advantage through rapid tariff reductions. Fresh beef producers and live cattle exporters will also benefit from reductions in tariffs. Additionally, and very importantly, Japan has agreed that Australian beef will never again be subjected to the 50 per cent global snapback tariff, creating certainty for our beef and cattle exporters.

Another excellent feature of the Japan-Australia Economic Partnership Agreement is the agreement by Japan to review and negotiate these outcomes on beef, which will provide a positive framework towards further liberalisation. This framework includes a review triggered immediately if Japan provides another country with a better deal on beef, aimed at providing Australia equivalent treatment; an automatic review aimed at improving access five years after this current agreement comes into force; and a review of the safeguard mechanism after 10 years to consider abolishing the safeguard or increasing the safeguard trigger levels which are set above current trade levels. This feature is incredibly important in ensuring that Australia's interests, and our commitment to building and maintaining trade relationships with Japan, is not second bested by other global competitors. It represents a great deal for the
Australian economy and for Australian farmers. I am pleased to see aspects of this framework featuring in many of the agricultural and horticultural tariff items.

Dairy farmers and producers are also beneficiaries of this historic agreement with Japan. Dairy products, predominately cheeses, are one of Australia’s biggest agricultural exports to Japan. These exports were worth $452 million in 2013. Under the Japan-Australia Economic Partnership Agreement, Australian dairy producers will receive significant preferential access on key dairy exports, including cheese, ice-cream and yoghurt. Exports of milk based products will receive immediate duty free access, with products including lactose, casein, milk albumen and milk protein concentrates. The Macarthur electorate has one of Australia’s largest dairies, the Leppington Pastoral Company. I look forward to seeing the many benefits of this agreement for our dairy farmers and producers within the Macarthur region.

At the last election the coalition made a commitment to the Australian people that we would build a strong and prosperous economy and a safe and secure Australia. With this agreement we are delivering on this promise. Australian importers of Japanese manufactured items will benefit from reductions in Australian tariffs and, in some cases, the elimination of Australian tariffs on some items. This is particularly important for the agricultural sector. The Japan-Australia Economic Partnership Agreement will be a great coup for my electorate of Macarthur, which has a growing agricultural sector. A local advocate for this agreement is Mr Eric Gilleland and his sons Rhys and Brett of Macarthur Mowers and Marine who are looking forward to seeing the benefits of reduced tariffs in agricultural machinery and council and golf course mowing equipment. Macarthur Mowers and Marine have just secured an exclusive agreement with the Japanese manufacturing giant, IHI Industries, to import the high-quality Shibaura golf course and council mowing equipment for New South Wales. As the largest dealer for Japanese manufactured Shindaiwa power equipment in Australia, Macarthur Mowers and Marine stand to gain a competitive edge with more affordable prices for Macarthur consumers.

I am excited about seeing the benefits of the Japan-Australia Economic Partnership Agreement in the Macarthur electorate. Local Macarthur families will benefit from greater competition within the consumer goods market, meaning a better deal on many electronic and household products. This will help to reduce some of the cost-of-living pressures faced by families across Macarthur. My electorate can only stand to win from this agreement, and I look forward to seeing the fruits of closer ties with one of Australia’s closest trading partners.

I commend this bill to the House and I thank the Prime Minister, the foreign minister, the trade minister and the Minister for Immigration and Border Security, as well as all of the departments who have worked so hard to secure this great deal for Australia and the people of Macarthur.

Mr Taylor (Hume) (16:28): I rise to speak on the Japan-Australia Economic Partnership Agreement Implementation Bill 2014. Imagine if I said to you that I had discovered a one-shot caffeine hit for the Australian economy—a boost that would drive jobs, investment, productivity and real incomes; a boost that would strengthen our best sectors and organisations and create opportunities for growth in massive new markets. That is exactly what good free trade agreements do. And, after years of procrastination, we finally have a government that is prepared to get on with negotiating quality free trade agreements.
I came into this parliament because I believed that a more open, more outward-looking Australia would be a better Australia. I came into this parliament because I believed that the massive and fast-growing markets to our north offered unprecedented opportunities for Australia. But the previous government had no idea how to realise this potential. Australia is in fact far less open than we often think. Our exports amount to little over 20 per cent of GDP, and many of our competitors are far ahead of us: the UK at 32 per cent, Korea at 57 per cent, Canada at 30 per cent, New Zealand at 29 per cent and China at 27 per cent.

I saw time and time again in my career prior to entering the parliament how opening up an economy to these sorts of opportunities, the sorts of opportunities that we are implementing in this bill, is absolutely transformational. The start of Australia’s strong economic history began with a trade agreement with the UK for wool in the 1830s, and soon after we saw a similar sort of agreement with the UK in gold. After the war we saw an agreement with the Japanese for coal and more recently, in the late sixties, we opened up our massive and now extraordinarily beneficial iron ore industry with the Japanese. We all know well the story of the iron ore boom in Australia’s north-west which began in the early 2000s and which we are still benefiting from, and if we look a little further afield we see the boom in the South Island of New Zealand driven by white powder—milk powder. I know that these opportunities have an enormous amount to offer us, and I saw some of the most recent of them, particularly around iron ore and milk powder in New Zealand, at very close quarters.

I learnt very early on that these opportunities are easily missed. It is easy to find an excuse to avoid pursuing them, it is easy to put roadblocks in the way and it is easy to listen to the naysayers who will tell you that this is fool’s gold and that there are so many different trade-offs you have to make that you never get a deal done. Fortunately we have a minister who has executed on these deals and would have none of this naysaying. We have seen three transformational agreements this year, as we said we would—with Japan, with Korea and with China. Of course the one we are talking about today in this bill is the one with Japan, and we look forward to a similar agreement with India. This bill is intended to support the Japan-Australia Economic Partnership Agreement. We know that negotiations began in 2007 and did not conclude until April 2014—by an extraordinary coincidence, it seemed that not very much happened in that period between 2007 and 2013, when Labor was in power. The bill amends the Customs Act 1901 to introduce new rules of origin for goods imported into Australia.

The benefits of free trade agreements are not always well understood, and I want to focus on the benefits for a moment. Not only do these agreements bring lower prices for the importing countries and better access and higher prices for the exporting countries but also they do something else very important—they allow us to specialise, allow us to focus on our great strengths. Adam Smith worked this out several centuries ago when he talked about the pin factory. He noted that by specialising, by allowing people to focus on what they did best, by breaking up a task into its smaller components, we could drive enormous levels of productivity. In fact, the industrial revolution was built around that very simple insight. We are seeing exactly the same thing happening right now in the global economy. An iPhone has 451 components, and the 10 most valuable come from six different countries. That is specialisation, that is what we are seeing in the global economy at the moment, and that is exactly why these trade agreements are so important—because we need to back our strengths.
We need to focus on our strengths, and nowhere is that more important than when we look at agriculture. The naysayers quote from a Productivity Commission report that was done a number of years ago and say that these agreements do not really deliver. Let me tell you what is so important about all three of these agreements with Japan, Korea and China—agriculture is a big part of them. Agriculture is one of our great strengths. These are large countries, large importers, and they offer great potential for us to focus on our strengths. As importantly, these agreements not only include agriculture but also extend to resources and services. We know that is where the economic growth will come for us beyond the current commodities boom.

In the time I have left I want to focus on some clear benefits I am already seeing in my electorate from this strengthening relationship with Asia. I was recently involved in the opening of the Hilltops abattoir at Young—an export beef facility which will employ, once at full capacity, 380 people. There has been millions of dollars of investment focused entirely on exporting meat up into Asia. We are already seeing the benefits of these deepening relationships. Brumby Aircraft out at Cowra have entered into a 40-year joint-venture with AVIC, a Chinese aircraft company, initially involving the export of 280 small aircraft up into China. The benefits from these free trade agreements, and in particular this Japanese free trade agreement, will be enormous. I commend the bill to the House.

Dr JENSEN (Tangney) (16:35): The Japan-Australia Economic Partnership Agreement is an irrevocable return to high friendship in the economic relations of Japan and Australia. JAEPA is the most liberalising trade agreement Japan has ever concluded. More than 97 per cent of Australia’s exports to Japan will receive preferential access or enter Japan duty free. At the end of 2013, Japanese investment in Australia was valued at $131 billion and Australian investment in Japan reached $50.2 billion. Let the naysayers know that this relationship benefits us nearly three times as much as Japan. Gone will be the high barriers for trade with Japan, including agricultural tariffs of up to 219 per cent. There will be immediate duty-free access for milk protein concentrates as well as new opportunities for ice-cream and frozen yoghurt exports. Tariffs on macadamia nuts, asparagus, lobsters, crustaceans and shellfish will be eliminated immediately, and there will be immediate duty-free and quota-free access for wheat for feed and barley for feed as well as streamlined export arrangements for some Australian wheat varieties. This is a good move for WA, and it is an especially positive move for all WA wheat growers.

JAEPA is a stepping stone, as it puts in place a framework to achieve an even better deal. Almost 30 years ago, in August 1986, US President Ronald Reagan signed an economic partnership agreement with Japan. In a radio address on 2 August 1986 he stated: These agreements are examples of positive, result-oriented trade action. Instead of closing markets at home, we’ve opened markets to U.S. products abroad, thus helping to create more American jobs. … Because, believe me, when Americans are competing on a level playing field, they can outproduce and outsell anyone, anywhere in the world.

I trust and believe in Australia. I trust and believe in our Australian ingenuity and excellence. In trying to help workers in ailing industries, we must be careful that the cure is not worse than the disease, like the infamous Smoot-Hawley tariffs in the US that deepened and prolonged the Great Depression. Our plan is to create high-paying, sustainable jobs in the high-value-added goods and services sector. There is no other game in town. We either all get on board with the new rules of the game or we all lose out together.
I support the global growth targets of 2.1 per cent per annum agreed at the Brisbane G20. FTAs are our future. Tariff barriers are a redundant relic of history. Viewed in the context of our digital age, they are as outdated as other fashionable ideas from that period—and about as useful as an underwater hair dryer. Listen to some of the many pros of free trade: lower costs, increased purchasing power, comparative advantage improves economic growth. We compete in a globally connected, interdependent and competitive world.

In July the Business Council released a report that identified tourism, education, resources and energy, advanced manufacturing, agriculture and food manufacturing, professional and financial services as areas where Australia can be globally competitive. High-quality services are one of Australia's competitive strengths and largest areas of employment. The removal of trade restrictions in aged care, education, tourism, mining and construction, engineering and manufacturing services gives Australia an unprecedented opportunity to benefit from Japan's aged and ageing population.

The combined impact of the agreement with China, the FTAs signed this year with Japan and Korea, and a commitment to complete negotiations with India within 12 months puts Australia at the epicentre of Asian growth. We have achieved these agreements in the region that is set to account for half of the world's economic output. What the Howard government started, the Abbott government is finishing.

There are moral arguments to support free and freer trade among nations. Free trade respects the dignity and sovereignty of an individual. Free trade restrains the power of the state. Free trade brings people together across distance and cultures. Australia was built on foreign investment—first from Britain, then from America and, more recently, from Japan and China.

Japan and Australia are more alike than unalike. We have passed the days of horror. War is too short a syllable, too simple a word, to truly tell of the terrible, thundering terror of daily death, dismemberment and rape. To get to JAEPA has been a journey. Our achievement—our victory—is moving from questions and fears of attacks to questions and fear of a tax. This bill builds hope, reward, and opportunity.

Mr CRAIG KELLY (Hughes) (16:41): I rise to speak on the Customs Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014. It was good to hear the member for Hume refer to the work of Adam Smith, probably one of the greatest intellects in the economics sphere, ever. It was in his work The Wealth of Nations, back in 1776, that he wrote:

It is the maxim of every prudent master of a family, never to attempt to make at home what it will cost him more to make than to buy. … If a foreign country can supply us with a commodity cheaper than we ourselves can make it, better buy it of them with some part of the produce of our own industry, employed in a way in which we have some advantage.

Two hundred and forty years of economic history have shown that Smith was right. Wherever countries have engaged in free trade, it has led to greater wealth, it has led to greater opportunity, it has led to more and high-paying jobs, and it has led to a higher standard of living. That is why we should give great praise to Minister Robb for the work that he has done, not just on this free trade agreement but also on the free trade agreements struck, within the first year of this coalition government, with China, Japan and Korea. It is an absolutely remarkable achievement that will have enormous benefits for our nation for decades to come.
In relation to our current trade with Japan, we imported from Japan over $21 billion in 2013. But we actually export to Japan, currently, more than double that. We currently sell to Japan almost $50 billion worth of goods and services. This is the base that we are working off. This free trade agreement gives us the opportunity to increase that base. It gives us opportunity across our agricultural sector and our manufacturing sector. It gives opportunity especially to our services sector. All those sectors have the opportunity to create more export sales, to create greater wealth for this nation and to create greater opportunity.

There are a few reasons that this is very important. Of course there is the wealth of the country, but it is also important, I would say, for many in our agricultural sector. Because having more companies, or more markets, to sell to helps break down the current economically damaging monopsony situation that many people in our food industry find themselves in with our overly concentrated supermarket sector. If those companies have export markets to sell to, they cannot be as easily held hostage by the demands of a powerful buyer.

It is also very important because of the situation that we find ourselves in as a nation. There are many things that both sides of the House want to do. We want to provide more money for the National Disability Insurance Scheme, for instance. But the only way we can do those things is to build the wealth, increase the wealth, of the country, and the best way to do that is through further free trade agreements.

We also have the job of fixing the current budget. We often talk about deficits and surpluses. I think, rather than saying the country is currently running a deficit, we should rephrase it and say we are running a loss. For the last six years, we as a nation have been running a loss. The Commonwealth government have been spending more money than we have been raising. That means we have to borrow money, which then creates an obligation not only to pay it back sometime in the future but also to pay the ongoing interest bill. That is what we face, with $1 billion in interest payable every single month, and we know that about 75 per cent of that flows out of the country. If we are going to turn that around, we need to increase our productivity, we need to increase the wealth of this nation, and free trade is one of the best ways we can do that.

The other benefit of this trade deal, of course, is the lower prices that it will lead to for Australian consumers. There are some doubting Thomases. But I will just leave you with one example. The EPA with Japan will reduce the duty on cars imported from Japan. It will reduce the price and make them duty-free. We have reduced the duties on cars over the last couple of years. If we look at a base-model Toyota Corolla, 20 years ago that was just under $20,000. Today, the very same starter-model Toyota Corolla has not increased 1c in price; it is still under $20,000. That is despite CPI increasing, over those 20 years, by something like 66 per cent. So you are getting a car for the same value as you were 20 years ago, but you are getting a better car, with improved features, greater fuel efficiency and more safety. That is because we have lowered tariffs; that is because we have lowered duties.

The Japan-Australia EPA is one of three remarkable free trade agreements that have been struck by our trade minister. He stands congratulated, and I commend this bill to the House.

Mr RAMSEY (Grey) (16:47): I rise to speak on the Customs Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014, commonly called the Japanese free trade agreement. The Prime Minister said on election night back in September...
2013 that Australia was 'open for business'—and, boy, we have to be. The challenges that are in front of this government grow daily as we discover the full inheritance left to us by the Labor Party, and one of the things we have to do is increase our trade. I think it was the New Zealand Prime Minister who said, and I paraphrase: 'No-one ever got rich selling to themselves.' We have to open up new markets.

Since that time, this government and in particular Andrew Robb, the Minister for Trade and Investment, have put in an exemplary performance and delivered on three free trade agreements. This is the detail, but the headline agreements are there. This deal with Japan is historical in that it breaks new ground. We have gone where no other similar country has gone before. Over many, many years, the thing that gridlocked the negotiations between Australia and Japan was access for our agricultural products to the Japanese markets. There are some that Japan chooses to still protect, but it has given no better access to anybody else in the world than it has to Australia in this instance. Written into these agreements is what we could call most favoured nation trading status, which means that, if somebody gets a better deal than us subsequently, we are in a position to claim the same. So full credit goes to Andrew Robb and his team for convincing Japan that trade liberalisation delivers a mutual benefit to both countries.

I want to concentrate on some of the industries within my electorate which stand to benefit greatly from this trade agreement and the other ones. Grey is a major supplier of beef to the world market, particularly from the northern pastoral regions of my electorate. This is what I sometimes call the romantic heart of Australia—up the Birdsville Track, the Oodnadatta Track, the Strzelecki Track or along the Ghan railway. This is where Sir Sidney Kidman pioneered his giant cattle properties. They exist in much the same manner as they did 100 years ago, except that are larger now because fewer people produce more of the same product, and they do it well. They have also now, largely, become registered as organic suppliers on the world market, which has increased their value. That makes theirs a premium product and they are looking for premium markets, and of course the Japanese market is one of them.

Tariffs have not been eliminated on beef, but over the next 15 years they will be halved on frozen beef and they will be down by 15 per cent on fresh beef. As I said, this is a better deal than anybody else has; and, should anybody else get a better deal, we will be getting it along with them, thank you very much. We are now also exempt from the national snap-back tariff that Japan can enforce with other nations. If the quota gets out of step and they are worried about the amount of beef coming into Japan, they can actually impose a 50 per cent tariff. We are exempt from that.

As for grain, my electorate and South Australia generally are exporters of grain. Japan is our fourth-largest market for wheat. We do operate under low tariffs into Japan currently, but there are some very highly regulated quotas, some of which at last will be going by the board. In particular, we will be the only country able to export feed wheat into Japan outside this very strict quota regulation. That gives us a great advantage in the world market. Barley will be duty free and have no quota. That is a great opportunity for us. The Japanese beef industry is always looking for good quality feed.

Seafood is very big business in my electorate right around the coastline, but particularly around Port Lincoln. Southern bluefin tuna tariffs are being phased out over 10 years. I know the industry would like to have seen them phased out quicker, but they are going, and that is a
movement forward. We have seen quite a bit of confrontation, trying to get rock lobster into certain markets, particularly the Chinese market, in previous years. Rock lobster tariffs are being reduced immediately, from 9.6 per cent, as are those for prawns and abalone, of which the Grey electorate is a prominent supplier.

In the resources sector, coal, iron ore and LNG already have duty-free access to Japanese markets. They are the things that they have wanted from us for a very long time, but there have been products like titanium oxide, which in my electorate is mined at Iluka's Jacinth Ambrosia deposits just out of Ceduna, which will have tariffs reduced to nothing over the next few years.

All of those things are good for my electorate. I look forward to giving speeches that will highlight the benefits of both the Korean free trade agreement and, particularly, the Chinese free trade agreement, which has just been reached, at least in headline form, over the next few months. I look forward to Andrew Robb continuing his stellar performance and convincing the Indian nation that it is indeed in their great interest and ours to advance the cause of free trade.

Dr Gillespie (Lyne) (16:54): I rise to speak on the Customs Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014 and its cognate bill the Customs Tariff Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014. These two bills are being enacted to meet our obligations under the various chapters of the recent Japan-Australia Economic Partnership Agreement and to enable changes to the Customs Act 1901 to achieve that.

I commend these bills to the House because this agreement has massive positive implications for our economy and our nation and for Japan as well. This agreement builds on the original agreement on commerce that was signed in 1957 by the Prime Minister of Japan at the time, Mr Kishi, and the Australian minister for trade at the time, 'Black Jack' McEwen. Our current trade minister, Mr Robb, has done an excellent job in achieving this agreement, the second in the trifecta of international trade agreements.

What does this trade agreement mean for the Lyne electorate? In the Lyne electorate there are many agricultural exporters, manufacturers and service providers, but it is the agricultural exporters who employ the most people who will be affected by this agreement. They employed many, many people who put food on the table for their families, pay wages and pay taxes to the government. With more trade comes more job security, because the jobs of one in four people in regional Australia are underpinned by foreign trade. A stronger economy at home will be a result of increased agriculture exports. We export to Japan $66.5 billion in goods and $4.3 billion in services. Japan has $131 billion invested here and we have $50 billion invested within Japan.

Tariffs on goods going into Japan mean the landed price of Australian goods is higher and make our products less price competitive compared to our competition. Dropping and reducing tariffs makes our products much more competitive. As a result, producers in the Lyne electorate and in broader Australia will benefit. It is not just the producers at this end who will benefit, consumers will as well. We all buy a lot of electrical goods and cars that come out of Japan. Admittedly, the tariffs remaining on Japanese goods coming into the country are not great, but five per cent on the price of a modern car is a significant reduction, and we as consumers will all see the benefit of that.
The Lyne electorate produces some of the best grass-fed and grass- and grain-finished beef in Australia. Currently the tariff is 38.5 per cent. Eventually that will fall to 19.5 per cent. That makes the $1.4 billion trade of Australian beef even better value to Japan, particularly relative to our competitors from North and South America. That means that there will be better prices at the rails at the cattle sales in Wauchope or Taree or Gloucester, eventually, because there will be more competition for Australian beef from exporters. There will be better prices and volumes for the Wingham Abattoir, the biggest employer in the Manning Valley. There will be better prices for marbled Hokubee beef, which is produced in Wauchope, when it is exported into Asia, particularly into Japan. These better export prices will eventually mean greater competition, more volume of trade and better prices at the farm gate. In addition to beef, cow hides can now enter Japan duty free. Again, that means stronger demand for the product that comes out of Wingham beef, a stronger local economy and a much more secure position for its 380 employees.

Between the Hastings and Manning valleys, Hannam Vale and Johns River areas and the Comboyne Plateau there is almost 30 per cent of the milk supply of New South Wales being produced. Most of this enters the daily fresh milk market, but extra supply can go into the export market. As a result of this trade agreement, the market for milk protein concentrates casein and lactose, which currently amounts to $53 million annually, can grow. We have duty-free quotas for cheese which can also grow.

On the North Coast of the Lyne electorate, we have a lot of wood products from North Coast Timbers and the mills at Herons Creek or up at Telegraph Point or down at Pambula, such as fibre boards, particle boards and structured and laminated timber, that can all go into the Japanese market. As mentioned earlier, with this free trade agreement, Australian produce is much more price competitive. That means there will be greater demand for Australian product and better product prices at the farm gate.

Wine production in the Lyne electorate has been going into the Japanese market for many years. Just down the road from where I live, the very prestigious Cassegrain Wines have been producing quality wine that has been served on the Shinkansen for up to a decade. They are part of the $42 million trade of wine exports into Japan, particularly the premium end of the market, such as restaurants, as well. The 15 per cent tariff will drop immediately to zero for bulk wine being imported into Japan. Bottled product will have the tariff drop slower. This will allow this industry to be so much more competitive relative to wines from France and Chile.

Also we have macadamias and avocadoes on the Comboyne Plateau and at Redhill and Telegraph Point at the north end of the Lyne electorate that feed into both the domestic market and the Australian export market. This is $16½ million worth of macadamias that feed into the Japanese market, most of which come from 400 producers on the North Coast. That market will grow as well. It is quite a small tariff, but every bit of price reduction means our product is much more competitive.

We do not have a lot produced seafood in our area, but there is a significant crustacean and lobster market which feeds mainly into the local market. But if other big producers in the domestic market are now exporting to Japan, it means our product from the North Coast will be that much more competitive. Whole new opportunities will come into play with this free trade agreement, so I wholeheartedly support these two bills.
Ms MARINO (Forrest—Government Whip) (17:03): The Japan-Australia Economic Partnership Agreement will offer opportunities to Australian businesses, individuals and companies. I want to use my time to start with to congratulate the Minister for Trade and Investment, Andrew Robb. He has done a huge job that should not be underestimated—three major free trade agreements in a year. The weight of work that has gone on behind the scenes is huge. I know that the minister has applied himself and all of the resources at his disposal to get this done. These are truly landmark free trade agreements for Australia and they will see benefits almost ad infinitum in this country.

Australian companies and businesses have been given an opportunity. That is one of the best things we as a government can do—give them an opportunity. That is what these free trade agreements do. We know that Japan is a vital, longstanding and highly complementary economic partner for Australia. We will also see through this free trade agreement and partnership with Japan a strengthening of our bilateral relationship, something that we on this side of the House certainly do not underestimate.

In 2013 two-way goods and services trade with Japan reached $70.8 billion, making Japan Australia's second largest trading partner, with a surplus to Australia of $28.3 billion. The latest merchandise trade figures show Japan was Australia's second largest goods export destination and third largest source of imports in 2013. At the end of 2013, Japanese investment in Australia was valued at $131 billion and Australian investment in Japan was valued at $50.2 billion.

Despite the strong and mutually beneficial trade and investment relationship between Japan and Australia over a sustained period, we have seen the absence of a bilateral trade agreement. That has constrained Australian producers and exporters and their ability to further build trade in the context of high tariffs. It has maintained inefficient barriers to Australia's trade, which has also limited profitability. It certainly has not provided protection for Australia's exporters against preferential agreements that Japan has concluded or is negotiating with key competitors. It maintained higher costs for Australian consumers and businesses for key Japanese imports and maintained barriers to investment in trade and services. We heard that in Australia services are 70 per cent of our economy and only 17 per cent of our exports. So there is a great opportunity for growth in that sector in all of the free trade agreements.

The Japan-Australia Economic Partnership Agreement also provides an opportunity to take this bilateral relationship to the next level and further build the framework underpinning a key economic partnership for Australia. As we know, Australian exporters have faced very high tariffs into Japan, with customs duties levied on 6.5 per cent of Australian goods exported to that country. These are particularly high in agriculture, a vital area of trade for Australia, with an average tariff of 16.6 per cent. As Japan is Australia's second largest agricultural market, with an estimated total value of $4 billion in 2013, it is Australia's largest market for beef, cheese, animal feed and offal and an important destination for sugar, vegetable oil, seafood, fruit and nuts. Of course, Japan historically has imposed high tariffs on a range of agricultural goods, particularly on those key products of interest for Australia, including beef, dairy, wheat, sugar, barley, vegetable oils, tuna and rice.

Any agreement and any change in this certainly provides opportunities for businesses, for individuals and for companies—the opening of the door. Of course, many agricultural exports also confronted complex or opaque regulatory frameworks that included things from tariff
rate quotas, state trading and special safeguard and emergency tariffs. So, in the absence of an EPA with Japan, Australian producers—agricultural producers—would continue to face these very high tariffs and complex barriers on major products. It is not just agricultural products; Japan is also Australia's second largest market for non-agricultural goods, with exports worth over $42 billion. It is Australia's largest destination for coal and liquefied natural gas, second-largest destination for iron ore and a major market for petroleum and aluminium.

In keeping my remarks similar to the ones that I have made, I really wanted to focus on the fact that the opening of the doors—the strengthening of the bilateral arrangement—is a key deliverable from this agreement. Once again, I will finish where I started. I know, as every member on our side does, the power of work that has been done by the minister to deliver these three critical free trade agreements. It has been an outstanding effort. In my speech today I want to recognise his efforts and all of those who have been working on this through the department—through DFAT. I think the job they have done has been absolutely outstanding. I have no doubt that the general economy as well as individual companies, individual businesses and individual industries are those that will benefit from the work that has been completed.

Mr LAMING (Bowman) (17:09): I echo the words of the previous speaker. Australia's relationship with Japan has been of enormous weight and importance to us dating right back to obviously before World War II. But, most ominously, the foresight of Robert Menzies to initiate trade agreements as early as 12 years after the end of World War II certainly stood Australia apart from the rest of the developed world in developing that relationship early; it has proven to be an important one. Over the last few decades we have seen a rise in the optimism of Australia that Japan would be a reliable, solid trading partner—culturally important as well. Linguistically, it has become a major language taught in our schools. Through the seventies, we had a proliferation of Japanese becoming available to school students—I was one who studied Japanese for five years. We were always dealing with a degree of hysteria about Asia at the same time. I can remember, in the mid seventies, proposals for the Iwasaki resort in Yeppoon, Queensland, was met by ferocious opposition. The fact that there could possibly be Japanese investment on a small patch of Queensland land would bring an end to the Australia as we knew it. How wrong we were at the time, and how far we have moved on.

Japan, despite being in the economic doldrums for the last 15 years, remains a massive trading partner—the third largest economy in the world and second-largest export market and trading partner for Australia. We were right to jump in early and become not only a source of resources, energy and manufacturing but agriculture and food. Japan respects the relationship, no more strongly exemplified than by the visit of the Japanese Prime Minister earlier this year and the close relationship that he shared with our Prime Minister, Tony Abbott.

What, of course, we need with Japan is to recognise that it is the last great advanced economy for which we did not have a high-quality trade agreement, of those nations with which we had a highly developed trade arrangement. What we are now seeing in this shift, quite rapidly, with the work of the trade minister, will be a series of trade agreements with developing economies—some of the giant economies that are in the G20 and moving up to be the economies of the future. It is a very, very subtle but important shift, moving from advanced economy FTAs like that of Japan, the US, Singapore and New Zealand through to a
focus on India, China and, potentially, Indonesia. These three massive economies with very, very high populations that are looking for significant capital investments and significant energy and food security place Australia in an incredibly important place.

We are a nation that, as I have said many times before, has a small population with a high capital base. With that low labour ratio, we need all hands on deck and every Australian trained as highly as possible to do the jobs of tomorrow. We do not yet have that. We still import around 175,000 overseas nationals to do the work that we need done in this country because we are unable to train Australians to do that work. That should be a challenge for us; that is a challenge because 175,000 salaries repatriated to overseas economies is simply a missed opportunity for Australian families. On the same token, we have 133,000 people leaving school every year going straight onto Newstart who are utterly unemployable. It is this skilling mismatch which has to be the policy challenge for Australia over the next decade.

Eliminations of tariffs, as I have said, are wonderful. It is extraordinary that it was almost grinding to a halt under the previous Labor government. How could they make such little progress over six years unless there was a subtle and deliberate intention to not engage in bilateral agreements? They were not moving forward any multiparty agreements either. There was just no real respect for the fact that reducing tariffs between economies is a win-win. Much of it is this focus on who is going to do better out of a free trade agreement; will it be the large economy or will it be the small one? Let us be honest, in any free trade agreement, the absolute benefit is probably going to swing slightly towards the larger economy. But in a relative sense the benefits accrue to the smaller economy and the benefits probably accrue to an export economy. If you are a major internal consumption economy, the benefits of trade liberalisation are slightly less. But for Australia what we dig up, what we grow and what we produce is, because of our small population, mostly exported. We benefit from freer trade. These percentages have been rolling off the tongues of analysts over the last few weeks, but let's remind ourselves what a one per cent reduction in a tariff means. In a highly competitive, liberalised economic market, reducing tariffs by one per cent simply makes your product one per cent cheaper in the destination economy. That is enough to swing sales and that is enough to change market share. That therefore has massive volume impacts for the producer. If we can export more, this is simply a multiplier—volume and profit.

I say that to the miners out there and I say that to the agricultural providers, particularly beef providers. They stand to be $5.5 billion better off because of this beef agreement. That is just one sector. Compare that with the molestation of the live-trade agreement under the...
previous Labor government and the sorrow, the indebtedness and the destruction that they wrought on live export by hasty decision. That has killed of not just one year but many family dynasties who were involved in live export. It was a horrible price to pay by a short-sighted government that did not respect the importance of our trade relationship with our near Asian neighbours. I pleased to say today that that era is closed.

Mr COLEMAN (Banks) (17:16): It is very good to have an opportunity to speak on this most critical area of the free-trade agreement between Australia and Japan. I think there is no more important economic policy area than free trade. We talk a lot about removing red tape from the economy, removing impediments and so on. The reality is that the international system of trade barriers and protections represents probably the single most value-destructive act of global governance over the last century.

That is because what we are talking about in free trade liberalisation is effectively undoing the work that nations have done in previous era. When you impose a tariff on the product, you make it more expensive and you make it less attractive to buy. Consequently, less of it gets bought. You also make it more difficult on the other side for people in your own nation to manufacture goods, because it is harder to sell them overseas. It is just an economic philosophy that is entirely flawed and entirely wrong.

But, interestingly, it took this government to actually do something about it with our big trading partners—Korea, Japan and China. All within the space of 12 months, the Minister for Trade has managed to secure these blockbuster agreements. The Japanese agreement is the one we are talking about today. It is our second largest trading partner. There is more than $70 billion in trade relations and 97 per cent of our exports will now be free of tariffs or treated preferentially as a result of this deal. Earlier, we have the tremendous outcome on the Korean agreement as well. Just last week, there was the China agreement, which will benefit businesses like the owners of Lamb & Cumin, which is located in Hurstville in my electorate of Banks. We do not have a lot of lambs in the electorate of Banks, but we do have business people who export lamb product to China. They will benefit immensely from the liberalisation of free trade under this agreement.

The question is, as the member for Bowman alluded to, why this did not happen in the last six years. Why did it not happen? Why did we have this pause button on trade liberalisation during the entire period of the Rudd-Gillard-Rudd government? The reason is very clear. That is that they did not really believe in free trade. They did not really believe that these agreements were politically attractive for them and for their union base. As a consequence, they did not pursue them.

If you go back to 2008, the member for Lilley showed great foresight when he said in relation to the free-trade agreement with China:

We're negotiating with the Chinese but I don't anticipate any outcome of that process for some time…

He said that back in 2008 and he was absolutely right. That was because it took six years and a change of government for there to be some outcome. You do wonder why it took so long and it took a change of government.

Again, in 2011 the member for Lilley, who was the Treasurer of the whole country of Australia, was involved—according to *The Australian Financial Review*—in arguments within cabinet to the effect that the politics of free trade were not very good and, as a
consequence, the government should not pursue it. The *AFR* at the time, through Matthew Franklin, said:

…at least four sources have agreed that Mr Swan, with the backing of several other ministers, challenged the political saleability of trade reform.

There it is: politics before substance and media releases before the actual business of doing government. What we know about our Minister for Trade is that he is not focused on tomorrow’s press releases. He is focused on the hard execution and the hard work that actually leads to real results. That is what we have seen over the last 12 months. It is not about putting out some fantasy press release; it is about actually closing deals. That is what he has done.

In a statement in 2012 that you could describe making a virtue of necessity, then Minister for Trade Craig Emerson—who I believe had quite a lengthy title in his previous role, but trade was among that—actually said:

Free trade agreements, I think frankly, are overrated in what they can achieve in terms of a relationship between Australia and China.

Overrated? Come to Hurstville and tell that to the many small business people in my electorate who are trading every day with China in relation to tourism, professional services and many other areas. The former minister for trade should come to Hurstville and say to them that free trade with China is overrated. It is not overrated; it is actually a blockbuster breakthrough that has been delivered by the minister for trade. It is a fantastic thing for my electorate of Banks. It is a fantastic thing for the entire nation. We see, in the Japanese agreement, the Korean agreement and of course now the Chinese agreement, what happens when you have clear convictions, a clear philosophy and the people, frankly, with the capacity and horsepower to get hard work done. That is what you see in this government, and that is why we have been successful in free trade. Certainly, the bill we discussed today is a great exemplification of that, and I commend it to the House.

**WYATT ROY** (Longman) (17:23): It is great to rise to speak on the Customs Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014 and related bill. It is very exciting to talk about the trifecta of success that the coalition government have delivered on free trade within our first year of coming to government. We have seen within, effectively, 12 months of the election the coalition government signing historic free trade agreements with Korea, with Japan and with China. This is good for the economy. This is good for consumers. It is good for exporters, but ultimately this is good news for job creation here in Australia.

These agreements will change the face of the Australian workforce for generations to come. In no short measure, these agreements provide new opportunities to the next generation of Australians to grow the products that go into the growing Asian market, and to deliver the services that the over a billion people that are coming into the middle class in Asia will require. If you were a young Australian today, these three agreements could ultimately change the jobs that you find across the working life that you might have. These are absolutely historic agreements. Here, in this Japanese agreement that we are discussing today, this is the first time that Japan has signed an agreement with a major exporter, particularly a major agriculture exporter. For beef, where we have got over a $5 billion advantage, for dairy, for horticulture and for nuts, the advantage that we have with Japan is an advantage that almost no other nation on earth has. If you are an Australian exporter going into the Japanese market,
there is not another country that you are competing with that can compete in the same way that Australia can as a result of this historic agreement.

The minister for trade has just walked into the chamber and I congratulate him. He has become an absolute rock star of the coalition's first year in government, delivering things that many of our critics said could not be delivered. Here we stand, a very short period of time after the last federal election, with the delivery of three historic agreements.

Just recently, we saw the signing of the Chinese agreement and we got everything we wanted and more on agriculture, and that is great news for our country and great news for jobs. But the big thing in the Chinese agreement—and one that I think the public is just underestimating a little bit at the moment but in the decades to come will come to appreciate as transformative for our economy—is that we have access in the service side in health, in child care, in architecture and in law into the Chinese market. Again, no other country on earth has that level of access, where 100 per cent Australian owned companies can go into the Chinese marketplace and deliver these things. What this means is very simple: in a market of 1.3 billion people where literally millions of people are coming into the middle class, they are going to become consumers of our services, of our education services, of our childcare services, of our healthcare services and of architecture and of law. This is an enormous market, and the Chinese free trade agreement gives access into the Chinese market that effectively, in many cases, no other country on earth has in terms of advantage or that access. So I am very excited as part of the coalition government and as the chair of the Joint Standing Committee on Treaties to be talking today about delivering on these three historic free trade agreements, something that is great for the economy, great for exporters, great for consumers and, above all else, will create thousands of new jobs across the decades to come here in Australia.

Mr VARVARIS (Barton) (17:27): I thank the House for the opportunity to speak on today's combined bill, the Customs Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014, on the Australian-Japanese economic partnership that the coalition has concluded in recent months. This important partnership agreement was seven years in the making, and I am proud that this side of the House was able to successfully complete it within their first term of government. Today's customs amendment bill and customs tariff amendment bill will ensure that one of our most vital trading and investment partners will mutually thrive in a competitive global environment.

Whilst Australia and Japan have enjoyed a warm international relationship driven by mutual interests, there is no denying that Australia's largest trading partner and source of capital investment plays a significant role in further enhancing Australia's growth and prosperity in the Asia-Pacific region. I am excited by this economic partnership agreement and what the bills today will mean for Australian exporters, the agriculture sector and other Australian businesses. Increased bilateral trade, investment and closer economic integration benefit both countries and ensure that Australian businesses remain viable now and into the future.

The recent agreement is a comprehensive, wide ranging one that provides both countries with more liberal access to goods, services and investment markets. It will also ensure that Australian businesses have more accessibility and ease to do business in Japan, which was previously marred by opaque regulations, high tariffs and complex bureaucracy. Australian
exporters of consumer goods, non-consumer goods and those in the tourism, education and healthcare sectors all stand to benefit from this economic partnership agreement. More than 97 per cent of Australia's exports to Japan will receive preferential access or enter duty-free when the agreement is fully implemented.

Today's bill will also amend the Customs Act to enable imported goods to enter Australia at a preferential rate of customs levy. In addition, goods imported to Australia that have originated from Japan will have preferential entry. Without the Economic Partnership Agreement with Japan, Australian agricultural and horticultural producers will continue to face high tariffs on commercial agreements, making Australian producers' market share in Japan increasingly difficult to sustain. Australia's ongoing competitive position in Japan is not guaranteed due to the myriad strong producers coming from other nations such as the USA; therefore, the EPA is the first step to ensure that our export businesses can be commercially viable in a saturated market.

It is important to point out that Japan has also been concurrently negotiating trade agreements with other key competitors, including the European Union, Canada, the United States and New Zealand, with trade agreements already in place with the Association of Southeast Asian Nations, Chile, India, Mexico and Peru. The coalition's signing of the EPA will not only deliver tariff elimination and reductions for Australian businesses; it will also position our country above our competitors, through strong renegotiation provisions should Japan provide better access for the above mentioned competitors. Not having signed and delivered the EPA would have been extremely regrettable for our producers. If we did nothing, Australian exporters would face steep tariffs, resulting in loss of market share and no competitive advantage over Japan's other trading partners. We would also be denying Australian consumers cheaper imports.

Japan is a vital and longstanding economic partner. In 2013 alone, our two-way goods and services reached $70.8 billion, of which $28.3 billion was surplus for Australia. For exports, Japan was our second-largest market, with 15.5 per cent of export goods leaving Australia. Yet, Australian exporters face a custom levy of 6.5 per cent of goods exported to Japan, whilst Australian agricultural businesses face an even higher tariff of 16.6 per cent. Japanese trade and investment in Australia in 2013 was valued at $131 billion, whilst Australia's trade and investment in Japan stood at $50.2 billion. Given that Japan is Australia's second-largest agricultural partner and that agriculture is also Australia's vital area of trade, the EPA will make an enormous positive impact on rural and regional communities. High quality Australian goods such as beef, cheese, animal feed, offal, sugar, vegetable oils, seafood, fruit and nuts are some of our most favoured products in Japan, and it would be a real shame for these exporters to lose market share simply due to tariffs. Similarly, Australian wine producers face stiff competition from countries such as Chile, who already have a tariff advantage through its existing trade agreement with Japan. In 2013, Chilean wine exports rose to $178 million, whilst imports from Australia actually decreased to $46 million. Again, given that Australia is world-renowned for its wine quality and its close proximity to Japan, it would be senseless not to be able to export a large quantity due to customs duties. The Japan-Australia Economic Partnership Agreement also guarantees access to the Japanese market for a range of lucrative Australian service providers due to Australia's high reputation in areas
such as financial, legal, education and telecommunications services. I commend the bill to the House.

Mr ROBB (Goldstein—Minister for Trade and Investment) (17:33): I rise to conclude the debate on the Customs Tariff Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014, and thank the House for the opportunity. The bill contains amendments to the Customs Tariff Act 1955 that will implement Australia's tariff commitments set out in the Japan-Australia Economic Partnership Agreement. These amendments are complementary to those contained in the Customs Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014.

In summing up, I would firstly like to thank all those who have contributed to this debate. It is a most significant agreement that we have reached with the Japanese government and the Japanese people. It will lay the groundwork to take our relationship, which has been a very strong one, to another level altogether. You could see the sense of interest in Japan in the concluding weeks of this agreement and the enthusiasm with which Prime Minister Abe, his senior colleagues, the most senior business leaders within Japan and the many others throughout their community received this agreement. This does indicate that the relationship which has been forged since 1957, when the original commercial agreement was signed, is now going to be taken to a new level altogether.

Of course, Japan is Australia's second-most important trading partner, taking nearly $50 billion of Australian exports of goods and services in 2012-13. They supplied imports of goods and services worth $21 billion in the same year, and Australia has a trade surplus of $28 billion with Japan. They are also our third-largest source of foreign direct investment, with over $126 billion invested in Australia. So, as is often seen in history when there is a strong trading relationship, you end up with a strong and mutually beneficial investment relationship, and that has been the case with Japan. This agreement not only goes to trade but also to investment. There is a very strong investment chapter to try to ensure that the ease of doing business in Australia is maximised and that the encouragement for doing business in Australia is maximised. It is most appropriate that our two countries have reached this agreement.

Negotiations on JAEPA commenced in 2007, the year in which we celebrated the 50th anniversary of the signing of the first Japan-Australia commerce agreement. JAEPA takes our relationship, as I said, to a new level. It demonstrates that Australia can continue to forge deeper relations with our old friends, while accommodating the arrival of new friends. As other speakers have mentioned this afternoon, we have just concluded the free trade agreement with China, which is in a similar vein to Japan's. It is a very comprehensive and very protection-eliminating document. Again, it goes very strongly into service areas, as does the Japanese agreement.

The big growth for Australia in the future will be in the services area. In exports, of course, resources and energy will continue to be a feature for hundreds of years for Australia, and similarly agriculture and agribusiness will be a mainstay of our trade for centuries. We are the most knowledge based economy in the region, along with Japan, and our services are much in demand. Currently, 80 per cent of our GDP is services, yet the services sector contributes only 15 per cent of our exports. In many cases the failure of growth in the services sector has occurred because of the many barriers erected by many of the countries in the region, which
prevent the ease of doing services business in those economies: services like legal work, engineering work, architectural work, project management services, auctioneering services, perhaps, anything to do with town planning services, education, health and ageing. In all of these areas we have world-class expertise, and our capacity to contribute so much in the region around us is starting to be realised by these countries.

Our long-term relationship with Japan and with Korea has led to two free trade agreements which were finalised earlier this year. Both of those countries have allowed a significant opening up of services arrangements between our two countries. The China agreement—the third in the trifecta—is a remarkable document for the opportunities Australian services have in that market, which no-one else has. It is the leading edge and there are literally dozens and dozens of opportunities that have been granted to us by the Chinese government that they have not given to anyone else at this stage.

After seven years of negotiations, JAEPA is the most liberalising agreement Japan has ever concluded. It goes a lot further towards freer trade, especially in agricultural products, than Japan would be prepared to give in the WTO. The big feature of the Japanese agreement is that not only it is strong on services, but that for the first time the five untouchable areas in trade agreements were confronted; and, outside of rice, we saw movement in all of them and some significant movement, especially in beef and sheep meats. It is really an agreement which will take our relationship and our opportunities in the agricultural space to a whole new level. In fact former US Assistant Secretary of State for East Asia, Kurt Campbell, described the agreement as ‘a massive victory for Australia’, and he observed that Europe and the United States had been trying to get this kind of agreement from Japan for 30 years.

Most speakers have detailed the huge benefits that we will have in things like frozen beef with a sliding scale of cuts in tariffs and with a very big up-front cut. If the agreement enters into force before April next year—as I am certain it will—we will get a cut and then we will get another one after 1 April. There will be a 10 per cent total reduction in tariff in the first four months of this agreement, and that will be an advantage over the US market of 10 per cent—and they are our biggest competitor in the Japanese market for beef. That 10 per cent advantage will increase up to 19 per cent in subsequent years. In a similar way we have seen opportunities with the guaranteed safety net that says any improvements bilaterally negotiated for access by the US with Japan will be automatically applied to Australia. So with the Trans-Pacific Partnership Agreement, if the United States finds itself with any advances on what we have achieved, then we will automatically receive those same advantages. We have also negotiated removal of the 50 per cent global snapback tariff being applied to Australia when volumes exceed a trigger level. In other words, if they feel the increase in imports is getting too high too fast, there will be a trigger which discourages other imports, and that trigger will not apply to Australian agricultural products. Dairy producers receive a tariff-free quota of 20,000 tonnes for cheese, which is in addition to the current 28,000 tonnes under the WTO.

There is a whole raft of other benefits—tariffs on most seafoods, fruit, vegetables, nuts, honey and wine will all be eliminated in between one and 10 years—most of them are front-end loaded. Australian wine was worth $42 million in exports to Japan last year, but it has been losing market share to Chile since Chile signed an FTA with Japan. JAEPA allows us to level the playing field with Chile and gain immediate advantage over key competitors, such as France, Italy, Spain and the US. Outside of agriculture the agreement provides an immediate
elimination of all remaining tariffs on minerals and bulk resources. This includes immediate elimination of the 3.2 per cent tariff on our $89 million worth of coking coal exports and the 7.9 per cent tariff on our $74 million petroleum and oils exports to Japan.

In services JAEPA will also allow Australian financial services companies to provide investment and portfolio management services to Japanese customers. This is significant, as Japan has the second largest pool of pension funds globally after the US. Japan has also agreed to expedite registration procedures for Australian lawyers and has committed to allowing Australian lawyers to form professional legal corporations in Japan. A raft of different qualifications and professions where mutual recognition is either going to be allowed or considered after a review process.

We will form a committee to review this agreement on a continuing basis so that everyone can see that this is a dynamic document. This is a living document. This is a document that will move with the times. It is a 21st century trade and investment agreement and one that will make our relationship stronger than it has ever been before. So it is something to celebrate.

I notice that there is an amendment from those opposite. I make the comment that the three requirements that the opposition are looking for are unnecessary. They are looking for an inclusion to not agree to any investor state dispute settlement provisions in this agreement. But it is not in there. We are just about to have it enter into force. Secondly it says, 'to enact policies to ensure that Australian workers benefit from jobs growth'. That is the whole point of this agreement, to create more jobs. That is what we are doing in seeking to clean up the economic mess that we inherited; to make the best advantage of the three agreements. Much of our objective is to stop the recklessly high levels of spending built into previous governments' programs and replace that debt-fuelled government spending with private sector activity.

These three agreements—and this one in particular from Japan—will further increase the opportunities for investment from these countries, but also for trade, which will build growth here and will build profits. It will give confidence to more investors locally. It will slow the growth of government spending and replace it with private sector activity in our local economy, which is fundamental to our long-term sustainable growth objectives.

I do not see a need to support the amendments. The final element that the opposition wanted was to utilise the review mechanisms in the Japan-Australia Economic Partnership Agreement, to seek further market access gains, especially in agriculture. That is a sound sentiment, but we put that review in so that we could further achieve gains in agriculture. So I think it is unnecessary.

Mr Acting Deputy Speaker, thank you for this opportunity to summarise some significant contributions that we have had in this debate. It is a very important occasion for Australia to sign off and enter into force this landmark agreement which will help set up, along with the other two agreements, the foundations for strong trade and investment between Australia and our three big partners in the region. It will build jobs and prosperity for many decades to come.

The DEPUTY SPEAKER (Mr Broadbent): The question is that the amendment be agreed to.

Question negatived.
The DEPUTY SPEAKER: The question now is that this bill be read a second time.
Question agreed to.
Bill read a second time.

Third Reading

Mr ROBB (Goldstein—Minister for Trade and Investment) (17:48): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Customs Tariff Amendment (Japan-Australia Economic Partnership Agreement Implementation) Bill 2014

Second Reading

Cognate debate.
Debate resumed on the motion:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

Third Reading

Mr ROBB (Goldstein—Minister for Trade and Investment) (17:50): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Tax and Superannuation Laws Amendment (2014 Measures No. 6) Bill 2014

Second Reading

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

Dr LEIGH (Fraser) (17:50): Let me begin with a quote:

It is an absolute principle of democracy that governments should not and must not say one thing before an election and do the opposite afterwards. Nothing could be more calculated to bring our democracy into disrepute and alienate the citizenry of Australia from their government than if governments were to establish by precedent that they could say one thing before an election and do the opposite afterwards.

I wonder who might have said that? Could it be a member of this side of the House?

Mr Ewen Jones: Bob Hawke?

Dr LEIGH: Perhaps it could be Bob Hawke, the member for Herbert helpfully suggests. Bob Hawke was indeed good at keeping his promises; something which, I am afraid, cannot be said for this Prime Minister or this government. Those words were uttered on 22 August 2011 as part of a litany of statements by the member for Warringah in the lead-up to the last election. He made statements such as, ‘We want taxes going down, not going up.’ And statements such as, ‘The one thing that people will never have to suffer under a coalition
government is an unnecessary new tax, a tax that could easily be replaced by savings found from the budget.’ That was what the member for Warringah said in parliament on 10 February 2011 when speaking about the flood levy to rebuild Queensland. The coalition opposed the flood levy. They thought those savings could be found from within the budget. But they do support the fuel tax. That is despite the statement by the member for Warringah on 10 May 2012, when he said that people who work hard should 'not be hit with higher taxes'. On 16 August 2011, he said:

A very clear message is going out from the Australian people to this government: there can be no tax collection without an election. If this government had any honesty, any decency, that is what we would have: an election now.

That was repeated again in this parliament on 14 September 2011:

I say to this Prime Minister: there should be no new tax collection without an election.

If the Prime Minister is to stick to his pre-election claims, then, apparently, Australia should be going to the polls, because that is exactly what has been foisted on the Australian people—an increase in the fuel tax in direct contravention of the Prime Minister's pre-election promises. As the Prime Minister said before the election, on 19 September 2012:

The time for big-spending, big-taxing, big-fibbing government has gone.

I am afraid the Australian people do not see it that way. They see a government that is raising their taxes and fibbing to them all the way. And worse than the promise-breaking is that the government is trying to mislead the Australian people, with the prevaricating we have heard this week about the cuts to the ABC and the claims that you did not have to listen to the member for Warringah when he was campaigning to be Prime Minister—no, that was just window-dressing—what you needed to do instead was to look at the carefully crafted words of the member for Wentworth beforehand.

Clearly, when the member for Warringah told Australians on 9 August 2013 that the only party that was going to increase taxes after the election was the Labor Party, he was misleading Australians.

Mr Ewen Jones: You are not going to spend a whole half hour on this!

Dr LEIGH: On 14 March 2012 he said:

What you'll get under us are tax cuts without new taxes.

Again, he was clearly misleading Australians. The member for Herbert asked me whether I am going to spend a full half-hour talking about this. I say to the member for Herbert: I am not, but I could, because there is enough material on the public record from your leader saying that he would keep his promises, saying that he would not raise taxes, and yet that is exactly what Australians have been slugged with.

We are debating today a measure which arises directly from yet another broken promise among the litany of cuts to health and education to the tune of $80 billion, and cuts to the ABC—seeing great ABC workers losing their jobs, cutting the Stateline programs and cutting Bush Telegraph, which is so important for regional communities. But, as they have gone about trying to break this election promise, the government have blundered yet again. The once shiny Treasurer is not so shiny after he drove directly into a fuel tax blunder. Let me quote very clearly what the member for North Sydney told ABC radio in regard to the fuel tax:
What we're asking is for everyone to contribute, including higher income people. Now, I'll give you one example: the change to fuel excise, the people that actually pay the most are higher income people, with an increase in fuel excise and yet, the Labor Party and the Greens are opposing it. They say you've got to have wealthier people or middle-income people pay more. Well, change to the fuel excise does exactly that; the poorest people either don't have cars or actually don't drive very far in many cases. But, they are opposing what is meant to be, according to the Treasury, a progressive tax.

Let us step through those claims that the poorest people either do not have cars or do not drive very far, and that the fuel excise is a progressive tax. I am indebted here to an ABC Fact Check, updated on 28 October 2014, which rates this claim overall as 'misleading'. First of all, the claim that poor people do not have cars: in a media release accompanying this extraordinary claim, Mr Hockey published a chart showing that 35 per cent of the lowest income households did not have cars. This is somewhat surprising, because there is an Australian Bureau of Statistics publication called Car Nation, which finds that only 15 per cent of those in the bottom income range do not have cars. That is 35 per cent in one and 15 per cent in the other; there are slightly different measures of low income, but that is a big difference. So ABC Fact Check looked into it, and it turned out that the way in which Treasury had boosted the share of households that did not have a car was by assuming that if you answered 'not stated' or 'not applicable' to the question, then you did not have a car. They contacted the Australian Bureau of Statistics about this and the Australian Bureau of Statistics frankly said that they would not make those sorts of assumptions. They would not try to inflate statistics on the share of Australians without a car by assuming that, if you did not answer the question, you did not have a car. But, even if we take the government at face value, their own statistics show that in the poorest income group two-thirds of households had a car. It is probably an underestimate; it is probably more like 80 per cent of those in the bottom-income groups that have cars. Clearly, any way you cut the data, poor people drive.

What about the claim that they do not drive very far? We turn to Professor Graham Currie from the Institute of Transport Studies at Monash University. He conducted research in 2008 on average travel distances for people who live on the urban fringe of Melbourne and for inner-area residents. It is not a perfect measure of low and high income, but we do know that inner-urban residents tend to have higher average incomes than those on the urban fringe. The typical travel distance for those in the inner areas is 6.4 kilometres a trip and for those in outer fringe areas is 16.4 kilometres a trip. The implication, as Professor Curries puts it, is that 'They have higher costs for travel and longer travel times.' Professor Currie also points out that people on the urban fringe are more likely to be travelling by car because there is very little public transport. So, on the inner fringe, a much higher share of trips are by public transport than in inner areas. Again, poor people have cars and poor people drive further.

What about this extraordinary claim that the petrol tax is a progressive tax? What is the definition of a progressive tax? As any economist will tell you, it is a tax where the share of total income is higher for those at the top of the distribution than for those at the bottom of the distribution. Is that the data that the Treasurer produced? No, I am afraid not. The data that the Treasurer produced was dollar expenditure. He showed that higher income Australians spend more on fuel. This is absolutely true. But that is not what we are talking about here. Of course higher income Australians spend more on fuel. Higher income Australians spend more on just about anything. In the 2009-10 household expenditure survey there are 593 items, and for 580 of the 593 items the rich spend more than the poor. There are only 13 items for which the
poor spend more than the rich. The point of a progressive tax, as any Treasurer who knows his economics would know, is that the share of income is higher for the top than for the bottom, and this is very clearly a tax whose burden falls more heavily on the bottom than the top.

If you look carefully at household expenditure statistics, petrol accounts for a higher share of spending among low-income households than high-income households. Fuel tax is therefore a modestly regressive tax. So, on all three counts, poor people drive cars, they drive further and they spend a larger share of their income on fuel, and it might be reasonable if the Treasurer were to say, 'Well, I know it's a regressive tax. I know it'll hit the poor hardest. But I've put in place a compensation mechanism to look after the most vulnerable, to protect them from the impact of my regressive fuel tax increase.' But that is not what this budget did. This is one measure amidst an extraordinarily regressive budget, possibly the most regressive budget that Australia has ever seen.

This is entirely unlike what happened when a carbon price was introduced in Australia, when a household assistance package ensured that nine out of 10 Australian households received household assistance and that those at the bottom received more in disposable incomes after the package than before the package. No, this is a regressive fuel tax accompanied by a regressive budget. NATSEM analysis looking to 2017-18 analyses the change in disposable income of 18 different budget measures. That does not include the GP co-payment, but it does include the changes in family tax benefits, the clean energy supplement freeze, the changes to Newstart, the pensioner education supplement and senior supplement removal, dependent spouse tax offset removal and the changes in fuel tax indexation.

The poorest couples with children, those in the bottom fifth of the income distribution, lose 6.6 per cent of their disposable income. This is a huge whack to these households, losing more than one dollar in 20 out of their incomes. The poorest single parents, the single parents in the bottom fifth of the income distribution, lose 10.8 per cent of their disposable income. What an extraordinary government it is that would think that it is all right to look at the poorest single mums in Australia and take one dollar of every 10 out of their wallets. No government in Australian history has ever been so brutal to Australian low-income single parents as has this government in taking one dollar in 10 from the pockets of these households. Think of a single parent family on $65,000 a year. They are losing something in the order of $6,000. That is a massive whack to the most vulnerable Australians.

We on this side of the House are not supporting the change in indexation to the fuel excise because it is a broken promise. The poorest people do have cars, do drive further and do spend more on fuel. This is not, as the Treasurer has claimed, a progressive tax. The indexation of the petrol tax to CPI means Australians will pay about $19 billion more for petrol over the next decade.

Labor strongly opposes the re-indexation of the fuel excise, but we will be supporting this measure because we are willing to work with the government to implement sensible changes to our tax system. We are supporting this bill because if we did not it would see eligible businesses being punished unfairly by this government's fuel tax increase. This is a government, though, that has snuck its fuel tax change through. Knowing that it could not get
it through the parliament, knowing that it would not be able to get it through the Senate, this government, instead, bypassed parliament and increased fuel tax by regulation.

They would have you believe that this is the same as what Labor did with the excise increase on alcopops. That is palpably not the case.

_Government members interjecting—_

**Dr LEIGH:** With alcopops, as members on the other side have helpfully noted, it was a health measure. It did not aim to hurt the poor; it aimed to assist the poor and reduce binge drinking. But the principle is also different. In the case of alcopops, there was a broad indication of support that the measure would eventually pass the parliament, which it eventually did.

Let's face it, there is no broad indication that a fuel tax increase would ever pass this parliament. The government's unfair agenda is foundering in the Senate and no-one seriously believes that this measure will eventually be legislated. If the government is not able to pass legislation to ratify its fuel tariff proposals, businesses will be required to pay back the excess to the Tax Office. That has been raised as a concern by stakeholders in their submission to the Senate Economics Committee's inquiry into the bill. In fact, the Australian Trucking Association has raised the issue.

Requiring operators to pay back their extra fuel tax credits would only make sense if they could also claim back the extra fuel tax they paid.

This will not be the case, as the money will be refunded to fuel manufacturers and fuel importers. It is a slapdash approach to policymaking, where the government does not consult with the opposition, and it ultimately leads to worse outcomes for all Australians.

We are an opposition which opposes arbitrary increases to fuel taxes, but we are not a wrecking opposition; we are working constructively with the government to ensure that eligible Australian businesses are not unduly punished by the way in which this government has ham-fistedly attempted to go about implementing its policies.

**Mr EWEN JONES** (Herbert) (18:07): I rise to speak on the Tax and Superannuation Laws Amendment (2014 Measures No. 6) Bill 2014. Now, I like the member for Fraser; I think he is a reasonable man and I think he is a good man. But perhaps I could just tell you a story. When I was a young fellow, when I was playing subdistrict Rugby Union in Brisbane, I was very keen on this girl who was working for the Commonwealth Bank. I was very keen on her. I was playing for the Westpac Rugby club, and she was associated with the Commonwealth Bank Rugby club. So we sent each other our match reports. We were both speaking about the same game, but the two reports were completely and utterly different. You could not possibly have seen what the game was about. Similarly, when we were all sitting in our offices and talking about family law conflicts and child custody, the mother of the children would come in and tell you her side of the story, and then the father of the children would come in and tell you his side of the story, and you would never know that they were the same marriage.

That is what we have just heard here. The member for Fraser has stood up here and lambasted us over changes to the single parent's pension. I do not want to rake over this, and I was not going to touch on it. But what Labor did to single parents when they were in government had nothing to do with helping people to go to work. It had nothing to do with
anything, because most single parents—most single female parents—actually do work. What they did by changing the single parent’s pension back to Newstart was to cruelly, harshly and unjustly target single parents’ pensions, not to give people an opportunity to get to work but to get their budget back into order. I know that the member for Jagajaga has come out and said that they probably got that one wrong, but for the member for Fraser to stand there and lecture us about the treatment of single parents is just a little bit rich.

I just want to quickly go through what these bills actually say—

The DEPUTY SPEAKER (Mr Broadbent): That is good, because, whilst I am enjoying your address, it would be great for the member for Herbert to go to the bill.

Mr EWEN JONES: This is broadly about the bill. Everything I do is about the bill! Schedule 1—Removing Tax Impediments to Certain Business Restructures—was first announced by Labor in 2011-12. Labor had 92 unenacted tax and superannuation measures. Schedule 2 is the Managed Investment Trust Withholding Regime for Foreign Pension Funds. So, once again, it is a fairly dry bit of gear. It was announced by the previous government but not legislated. On schedule 3, initiatives were first announced in 2011 by the previous government, by the then Prime Minister, and the President of the United States. Once again, it was announced by the previous government and not enacted.

Fuel indexation measures, as announced in the 2014 budget, are ours; this is what we will do. The one difference in our legislation in relation to fuel indexation measures is that we have legislated that the money will have to go to roads. It has to go to roads. Again, as a young bloke, the one thing I hated when fuel indexation came in was that the money went into general revenue and never roads. And I think that is the one thing that people have been saying: ‘Well, at least it's going to roads.’

We went to the election with four key promises, four key things we wanted to do. We said we would axe the carbon and mining taxes, and we have done that. We said we would stop the boats, and we had only one successful boat this year. We said we would build the roads to the 21st century, and to a large extent we have that underway. Greg Hunt, as Minister for the Environment, has announced over $800 billion worth of environmental approvals to get this economy going. And the fourth pillar was to fix the budget. That is where I go back to my analogy about the two football stories. Andrew Leigh, the member for Fraser, is a very clever guy. He understands economics. He understands budgets, and he knows they have to balance. He knows that budgets contain two sides: they contain income and they contain outgoings. If you do not get enough income and you do not check your outgoings you will end up in deficit. If you have too much income and not enough outgoings you will stall your economy. It is a balancing act.

We are going on with all this palaver about who said what before an election. But when the facts change, people should change their minds. I will go back to the first real example I saw—the 1983 election. I was watching the Bob Hawke Australian Story, and Barry Cassidy was standing at the front of Old Parliament House saying, ‘Bob Hawke was elected to bring the nation together.’ Well, that is not right. In 1983 Bob Hawke was elected to increase pensions, to increase the number of university spaces, to get higher wages for absolutely everyone and to improve unemployment benefits. But when he got in he saw that the economy under Fraser was not as good as it should have been, and he junked the lot. So, when the circumstances changed, he changed that: the floating of the dollar, one of the
greatest things that this country every had—no doubt the member for Fraser was well and truly in favour of the floating of the dollar, because what we had before was the creeping peg, or the crawling peg, and it was that arbitrary thing that everyone had to do. Keating made the decision to float the dollar, and we supported it. But did he take it to an election? No, he did not, because he was faced with a set of circumstances where he had to act. And then we go to HECS.

Dr Leigh: Did they promise they wouldn't implement HECS?

Mr EWEN JONES: Did they take HECS to an election? No, they did not. They were faced with a set of circumstances. Now, I am not as smart as Andrew Leigh. I do not have any letters after my name. So, when I go into this thing, I have to look at what we are actually doing. I would have to bring everything back to what I did when I ran a business and what I do in my own home. When I was a little kid, when my mum burnt dinner we did not all pile into the car and go down the road to the hotel and get a country, or go to a restaurant and get a high-flying meal. What we did in our house, because we had limited income, was have toast or baked beans or something like that. We made do with what we had because you just do not go and spend what you do not have. What we have to do as a government is understand that we have shrinking income and growing projections going into the future so if we do not adjust what we are doing, we will just keep on going forward.

I heard the member for Griffith during the MPI say that we have one of the lowest debt to GDP ratios in the OECD. That may very well be true but we also started with fairly low debt to GDP. We are a small population with debt. It goes back to my role as an auctioneer where I specialised in insolvency. It gets down to not so much debt to GDP ratio; it gets down to how much cash you have got and your ability to repay that loan. It does not take much before all the cash that you are supposed to have to run your business goes towards paying off your loans, and that is what sends businesses to the wall.

Too many times I have walked into good solid businesses where a manager or an owner of a business has lost control of their spending, has got into trouble either because debt was easy to obtain or because the interest rates were so incredibly high and has got into the situation where more and more of their working capital is going back to the bunk. I do not think the business community, especially small businesses, are out there saying that they are on top of everything because I do not think that they are. What we have to do is get small businesses to say they will take a punt.

As the member for Griffith says, Queensland's unemployment is rising. In my city of Townsville, we have real trouble with youth unemployment. When an economy starts to contract or starts to hurt, it is the aged unemployment and the youth unemployment which gets hit first because a small business is not going to take a punt on someone who has no experience or on someone who may have bad habits. What they will do is get someone who is already in a job, who has a proven track record and they will poach them from somebody else. When a person is poached, they will not be replaced in the other firm. So what we have to do is instil that confidence for business people to take a punt on a young person or take a punt on an older person, to put them on and to have a real go at this job because that is how we produce income.

I said in my maiden speech what government must do is get their hands out of small business's pocket. Let them get on with their business and let them create wealth. In my city
of Townsville, we have an opportunity where we can do a lot of things. We have an opportunity to back winners but government can only do so much. Government can set the scene but it is the small businesses that grow around that which produce the jobs and create the wealth. They are the ones that do that.

Tax is a nasty word but it is a part of our lives. We cannot survive as a nation without taxes. What we have to do is look at what we are doing here. We need to balance up what our income is and what our outgoings are, and both have to be adjusted. This bill goes some way to adjusting some of the things that the previous government had legislated but had not enacted. What we have to do is make sure that we start getting on with the business of clearing the decks and making sure that in small business, in big business and in any business that people have the opportunity to get a job. If more people are getting jobs then more people are paying tax, more people are consuming and away we go. I back the government with these things because sooner or later it has to be understood that we have to have a budget that balances.

I will go back to my starting point. I like the member for Fraser. He is a very clever man and he also gets it: a budget which balances is a budget which is healthy. We can talk about how we get there as much as we like but we agree on that basic principle. We can agree that governments have to adjust to a certain set of circumstances like the previous government did to the GFC. Those opposite did not take their response to the GFC to an election. What they saw was a set of circumstances change rapidly and they had to adjust to it. We backed them on the first set of stimulus. Governments must react to changing circumstances. That is what governments do. We cannot just keep going around these things. We have to balance the budget and this goes part of the way to doing it.

I cannot take my children every year to Disneyland. They have never been to Disneyland. Why? Because I cannot afford it. I do not want to disappoint my kids and they are disappointed that they cannot go. But at the end of the day, I can take them to Disneyland. I can be the world’s best dad but we will be living in the street. I just had a quote done for an outdoor extension and a pergola at my house. It was worth more than my house. I would love to have it done but I would be over capitalising on the thing and I would be spending money I do not have. If we apply the same basic things to government then we are halfway there.

I think we try and complicate these things a little bit too much in this place. It just gets down to: we have to work hard and we have to balance the budget. I think both sides of this place agree with that. I agree with this bill. I agree with the general narrative of what we are doing. No-one wants to tax people more than we absolutely have to. But when you are in a hole and you are paying off debt, it does not come out of your gross income; it comes out of your net income. It comes out of your cash and all repayments hurt. The people who say there are 72 easy repayments are lying to you because all repayments hurt because they come out of your net income, not out of the the gross. I back the government on this and I thank the House.

Mr McCormack (Riverina—Parliamentary Secretary to the Minister for Finance) (18:21): First, I would like to thank those members who have contributed to this debate, although I must take issue with the member for Fraser. Whilst I appreciate his contribution, I do need to point out that if Labor had really cared about low-income earners, they would have been more responsible in government. In six years in government they had the opportunity to
be more responsible, to look after the interests of low-income earners and they missed grasping that opportunity.

This bill does make several important improvements to our tax law. The measures in this bill are part of the government's commitment to give business and investors the certainty that they need.

This bill includes two measures that are part of the backlog of 92 announced but unlegislated measures that we inherited when we came to government on 7 September last year. One of the measures improves the arrangements for business restructures and the other improves the law around investments in managed investment trusts. Each of these measures will give local and overseas investors greater confidence to make investment decisions. We are making Australia open for business. We have heard the Prime Minister say that on many occasions—'open for business'. The government is getting on with clearing the backlog of unenacted legislation. Unfortunate, but true; we have to do it. We are committed to giving business the certainty it needs to get on with doing business.

This bill also makes sure that there are no cashflow issues for businesses from the government's implementation of the budget measure reintroducing the biennial indexation of fuel excise to the consumer price index. In difficult budget circumstances, this is the responsible way to immediately start building the productivity-boosting roads Australia needs. In the long run, this will assist all businesses by reducing the costs of transporting goods around the country.

Schedule 1 amends the income tax provisions to make it easier for businesses to restructure and to be able to make more efficient use of their capital. In particular, these amendments will extend some of the business restructure roll-over provisions to revenue assets and trading stock. These roll-over provisions are important because they allow businesses to defer the income tax consequences which can arise during a restructure. This measure also includes technical amendments which improve the operation of the law. Through removing income tax barriers to restructuring, the government is supporting Australian businesses, large and small, to grow and prosper.

Schedule 2 of this bill will amend the law so that foreign pension funds will be treated as the final beneficiary of a fund payment and will have access to the concessional managed investment trusts withholding tax. This treatment is consistent with the original intention of parliament. These amendments ensure that a foreign pension fund that receives payment as a trustee will be taken to be a beneficiary in its own right. As a result, it will be liable to pay income tax at the concessional managed investment trusts withholding tax rate. This reform is one of several announced but unenacted measures left behind by the former government. These amendments were actively sought by the Australian funds management industry. Foreign capital is crucial to funds that will invest in new infrastructure. The government has responded by getting this amendment done.

Schedule 3 of this bill will amend the law to give effect to taxation arrangements for the US force posture initiatives in Australia. The US force posture initiatives in Australia were first announced by the government of Australia and the government of the United States of America in 2011. The initiatives represent an important development in Australia's alliance and bilateral defence relationships with the United States. They involve annual rotational US Marine Corps deployments and aircraft cooperation activities in Northern Australia. A
A legislative amendment to the tax law is required to give effect to provide an exemption from Australian tax for the Australian-source income of US contractors in connection with the US force posture initiatives. The legislative amendment will apply only to US contractors performing duties directly connected with the force posture initiatives in Australia and not to US contractors in Australia performing other unrelated duties for the United States government. The exemption from Australian tax will only apply if the relevant income is taxable in the United States. This ensures that the United States would not be able to use contractors for work that could be done by Australian workers and service providers, which in turn maximises the potential benefits for Australian small businesses.

The government announced as part of the 2014-15 budget that it would reintroduce the indexation of excise and excise-equivalent customs duty on fuel. This will provide a secure source of funding for additional road infrastructure, which is sorely needed. The government has tabled fuel excise and customs tariff proposals to give effect to this commitment. For a typical household which consumes 50 litres of fuel per week—a tankful—the estimated price impact of fuel indexation by the end of 2014-15 will be about 40 cents per week; just 40 cents per week. The amendments made by schedules 4 and 5 of this bill will simplify the current law and will apply to the current tariff proposals and any future fuel duty tariff proposals. Schedule 4 will ensure that businesses eligible to claim fuel tax credits will receive increased fuel tax credits to fully offset the increase in fuel excise paid, claimable as soon as possible.

This bill will introduce amendments so that, when a tariff proposal increases the rate of fuel duty being collected, businesses claiming fuel tax credits or grants under the Cleaner Fuels Grants Scheme will continue to receive the appropriate credit or grant. The amendments to fuel tax credits ensure that fuel duty is a tax on final consumption of fuel rather than a tax on business inputs. This will avoid any negative cashflow consequences that result from the use of tariff proposals. This bill will also make similar amendments to the operation of the Cleaner Fuels Grants Scheme. Full details of each of these measures are contained in the explanatory memorandum.

The government has outlined a plan to build a future that is just, that is pioneering and that is prosperous. That is something that we all want. A key part of this is creating the environment in which Australian businesses can grow and flourish and, in difficult budget circumstances, taking responsible steps now to immediately start building the productivity-boosting roads that Australia so desperately needs. The measures in this bill are part of the government’s plan to help investors, small business and corporate Australia get on with the job they do best—creating opportunities so that all Australians can benefit. I commend this bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mr McCORMACK (Riverina—Parliamentary Secretary to the Minister for Finance) (18:29): by leave—I move:

That this bill be now read a third time.

Question agreed to.
Bill read a third time.

Telecommunications Legislation Amendment (Deregulation) Bill 2014

Telecommunications (Industry Levy) Amendment Bill 2014

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Mr CLARE (Blaxland) (18:30): I rise to speak on the Telecommunications Legislation Amendment (Deregulation) Bill 2014 and the Telecommunications (Industry Levy) Amendment Bill 2014. These bills are part of the repeal-day package and they are very minor reforms—even smaller than the first round in March. In March the changes in the communications portfolio amounted to about $35 million a year—not what you would call big reform. This time the savings amount to about $18 million, which is about half of that size. So the best way to describe these two bills would be that they are small, rudimentary cleaning-up exercise.

Today's bills do a number of things. They abolish TUSMA and transfer its key functions back into the Department of Communications. They repeal outdated provisions in respect of the making of e-marketing industry codes and the supply of telephone sex services. They repeal preselection requirements. They make the registration period for numbers on the Do Not Call Register indefinite. They streamline notice requirements to improve the operation of the customer service guarantee and they enable the TIO to publish documents on the web rather than in the Gazette. The amendments are not contentious and they have the support of industry and consumer representatives.

The Telecommunications Legislation Amendment (Deregulation) Bill 2014 also repeals the reporting and record-keeping requirements in part 13 of the Telecommunications Act. The opposition does not support that proposal at this time. There is another bill that is currently in the House of Representatives that proposes to deal with the issue of mandatory data retention and we argue that this change should be considered as part of that substantive bill. I have talked to Minister Turnbull about this and asked him to remove this from this bill. He has agreed, and I thank the minister for that. Subject to the government amending this bill to remove schedule 5 in its entirety, we will not oppose this bill in the House. We will of course consider any recommendations that come from the Senate committee that will examine this bill.

Mr LAUNDY (Reid) (18:32): I am pleased to speak on this legislation as it is a great example of the government taking real action to allow local businesses to prosper and consumers to benefit from a more efficient telecommunications environment. This government has laid out a new deregulatory course. There are now two repeal days in parliament each year and dedicated deregulation units in each major federal department. I thank the member for Kooyong, who from day one has been kind enough to include me in his team on this front to find different ways we can get out of the way of businesses and let them go on and do what they do best, which is to prosper and make profit. The government is about getting out of the way of business. Naturally, some degree of regulation is required to
establish effective markets and working communities. But excessive red tape detracts from productivity and ultimately lowers living standards.

The regulatory burden on the telecommunications industry is especially harsh. A build-up of red tape over almost two decades has left us with numerous outdated requirements which do nothing but inhibit innovation and put barriers in the way of new businesses looking to join the industry and enhance the competitive environment. Together, the measures proposed in this bill will deliver savings to industry and individuals of $6.7 million over 10 years. That is a significant saving. The abolition of the Telecommunications Universal Service Management Agency, TUSMA, and the transfer of its functions will provide greater certainty for the industry by having a single agency responsible for both policy and the arrangements concerning the universal service obligation, the national relay service and the 000 emergency service. Further measures in these bills seek to improve the operation of the Do Not Call Register and remove a variety of redundant legislation.

It should be noted that the Department of Communications has collaborated quietly with all industry stakeholders on these measures, releasing a discussion paper and a telecommunications deregulation road map in the last year and following up with a stakeholder forum in May this year. Significantly for the department industry and the public were invited to join an online discussion to make the consultation process more interactive.

Looking at a number of these measures in detail provides an indication of just how important and comprehensive the bill is. Firstly, a key component in the bill relates to the repeal of the Telecommunications Universal Service Management Agency Act 2012 and the transfer of its functions and responsibilities to the Department of Communications. This was announced in the May 2014 budget. Transferring TUSMA's functions to the department will streamline the delivery of public interest telecommunications by reducing bureaucratic duplication and enabling clear lines of accountability. This reform will also create greater certainty for industry by having a single agency responsible for both policy and the implementation of contractual arrangements concerning the universal service obligation, the national relay service and the 000 emergency service.

All too often, businesses right across our country are tied down by paperwork and having to deal with multiple agencies. This bill helps lighten the load. The bill will remove the requirement for carriers to provide audited eligible revenue returns, thereby lifting a significant red tape imposition from those carriers. Currently, around 25 carriers have annual revenue in excess of $25 million and therefore must pay an industry levy for the provision of the USO and other public interest services. At present, having to provide a fully audited return adds a cost burden of around $300,000 to those carriers, costs which are inevitably passed down to consumers. Removing this requirement clearly benefits the industry without in any way compromising the regulator's ability to assess eligible revenues and determine levy contributions. It will also deliver a modest reduction in the Telecommunications Industry Levy paid by industry and is consistent with the recommendations of the National Commission of Audit to reduce and consolidate smaller agencies in an attempt to reduce administrative and governance costs. Importantly, the transfer of TUSMA's functions will have no impact on Telstra's universal service obligation which ensures that standard telephone services and payphones are reasonably accessible, on an equitable base, to all people in Australia.
Another important element to this bill relates to the Do Not Call Register. With this measure, the government is moving to permit a one-time sign-up for the very popular Do Not Call Register. I know this, because I am on it, and I know this register is widely used by people throughout my electorate. The Do Not Call Register enables individuals to list private, government and emergency service fixed-line telephone and mobile numbers to prevent unsolicited contact from telemarketers. The register became operational in May 2007 and is working effectively to prevent invasive and, at times, intimidating telephone calls.

As of 31 March 2014, 9.4 million telephone numbers were listed on the Do Not Call Register, including two-thirds of Australian households with a fixed-line home telephone and close to four million mobile telephone numbers. However, registrations are currently time limited. Originally the registration period was set at three years; however, the previous minister made a determination under the act of 2010 to extend the period of registration on three occasions. The registration period currently sits at eight years. Without regulatory intervention numbers on the register would begin to expire from 31 May 2015. This makes no sense. It is time we removed the time limit, and that is what we will do.

The Department of Communications issued a discussion paper for consultation in December 2013 regarding the optimal registration period to which 3,020 submissions were received. Political parties, members of parliament, political candidates, religious and educational organisations and charities are all exempt from the application of the Do Not Call Act, and this amendment will not alter any public interest exemptions. Not surprisingly, a 2013 study found that 56 per cent of the respondents felt annoyed by unsolicited marketing approaches and 39 per cent of respondents expressed concern about how their details were obtained by the organisation contacting them. The extension of this registration period to an unlimited period will save consumers around $3.4 million annually and is a sensible measure.

The bill will also remove the arrangements for ACMA to register e-marketing codes. Following public consultation ACMA deregistered the e-marketing code in June 2014 as it was no longer relevant, with a cost saving of $2 million. Moreover, the e-marketing provisions in the Telecommunications Act are now more than a decade old, and there is broad stakeholder consensus that the Spam Act 2003 adequately addresses the range of problems associated with unsolicited commercial electronic messages and is sufficiently flexible to enable ACMA to address a broad range of issues. Therefore, consumers will still enjoy a strong consumer protection measure under the regulations.

Another very important element to this bill relates to preselection, which allows consumers to choose a different provider for local calls or line rentals and long-distance and/or international calls. Whilst there are 10.3 million landlines in service in Australia, only 30,000 consumers still choose to vary their service providers under preselection. Preselection was introduced in the early 1990s to foster competition and was once quite popular; however, its declining use is due mostly to bundled telephone service offerings from providers and the ease with which consumers can now switch providers anyway. Providing preselection imposes costs for industry—for example, in developing and deploying appropriate software to enable preselection to operate. The amendments contained in this schedule are proposed as a deregulatory measure to relax the future requirements to provide for preselection. Preselection functionality will continue to be available to those consumers who are currently making use of it. However, carriers will no longer be obliged to build systems to offer preselection as part
of the supply of a standard telephone service—a move that is better for business and better for consumers.

A further measure under this bill includes the modernising of publication requirements which currently require publication in the government Gazette. Who reads the government Gazette?

Ms McGowan: Me!

Mr LAUNDY: Cath McGowan reads the government Gazette—very good. In fact, most people would ask: what is the government Gazette? Cath, I would suggest it is a sure-fire way to cure insomnia. Instead, such notices will now be able to be published on the Department of Communications website. It is a simple change but one that reflects this government’s commitment to reducing red tape and modernising the way business interacts with government and the way government interacts with the community.

As Australians increasingly rely on communications technology to support all aspects of our lives, an effective and responsive regulatory system is needed now more than ever. These proposed amendments will relieve the telecommunications industry of burdensome and outdated red tape while maintaining consumer safeguards and encouraging competition. The proposed amendments in these bills have been arrived at in collaboration with the telecommunications industry, consumer representatives and regulatory authorities. They should be supported by all in this place.

Ms CHESTERS (Bendigo) (18:43): I thought I would rise to speak on this legislation to highlight what is missing from it and areas that I believe that this government is not acting on. We have heard that this legislation is largely noncontroversial for people here in this House, but I rise to speak about my disappointment about what is not in these bills—the Telecommunications Legislation Amendment (Deregulation) Bill 2014 and the Telecommunications (Industry Levy) Amendment Bill 2014. What is not in this legislation is a commitment from this government to continue Labor’s plan to rollout the NBN. A quick look at the NBN rollout map says it all. Around Victoria there is good news for some areas, but very bad news for my own area and the Bendigo electorate. Splotches of purple and brown lights are spreading out in areas like Ballarat. I congratulate Ballarat and I congratulate Shepparton: two areas which are getting the rollout of the National Broadband Network, the fibre cable connecting homes and businesses to the internet. Bendigo, however, misses out. Not only has Bendigo continued to miss out but, since the election of this government, they have been knocked off the map.

On election day, areas of Heathcote, Bendigo, Kyneton, Castlemaine and Maldon were on the map. They were listed for rollout. They were going to get the connection speeds that our metro cities enjoy. But, since the election of this government, they have just disappeared, and the people in that electorate keep asking me, and rightly so: what is the plan?

A year after the election we still do not have a plan for large parts of regional Victoria and large parts of my electorate. We do not know when we are going to get the NBN rollout and we also do not know what we are going to get. All this is from a government that before the election promised that people in the Bendigo region, as well as other areas of regional Victoria, would not only get broadband sooner and quicker but they would get it cheaper. A year on we still do not have a plan. How are they going to meet this election commitment that
the people in regional Victoria, the people in Bendigo, will get it sooner, quicker and cheaper if we do not yet have a plan and we do not know what we are going to get?

This is a big problem for our region. So much of our life is spent online now, yet people cannot get the basics. Weekly I am inundated with calls from small businesses, from homes—people ringing, frustrated, that when they call to find out what internet is available in their area some are told as little as there is no internet service in their area—none whatsoever. Some are told the ADSL ports are full right now and there is no plan to introduce any more—keep ringing and hopefully someone will no longer require their service and you can take their spot. It is a particular concern in Castlemaine. In Castlemaine a retailer will ring and say, 'Great news, you are in an area which has ADSL.' The frustrated local then says, 'Okay, I have heard that before, fine, I will sign up with you.' Then the retailer goes to Telstra and Telstra says, 'Yes, while there is coverage of ADSL in Castlemaine there are currently no ports of available.' So the retailer has to go back to the frustrated local and say, 'Look, I am really sorry, there are no ports available—there is no waiting list for a port to be available; you will have to survive on what you've got, which is either mobile phone coverage or dial-up.' This is the real problem we face in the bush day in, day out. The frustrating thing is that there was a plan and the plan was ripped up. Even more frustrating is that all we are seeing from this government is more and more tidying up of the papers. This bill is an example of that. It may cross the i's and dot the t's, it may increase the industry levy slightly, but it is not genuine reform. It is not bringing about the internet and infrastructure that people in the regions need when they need to connect.

Recently I met here in Parliament House an action group, iLoddon Mallee. They used to be known as iBendigo and, before that, NBN for Bendigo. They have constantly been seeking a meeting with the minister about communications. They have written to me to ask whether I can help organise a meeting with the minister. Given that I struggle to meet with the minister in my capacity as the federal member for Bendigo, I thought I would read out their letter and put on the record what the iLoddon Mallee advocacy group are asking for. They say:

I write to you in my capacity as the chair of the iLoddon Mallee on behalf of Bendigo and Loddon-Mallee communities in Victoria.

iLoddon Mallee Project Manager Marg O'Rourke and I will be in Canberra again in November. Pending a scheduled meeting with the Minister of Communications we have written to him seeking a meeting to discuss the state of the NBN rollout to the iLoddon Mallee region.

We managed to meet with Paul Fletcher in our last meeting in June. However, we felt that it is imperative that we have an opportunity to speak with the minister directly to update him on our region's preparedness.

This is an organisation that represents business communities; this is an organisation that represents local government. All they want to do is meet with the Minister for Communications to find out 'when?' They want an answer to the question I proposed at the beginning of my contribution in this debate—they want to know when the NBN will be rolled out to our region. There was a plan, the plan was ripped up and to this day we have no plan. These are the kinds of things that this government should be doing in government. These are the kinds of things that should be in this bill that is before us. Where is the plan for the NBN for regional Victoria? Where is the plan for my electorate?
Some of the good news we have had in relation to telecommunications is that the NBN towers have gone up and people that have access to these towers are connecting. Small communities like Malmsbury are for the first time ever having decent download speeds, and they are embracing it and they are loving it. The problem that we have is that some of the people that they wish to do business with or communicate with are just up the road—businesses in Kyneton or in Bendigo—but they are struggling to connect to those businesses because of the telecommunications problems and the internet speeds in our regions. I do not believe that city MPs really understand this. We simply do not have the infrastructure that we need in the regions to connect like the rest of Australia can. It is not just a problem in regional Victoria—it is a problem throughout the whole of Australia. There is now a digital divide in this country between city and metro. Communications infrastructure is just as important as roads or water. We need to make sure that we have a system that is able to connect everybody.

Another complaint that I get quite frequently concerns the push by all government services to go online—they ask that you do your paperwork online because it will save time and it will be quicker and easier to work your way through the bureaucracy. It sounds great, but if you do not have a decent internet connection it might drop out just before you hit the send button. It does not work if you do not have a decent internet connection that drops in and drops out. A recent example that was raised with me where this has become a particular problem is within our farming community, when rural financial counselling services have been going to farms to assist farmers apply for support loans. The problem is that when they get there they do not have the mobile phone coverage to be able to connect to the internet to help that farmer apply for the concessional loans. So much of our life is online and yet in parts of Victoria, in parts of regional Australia, we just do not have the infrastructure that we need to be able to connect with everyone else. That is a major problem that I see with this government—they have no plan. There was a plan but they tore it up and we still do not have a plan. What we have is bills like this that, as I said, tinker around the edges, do a bit of a paperwork, cross the t's and dot the i's but fail to demonstrate genuine reform which would bridge the digital gap between city and country.

I really hope that the minister actually picks up the letter and meets with iLoddon Mallee. They are, as I have said, a group of businesses. They include Bendigo Health, the City of Greater Bendigo, Macedon Ranges, Mount Alexander, the Bendigo Business Council and major manufacturers in our electorate. We have one manufacturer, Keech Australia, who actually design—they have a 3-D printer—and custom make equipment and designs for overseas mining. But yet they cannot have a live-time conversation with their clients. They cannot send their model or interact with their clients overseas via the internet, because the speeds are so slow in East Bendigo. They simply do not have the infrastructure that they need to be able to connect to do business.

If they were in Melbourne, not a problem. If they were in Ballarat, not a problem. If they were in Shepparton or any other area where the NBN was being rolled out before this government got elected and tore up the plan, they would not have this problem. But because they are in Bendigo and we do not have the NBN yet, we do not have that fibre in the ground connecting businesses to the NBN network, they are being disadvantaged. What they have to do is download the plans onto a disk, onto a CD-ROM, send it to the clients—and hope that
Australia Post can get it there on time—and then ask them to connect and pull the program up, and then they have a phone conversation. Seriously! This is part of the digital divide that I am talking about. This is why this government is really hurting regional communities and slowing down their ability to connect.

We are constantly trying to encourage universities to go online to go to a hybrid model of in-the-classroom and online study. We say that that is what students want. It is one of the big pushes behind the reforms that the La Trobe University is pushing for. But the problem is that we do not have the infrastructure in the bush for their students to be able to connect to their classes, to their tutorials, and to engage in that online programming, because we simply do not have the infrastructure. It is just like country roads. It is like driving down the freeway and turning off onto a dirt road—if you do not have the proper internet connections, if you do not have the fibre going throughout the whole region, you have to slow down before you turn off and you get onto that bumpy road.

It is quite simple and people in the electorate of Bendigo get it, and that is why it is one of the biggest issues that is raised with me. It does not matter where they are from or who they are. They could be young people that are just moving into Bendigo to go to university. They could be older people wanting to develop their skills or go back to training, or even looking to socially connect with their grandchildren. They could be businesses. They could be any number of people that contact me. When it comes to the NBN itself, because of the delays that we have, we have some areas in the greenfields areas of Bendigo that are still waiting to be connected. They have their new home—they are new housing estates—and they are still waiting for NBN to turn up and roll it out. Even on this minister’s watch, when he likes to rant about the problems of the previous government, he has his own problems of ensuring that, in the NBN areas that have been listed, the NBN is being rolled out on time.

What disappoints me the most about this bill, the Telecommunications Legislation Amendment (Deregulation) Bill, is the fact that it fails to actually have a plan to continue the rollout of the NBN. So much of our lives is online, and right now people in the bush are missing out. Things are slow when it comes to the NBN. Things are holding us back. We have the innovation and we have the ability to connect to sell our products online. We have an amazing network of producers in our region. We have an amazing network of farmers that are innovating, that are wanting to use the internet as a way to follow their livestock, yet they are being held back by really slow, inferior internet connections.

What disappoints them the most is that, with the previous Labor government, there was a plan. There was a plan for rollout in our region. We were on the map. The coalition got elected and they tore up the plan, and to this day we still do not know when we will get the NBN, what kind of service it will be, and what it is going to cost. All we have seen from this minister, apart from bills like this that really do nothing, is a failure to meet with the advocacy groups who just want to work with the minister to find out when and how they can assist the earlier rollout in the Bendigo electorate.

Mrs PRENTICE (Ryan) (18:57): Just for something completely different, I am going to talk about the bill in front of the House. I rise today to speak on the coalition government's continued commitment to good governance. The Telecommunications Legislation Amendment (Deregulation) Bill 2014 is not just about making changes for the sake of it. It tells the story of a government on top of the issues of the day.
One of the most popular and successful programs implemented by the Howard government was the Do Not Call Register. As you no doubt know, Deputy Speaker Vasta, this register allowed people to effectively bar their phone numbers, both landline and mobile, from being called by telemarketers—with a couple of exceptions. How do we know this is a successful program? The numbers speak for themselves: 7.3 million individuals have registered 9.4 million phone numbers on the Do Not Call Register. That equates to 95 per cent of households in Australia. Australians have certainly endorsed this program by their participation.

To allow for the mobility of the population, numbers on the register were scheduled to expire after three years and then needed to be re-registered. In 2010, 2012 and 2013 this period was extended through amendments to the act but not by careful consideration of available options for the longevity of the program. However, that extension granted in 2013 is due to expire in June next year. The Abbott government is doing the right and responsible thing and seeking the option which will continue to drive this very popular program. Minister Turnbull has examined the four options presented to him and made a determination that, once a telephone number is listed, it will now stay on the register unless the account holder of that number applies to have that number removed. This makes good sense because, unlike 20 years ago, our telephone numbers are now much more portable. Local number portability means you can keep the same phone number if you change provider, location portability means you can keep the same number if you move within the same geographic area and mobile phone numbers are able to be ported between providers.

Not that long ago you needed a new number if you moved to the other side of your suburb. What that means for the Do Not Call Register is that telephone numbers are becoming more stable. The need to clean or wash the register is not as strong as it used to be. Therefore, making registration of a number a one-time-only affair makes sense. It also saves a lot of time, money and angst.

This bill also abolishes the Telecommunications Universal Service Management Agency and moves its responsibilities to the Department of Communications. This fulfils our government's commitment made in the 2014 budget.

Due to the abolition of the Telecommunications Universal Service Management Agency, TUSMA, the government will move responsibility for the collection of the telecommunications industry levy from TUSMA to the Telecommunications (Consumer Protection and Service Standards) Act 1999. This change also includes responsibilities for the universal service obligation, USO, to be monitored under this act. The aim of these changes is to lessen the burden of compliance for business and to cut through more red tape. And, more importantly, the industry levy that needs to be paid to support the operations of TUSMA will now be $1 million dollars less, thereby keeping pressure off prices.

This bill reduces the regulatory burden of telecommunications legislation through amendments to the Do Not Call Register Act 2006, the Telecommunications Act 1997 and the Telecommunications (Consumer Protection and Service Standards) Act 1999. This will lower the cost burden on business and consumers by $6.9 million a year, while maintaining necessary consumer safeguards.

This bill honours the coalition government's promise to reduce costs and reduce red tape that has been strangling business for too long. The $7.9 million saved in this bill alone is
enough to create 131 new jobs, at $60,000 a year. The $2.1 billion saved over the other repeal days equates to 35,000 jobs, at $60,000 a year, nearly double the minimum wage. There are 35,000 reasons these repeal days are vitally important—not the jobs themselves but the dignity and pride that comes with them. As we know, the best form of welfare is a job, not just for the money it provides but also for the sense of achievement it brings.

I wish to congratulate the Minister for Communications for cutting the red tape in his area of responsibility and note, without surprise, that much of it comes from the Labor-Greens alliance time in government. This bill is not solely about technology surpassing the legislation but about repealing what was simply bad legislation. I support this bill and I commend it to the House.

Ms McGOWAN (Indi) (19:02): I acknowledge the member for Ryan and thank her for that good expose of the background behind the legislation. Tonight I would like to speak to the Telecommunications Legislation Amendment (Deregulation) Bill 2014 and related bill and pick up two particular features of it. The most important one from my perspective is the universal service obligation. The bill makes some changes to existing processes for potentially lifting USO regulations in the future and it is to this provision that I want to address my remarks tonight.

Telecommunications is problematic in regional Australia, as we have heard from the member for Bendigo. It is a topic of major interest to most residents, businesses and particularly younger people who rely on digital communication via their mobile phones. It is that group of young people with whom I have much empathy.

In my speech tonight I would like to discuss the importance of the USO, outline some of the issues facing telecommunications infrastructure nationally, particularly in my electorate of Indi, and call for a national discussion about how telecommunications can better serve residents and businesses in the future, by doing four things: by expanding the existing Black Spot Program; by actively supporting co-location of mobile and broadband facilities; by proactively working with local governments, communities, businesses and telcos so that they can work cooperatively to solve problems, particularly black spots at the local level; and by government allowing the use of mobile phones, as well as landlines and payphones, to satisfy USO obligations.

I turn to the universal service obligation. This obligation is incorporated into the Telecommunications (Consumer Protection and Service Standards) Act 1999. It is designed to ensure that all people in Australia, no matter where they live or conduct business, have reasonable access on an equitable basis to standard telephone services and payphones, as well as prescribed carriage services. However, currently, no prescribed services exist.

The minister has determined, in his wisdom, that Telstra is the primary universal service provider for the whole of Australia. This reference is from the Telstra USO policy statement, 2005.

The universal service regime also includes the digital data service obligation, which is the obligation to ensure that either:

(i) general digital data services; or
(ii) special digital data services;

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are reasonably accessible to all people in Australia on an equitable basis, no matter where they live or conduct business.

Telstra is a carrier declared by the Government to fulfil the digital data service obligation throughout Australia.

The USO does not extend to additional services such as mobile phones and broadband. The government considers that there is already a competitive market for such services, but that is not the case in regional Australia.

The USO policy is critically important to people who live in regional Australia. It is an expression of our national commitment to fairness and equity. The USO is our attempt as a nation to address the issue of accessibility, to overcome the tyranny of distance and resulting higher costs to service delivery in regional areas.

I encourage the government, if it is to undertake any changes to the USO, to do so with care, to bring the community with them and to ensure that the community understands the implications and benefits of proposed changes.

I would now like to turn my mind to the role of Telstra in regional Australia and here I would like to put on the record that I own shares in Telstra and am a significant customer. I have a deep and abiding relationship with the service it provides me; the linesmen who sort out my regular problems; the technicians who do the work; and the backroom office people who enable me to live, work and share a community life from my farm in north-east Victoria.

However, the aspect of Telstra that I would like to see changed is its virtual monopoly on telecommunications in regional Australia. I do not think that this works to our advantage. I would like to see greater competition and I would love to see other telcos providing competitive services in regional Australia, particularly through our USO.

When I think of Telstra I think of my mobile phone coverage. At this stage I would like actually to acknowledge and congratulate the government and the Department of Communications on the excellent work that they are doing to address black spots, especially in areas of potential emergency, where clearly it is uneconomic for the telcos—Telstra in our case—to locate towers. The consultation that has taken place with the community, the mapping of the black spots and the process for setting priorities are working really well from my perspective. The groundwork has been done. However, it is not enough; $100 million is not nearly enough money to cover the problem. My colleagues from all parts of regional Australia would agree that this is a great program; there is just not enough money. We need to enlarge it. We need to expand it.

The Department of Communications database has in excess of 6,000 reports of mobile phone black spots, and in my electorate of Indi 275 reports. With the Mobile Black Spot Program we estimate we will get three towers to help us meet this need. While I am very grateful for those three towers, they are clearly not enough to meet our need or the need right across Australia. In my electorate of Indi, local government has joined forces with business, the Country Fire Authority and others to look at how we can leverage this program to gain efficiencies, to co-locate services, to have community buy-in and to squeeze every bit of extra coverage that we can gain. Now that the processes are in place the government, and Australia, is in an ideal position to work closely with the department to address the next set of priorities. I will really look forward to working with my coalition colleagues, particularly the members of the National Party, to get the extra funding in next year's budget.
One of the problems we have in my community is how to maximise the mobile phone coverage we get through leveraging the potential of broadband, and particularly the NBN, through co-location technology. From our perspective, co-location of mobile phone coverage and broadband is essential for us to maximise delivery. However, getting competing telcos to sit down and discuss how best to maximise the opportunity offered by NBN is proving problematic. How do we get all the players to work together? Where are the carrots? How do we get even more competition in regions? If our experience in Indi is anything to go by, co-location is extremely problematic. It requires a level of knowledge by local government, who are responsible for the managing permits. It requires a willingness by telcos to work together. It requires an ability to cover the costs of backhaul from the fixed wireless towers to the networks. And in the longer term it requires an educated community able to anticipate what new technologies will bring to their communities and their businesses and to be active players in the design and delivery of these services.

Within my electorate of Indi we have been having some very specific problems that I would like to have documented in tonight's debate. Last weekend in the King Valley, as we have on many weekends in Indi, we had a festival, La Dolce Vita Wine and Food Festival. It is a festival in celebration of the Italian community in north-eastern Victoria. We had many, many visitors from the major cities. It was a very, very hot weekend. What happened, as regularly happens, was that our mobile phone service got sick. It did not quite die; it just lost capacity to deliver. The phone service did not work. The EFTPOS machines did not work. The booking systems for accommodation did not work. The real worry for the community—we can manage, I suppose, with the business fallout—was the bushfire danger. It was extraordinarily hot and a fire could easily have broken out, and our communication systems just weren't there.

These brownouts are common in Indi where we have many festivities and large numbers of tourists. It is not just the Winery Walkabout or the Celtic Festival, it happens during the snow season as well. Next weekend we have the Great Victorian Bike Ride: 4,000 cyclists all using their mobile phones will be travelling right throughout north-eastern Victoria. We fear a similar failure of our system. The political fallout is what really counts. As the member for Bendigo said earlier, the system is just not working.

For visitors from Melbourne, Sydney and other places who come to enjoy the hospitality of Indi there is an additional problem: the lack of competition. It is particularly bad for local businesses. Many visitors have Vodafone or Optus plans, but in Indi and also, I know, in many other areas of rural Australia, we do not have Vodafone or Optus coverage. We have Telstra. There is nothing more frustrating for visitors from Melbourne or Sydney—or Brisbane or Adelaide for that matter—coming to our area and discovering that their Vodafone or Optus phone do not work. There is limited coverage on the snow fields, wineries, lakes, picnic spots and camping areas. It is just not good enough. Vodafone and Optus should be as readily available as Telstra.

There are four things that I think we could do to ameliorate this problem. In the first instance, we need a general, open, national discussion about telecommunications infrastructure in regional Australia and how it can be designed in partnership with community to deliver for us for a sustainable future. We need community buy-in. There are four things I would like to talk to. We need to expand the black spots program. It is a good program; in
In fact, it is a great program. It was an election commitment that the government is delivering on. The establishment work has been done, priorities have been listed and partnerships built. I really encourage the government and my colleagues opposite to maximise the work done in this establishment phase and to consider expanding it to pick up the next level of priorities that we have already identified—$1 billion would be a great start.

My second suggestion for activity in this area is for the minister and the Department of Communications actively to support and encourage telcos to co-locate mobile and broadband facilities. This is desperately needed and, from the government perspective, is a low cost high impact strategy. The NBN Co. rollout is underway. Fixed wireless towers are being built in my electorate. Where mobile towers already exist there is greater possibility to co-locate NBN technology. I encourage the government to proactively encourage the telcos to work together—give them some carrots.

The third area in which I would like to encourage much greater proactive work is between the Department of Communications, local governments, community, business and telcos on solving black spots. This is a role the department could undertake relatively easily. I would like to see a public education, public engagement program where the communities and local government work together to assist in fast-tracking applications and to help people better understand the obligations that must be met. As we have heard tonight, the telco regulation area is very complex.

In my community—and I know this is the case in other communities—people are very keen to help. In many instances, they want these services more than we do. But it is a complex area and it is hard to know where to get into the system. There is a lot of misunderstanding, so intervention, improved understanding and building relationships at the community level would have a big impact. It is the sort of job that the Department of Communications could undertake with great ease. I say again that it would be high impact and low cost.

My final suggestion, directly relevant to this debate, is that the government should allow the use of mobile phones, as well as landlines and payphones, to satisfy the USO obligations. Universal service obligations could easily be delivered by mobile phones, and it does not necessarily have to be Telstra that does all the heavy lifting. As the minister goes into negotiation with Telstra on its next range of agreements, could he please consider the option of mobile phone coverage, particularly for young people who do not use landlines but who need their mobile phones wherever they go in Australia to be covered by the USO? Vodafone and Optus could readily and, I think, happily compete with Telstra on the ability to meet that USO. In closing, I think we can do better with telecommunications in rural Australia. This legislation is a beginning, but we have a long way to go.

Mr WILLIAMS (Hindmarsh) (19:16): It gives me great pleasure to speak on these telecommunications legislation amendment bills because the focus is on deregulation. This is an area of focus for the government that is so important to raise productivity and give businesses a better chance to approach. So many people have a horror story about regulation that costs them time, money and is so frustrating when they are doing what they need to do in their operation or organisation.

There was a Deloitte Access Economics report released only last month entitled Get out of your own way about unleashing productivity. It was the fourth report in a series. It said:
Australia is a lucky country, with a bright future. But we have a problem – and its colour is red. Red tape, that is.

There’s too much of it … and we need to address the grip it has on our economy.

I will share just one example from my own perspective. Earlier this year, I volunteered at a local charity in my electorate in Glenelg. I found myself having to fill out a South Australian police clearance and an OH&S form just to go down and cut a few vegetables and help the local needy in that area. I am sure many others have had this same frustration across so many different areas. Recently, there was a volunteer Neighbourhood Watch group that had to jump through a large number of regulatory hoops just to hold a barbecue fundraiser in the local park. It just gets worse. There was an award given to a volunteer group for filling out forms. So it is gone to the extent of rewarding people because they have had to fill out so many forms! Where does it stop?

We need to make changes to make it easier. That is what we are doing. We have started this long process. We know that red tape compliance does not help create conducive societies and operations, especially when there is overburdening and people need to dedicate their time to navigate the various rules that government have imposed on them. The Productivity Commission has estimated that regulation compliance alone costs as much as four per cent of Australia’s GDP. We are all aware that excessive, unnecessary regulation hurts productivity, deters innovation and investment and cost jobs.

I want to say a few words about productivity, because it is such an important element of getting our economy ticking the way it should. To understand why it is important, I will go through some of the context. It has been a key, long-run determinant of income growth for Australians over many decades. When productivity growth has not been high then other growth has often languished. So slower productivity growth with falling terms of trade and an ageing population present significant challenges for our future. That is why we have prioritised getting rid of this regulatory burden. It will help business operators use their resources more efficiently and thereby improve productivity.

Twice a year we are holding repeal days where our attention is solely focused on reducing the compliance burden on not just organisations and business but also individuals. As of today, the repeal measures announced by the government will save individuals, businesses and the not-for-profit sector over $2 billion—far greater than what we initially undertook to do. It is twice as much, in fact. We have doubled our efforts in 12 months. On our first repeal day, we cut 10,000 pieces of legislation, and on our second repeal day we cut another 1,000 pieces.

As the renowned economic commentator Alan Kohler states: The cost of doing business in Australia is far too high and some of that is due to unnecessary laws and regulations.

Well, we are addressing one of those costs of doing business here. The government has also announced more than 400 new measures to cut red tape across the board, from the environment to education, health, human services and Treasury.

I want to return to the area of telecommunications and, in particular, the Do Not Call Register, because it affects so many individuals, families and businesses when they are unnecessarily contacted by marketers and others. A listing was initially for eight years and
then it had to be renewed. But now you can stay on it indefinitely. This might seem rather small, but in reality it is these small changes that make it easier for everyone to get on with their lives and get on with their business.

Telecommunications and broadcasting are two of the most heavily regulated parts of the economy. That is why we are tackling a number of elements within these sectors. As they should, the department and the government have collaborated widely with all industry stakeholders on these measures, releasing discussion papers and engaging in stakeholder forums.

The regulatory burden on telecommunications is especially onerous in terms of the sector's long-term structural evolution from a leviathan government owned monopoly, to a competitive ecosystem of many large and small players. We just heard the member for Indi speak about how there is still a lot of work to do in terms of that market. But the build-up of red tape has left the communications sector with numerous outdated and burdensome requirements which stifle innovation and put barriers in the way of new businesses joining the industry. As we know, we need competitive markets and competitive industries to get the best innovation and the best outcome for the consumers and companies in particular.

These measures, announced as part of the package to eliminate unnecessary red tape and to remove onerous and outdated reporting requirements, will generate savings of over $70 million for consumers and businesses and result in over 3,000 pages being made redundant. I want to go through a few key measures: repealing regulation that currently requires subscription broadcasters to independently audit their expenditure on Australia and New Zealand drama; removing the current captioning compliance reporting obligations on free-to-air broadcasters; and, as I said before, extending the registration period for the Do Not Call Register so consumers only need to register a phone number once to ensure they do not receive those unwanted telemarketing calls or marketing faxes.

If you look at the anecdotal evidence out there as you walk around the suburbs of Australia, you will sometimes see, in some particular areas, 'Do Not Knock' stickers. This is the same principle; they do not want to be hassled. Individuals, companies and consumers do not want to be constantly bothered by answering the phone and door—unless it is a visit from their local member of parliament; they then love to hear about many of the great things the government is doing! I know the member for Throsby acknowledged that quite quickly, so it is good to see he is paying attention and also agrees with the achievements of the government's year in office.

But in terms of other measures that we are looking at, the Australian Communications and Media Authority has announced a number of measures in support of the government's deregulation agenda, which also focuses on removing unnecessary reporting obligations and updating codes of practice.

In conclusion, apart from the specific laws that get repealed, we are removing the unnecessary and overlapping regulation at different levels of government. The government is encouraging the states to introduce a new culture of regulatory rollback. Many of the most costly regulations in our states and territories need to be put aside. I know the South Australian Labor government identified unnecessary red tape and regulation as an area they need to work on further. They have been in office 12 years; I would have thought they might
have done more up until this period than suddenly wake up and think to do what the Commonwealth is doing and remove the unnecessary burden on businesses and households.

We have acted, and we have got results. We have got on with the business of governance, removing these unnecessary regulations and getting results for small businesses, for households and for a better society and community. I want to congratulate Josh Frydenberg; he has done a fantastic job as the Parliamentary Secretary to the Prime Minister driving this—

Mr Ewen Jones: He does not need any more pumping up!

Mr WILLIAMS: I see the member for Herbert has already done that. Well done to him. Also the Prime Minister, who I am sure the member for Herbert has also acknowledged as driving this agenda. It is an important agenda; it might be chipping small bits away, but it is important. It is important that individuals, companies and organisations—not-for-profits in particular—do not get frustrated with filling out unnecessary forms and compliances, taking their focus away from doing the job they should be doing, whether it be in the community or in the economy. Deregulation is crucial; cutting red tape frees up business to do what they do best: creating the jobs of the future, raising living standards and addressing the productivity challenge.

Mr PORTER (Pearce) (19:26): It is a pleasure to rise and speak on yet another part of the coalition government's deregulation agenda—on this occasion the Telecommunications Legislation Amendment (Deregulation) Bill 2014. The deregulation agenda—as I have remarked previously and following on from the words of my learned predecessor—is about accumulation of a range of legislative, administrative and regulative changes that are meant to save money, time and costs in the economy.

I thought I might make this contribution by relying on a personal and bitter experience that I had in a previous position with regard to the costs of regulation and why this agenda is so important. Before I touch on that, I will just note that the savings in this particular piece of legislation, the Telecommunications Legislation Amendment (Deregulation) Bill, cumulatively over 10 years is $6.7 million. I would judge, looking at the overarching sweep of this legislation, that that probably fits in around about the bottom third of the cost savings in cumulative terms, but the cumulative cost savings build on other cumulative cost savings; they in turn accumulate, and this all goes to the very important measure in our economy of efficiency being total factor productivity. I thought I might move from a quick exposition of a personal experience about the cost of regulation and into total factor of productivity and make some observations about how the cumulative effect of all of the legislation that the coalition is putting through can help make inroads in this area.

The experience that I had was largely related to the mining industry in my previous position in Western Australia. What we experienced over the last six to seven years in Australia in total by virtue of a range of largely exogenous factors was that we had what I think could fairly be described as superheated commodity prices. What people do not realise is that, between about 1998 and 2000, during the time that Richard Court was Premier of Western Australia, per tonne iron ore was selling at about US$25 to US$30. To be colloquial and maybe a little hyperbolic, it was hard to give the stuff away, but there was a slow and steady increase in commodity prices. What we experienced in the last six to seven years was superheated commodity prices. We experienced, at its peak, iron ore selling at around US$180 to US$190 per tonne. Compare that to the 1990s when you were looking at US$25 to
US$30 per tonne. We are now falling back down below the $80 per tonne barrier and to around the $60 per tonne barrier. That is a very, very significant difference. What that superheated commodity prices period meant was that we could paper over a lot of cracks in the Australian economy, such as things that were not working, costs that were too high and comparative inefficiencies.

I will give you one example that is probably the best example and the greatest canary in the coalmine of the Australian economy, which I must say personally shocked me. That was with respect to the Browse LNG project. That is, the Browse liquefied natural gas project. The grand plan was that that project would involve onshore construction of a liquefaction plant at a place in Western Australia called James Price Point. The work that led up to that expectation was years in the making and involved a range of very difficult environmental approvals and native title approvals. There was an extent to which costs were affected by issues of remoteness at James Price Point.

The reason that all of that intensity of effort—which occurred under the Barnett Liberal government in Western Australia and before that time—was put into it was that the project, had it been constructed onshore, would have been colossal. The original estimates of the construction costs were around about $52 billion worth of onshore construction. I must say, I find particularly it interesting in this place the amount of time, energy, effort and policy acumen that is devoted to industries which have had a history of failure and which have failed, but which in a qualitative sense are no more important—and, in fact, I would argue they are significantly less important—than some of the other industries that fail. The only difference is that the industries that are failing that we should be concerned about are the industries that we are very, very good at, in the sense that we have a comparative advantage in them.

The Browse LNG project at James Price Point was estimated originally at around about $52 billion worth of construction dollars onshore in Australia. Just to give some idea about the size of that, that represents construction in adjusted dollars for a project that would be five or six times bigger than the Snowy Mountains Hydro-Electric Scheme. Had this project gone ahead, that would have been representative of spending in the Australian economy of a quantum five or six times larger than the spending on the Snowy River scheme. I think that puts it in a reasonable context.

What happened ultimately was that the project did not go ahead and it did not go ahead because the joint-venture partners in the Browse Basin LNG project—Shell, Woodside and others—made an assessment that it may well be cheaper, possibly tens of billions of dollars cheaper, to attempt a floating LNG development rather than constructing an onshore plant at James Price Point near Broome. I am not of the view that offshore and floating LNG is necessarily a doom and gloom scenario. There will be multiplier effects out of that, but any rational economic assessment would have to land on a conclusion that onshore construction is far more valuable to the Australian economy and the Australian people than floating LNG for whatever benefits the latter might hold. To lose a project which was originally valued at $52 billion worth of onshore construction is a colossal failure and it is a real canary in the coalmine of the Australian economy.

Why did we lose that project? Why did this failure occur? Quite simply, it occurred because of productivity failures in the Australian economy. The JV partners basically did not
build it because their original estimates of $52 billion, according to some sources, had escalated $80 billion by the time they came around to potentially making the trigger point decision about building the project. That was just viewed as far too high. The problem was a lack of productivity and immensely expensive onshore construction costs inside Australia.

The alternative that they are looking at, to again put this into perspective, is relatively speculative at this stage. It is a floating facility. At this scale, it is essentially untested technology. It is a floating facility that would comprise 260,000 tonnes of steel. That is more steel than what was used to build the Sydney Harbour Bridge. The vessel itself is longer than the Petronas Towers are tall and five or six times bigger than an aircraft carrier. But the JV partners, with respect to this gas field, made a decision that that alternative is a safe, cheaper and more cost-effective alternative than onshore construction in Australia.

Mr Ewen Jones: That is amazing.

Mr PORTER: I also join issue with you. It is unfathomable that we would lose this project in those circumstances. Perhaps what is even more frightening is that if we lose an automotive vehicle manufacturer, it is on the front-page of The Australian for six weeks. We lost this project and I doubt that anyone who attends this chamber could remember it being in much more than one or two articles over the course of one or two days. But the comparative loss is huge.

My own view about why this occurred is that we are suffering a major productivity problem that needs to be radically addressed. This deregulation agenda is a very important part of addressing that productivity problem. Indeed, in the dying days of the previous Labor government, the government's own Bureau of Resources and Energy Economics reported that at that time—this was around about September 2013—$150 billion of high-value mineral gas and petroleum infrastructure projects had been delayed or cancelled since about April 2012. In the last year of the Labor government, based on the calculation of their own Bureau of Resources and Energy Economics, $150 billion of high-value mineral gas and petroleum infrastructure projects had been delayed or cancelled.

That raises the very important question of why. Why do projects of that scale get cancelled? These are not projects which are in the early stages of speculation. These are projects that are near to the construction stage, with all of its multiplier effects for the Australian economy. The failure is obviously not monocausal; but if you had to give a brief cause description by way of summary, it would have to be productivity. I certainly favour looking at the measure of total factor productivity.

TFP represents output growth that is not accounted for by the growth in imports, such as capital imports or labour imports; labour productivity can be increased by increasing labour and capital productivity can be increased by increasing capital when you look at the mix of labour and capital. But total factor productivity is a better essential measure of how efficiently and effectively the two main functions of production—labour and capital—combine. You are able to increase productivity with fixed levels of capital infrastructure and with fixed levels of labour if your total factor productivity is growing. Most modern economists will say that TFP will account for up to about 60 per cent of the growth within modern western economies. In August 2012, a study was commissioned by the US Society of Human Resources Management and the Australian Human Resources Institute. That study ranked Australia as the second worst of 51 comparative economies for TFP growth. In that study Australia scored
10.3 points from 100, behind Uganda but, fortunately we would have to argue, just ahead of Botswana, who was last at 51st, with zero points out of 100. What that goes to show is that we had what was described in that survey as 'stuttering productivity performance'. I recall it distinctly because this report came out very close in time to the point at which we had been informed that the James Price Point project was not going to go ahead. I remember the former Treasurer, the present member for Lilley, in my observation, brushed off the report and he said that while productivity growth had been on the decline in Australia, the nation's productivity was actually amongst the highest in the world. The former Treasurer said:

Our productivity levels in this country are very high on international standards, in the top dozen around the world.

This is trivially true, but profoundly false, because it is a bit like saying, 'Well, we won the premiership last year, so don't worry that we have lost the first 10 or 15 games of the AFL season this season.' What happens in the modern and competitive global economy is that you all in and out of the rankings incredibly quickly. So if you have a look at things like the effectiveness of the taxation system, on another report we tumbled from 66th to 103rd in one year.

In 2007-08, we ranked 10th in terms of the wastefulness of government spending, and at the end of the Labor period in office we had slumped to 48th. So when you hear anecdotally, as I certainly do and as I am sure all members from both sides of this House do, about the high costs of doing business in Australia, what people are talking about is simply this: instead of being able to deliver more products or bigger projects on a budget that is similar to or reduced from last year or the year before, the Australian reality—and what we inherited—is that, in a vast range of enterprises, just delivering the same as before now happens but simply at greater cost. If that scenario continues in a highly competitive global environment, we will be in for a very difficult time economically.

This coalition government's project about deregulation is about effecting changes there, and, as I noted at the outset, perhaps the Telecommunications Legislation Amendment (Deregulation) Bill 2014 is one of the more modest contributions, but it is the cumulative effect. I wanted to end just by looking from one of the more modest contributions to one of the larger contributions—that is, the one-stop shop for environmental approvals. That is a revolutionary change, in a sense, to the Australian federal system and certainly to our economy. It will bring in savings of $426 million year, which of course will accumulate into the billions. The reason why that is so important is that, when I talk about the increased construction costs of projects like the Browse project and what was anticipated construction at James Price Point, the delays that have been occasioned through the approvals process, particularly in environment but certainly in other areas, have been absolutely devastating to these projects in terms of the way in which they contribute to the escalation in costs.

I wanted to end simply by looking at the BA Economics report, *The economic gains from streamlining the process of resource projects approval*. They looked at a number of scenarios, and they looked at a rise in GDP growth in scenarios 1 and 2 being driven by three factors: increased mining investment, increased mining production and the flow-on effects from the mining sector to the non-mining sector, so essentially the multiplier effects. What they looked at was whether, by 2025, Australia's real GDP would be 1.5 per cent higher, or $32 billion higher in today's dollars, if the average delay in approvals was reduced by one year. The GDP
gap would be further increased to 2.4 per cent, or $51 billion in today’s dollars, if the average delay was reduced by two years. This deregulatory agenda, from its modest to its less modest elements, has an accumulated effect in a whole range of industries. In the one that I have observed it will mean shorter delay times. (*Time expired*)

Ms HENDERSON (Corangamite) (19:42): I rise to speak on the Telecommunications Legislation Amendment (Deregulation) Bill 2014 and the Telecommunications (Industry Levy) Amendment Bill 2014. These bills form an important part of our government’s deregulation agenda. This is all about cutting red tape, unnecessary and outdated regulation, making life easier for individuals and businesses. All in all, our government has identified $2.1 billion of savings in red-tape reduction. The bills before the House include measures dealing with the abolition and transfer of the Telecommunications Universal Service Management Agency to the Department of Communications, and also deregulatory measures in relation to extending the Do Not Call Register registration period, reducing the scope of telephone pre-selection obligations, reducing reporting and record keeping requirements on telecommunications companies; and other related amendments.

I have to say in Corangamite, the electorate I so proudly represent, the government’s very strong deregulation agenda has been welcomed very warmly. Recently, the small business minister, the member for Dunkley, visited Corangamite and held a small-business forum. There were small businesses from all around the Geelong and greater Corangamite region who attended to talk about their issues. There is nothing more significant for businesses and for individuals than feeling that they are being listened to by government. It was a great opportunity for small businesses to say directly to the minister: ‘This is what is concerning me. This is what the problem is.’ It is all very well to talk about a deregulation agenda, but there is so much in the way of regulatory burden that is imposed on small businesses.

The only way that we as a government are dealing with this burden and delivering the $2.1 billion in savings—which is what we have delivered so far—is by identifying the specific regulatory burdens, and that is what we are doing. We are systematically and methodically going through these regulatory burdens, addressing them one by one and providing the appropriate remedies. I particularly want to thank the Minister for Small Business for visiting Corangamite, for listening and for sending out the strong message that no matter whether it is a form, not matter whether it is a piece of legislation, we are there as a government addressing these issues. If we strip away unnecessary regulations from businesses, be they small or large, we will free up business owners and people who work in business, we will give more opportunities to create jobs and we will unwind unnecessary red tape, which of course is adding so much to the cost of doing business. In the region I represent, and particularly in Geelong, there are some real challenges at the moment but there are also some great opportunities—there are so many thousands of wonderful small businesses creating jobs—and I know this legislation has been very welcomed.

In my electorate and, I think it is fair to say, right across Australia, there is concern about unsolicited phone calls. There are few things more frustrating than sitting down to eat dinner with the family and the phone rings, and it is one of those calls. We understand that frustration and, again, we are listening. The Australian people have embraced the Do Not Call Register. There are 9.3 million current registrations, with around one million numbers added every year. It has been a remarkable success. More than two-thirds of Australian households
have listed their number on the register, demonstrating the popularity of this initiative, which
was introduced by the Howard government. We have introduced legislation to change the Do
Not Call Register so that it will only be necessary to place a phone number on the register
once, as opposed to reregistering after eight years. This change means that households will no
longer have to remember to renew their registration. It will help to avoid frustration, it will
help to make the whole process more seamless and it will send the very strong message that
we are there as a government to make life easier for Australians. While this may seem a
reasonably straightforward initiative, it is also important. This significant new initiative will
save $3.4 million a year over 10 years in administrative costs. Of course, it is just one more
reform as part of the $2.1 billion in savings that we have delivered.

On our second red tape repeal day, on 29 October, we outlined nearly 1,000 pieces of
legislation and regulation, totalling over 72,000 pages, which are to be removed. This has
been very warmly welcomed by business owners, local community groups and individuals in
my electorate and right across the country. It really is making a massive difference. I want to
reflect on a really good example—and I would really encourage small business owners in the
electorate of Corangamite to see me if they have a problem they want to address—and that
really good example is Gary Kerr of Kerr's Hire. He addressed this issue under the previous
government, but I think it is fair to say there was not perhaps the appropriate traction that he
was hoping for. He raised a particular issue concerning the Personal Property Securities Act,
which was forcing hire companies to register short-term leases. This was really imposing an
enormous regulatory burden on them. It was time and money that small businesses like Kerr's
Hire could not afford. I took these concerns to the Parliamentary Secretary to the Prime
Minister, Josh Frydenberg, and the government was very responsive. In our very first red tape
repeal day, we made some very important changes to the legislation, such that Mr Kerr will
now only need to register the goods when they were hired for more than one year rather than
the 90-day period. I acknowledge that there is some more work to be done in relation to this
particular legislation, and there is a review of the entire act being undertaken at the moment. I
am very keen that Mr Kerr and other members of the hire industry are engaged in this process.
It is a very good signal that we are absolutely determined to listen to the concerns of
businesses and to take the appropriate action.

I want to particularly note the comments of the Chief Executive Officer of the Geelong
Chamber of Commerce, Bernadette Uzelac. I have to say it was wonderful to have the
Geelong delegation in parliament yesterday—the Committee for Geelong, the chamber, the
Mayor of the City of Greater Geelong and other civic leaders—to talk about our great city and
our great region. We were all very engaged in looking at what we need to do as a city to grow
and to go from strength to strength. As I say, it is all about jobs. What our focus is on and
what the coalition government and the Victoria government are firmly focused on is jobs. Ms
Uzelac was quoted in a story in the Geelong Independent on 28 March, saying: 'There is a real
cost burden for Geelong business owners who spend hours doing unnecessary paperwork or
who are forced to pay staff or contractors to comply with irrelevant and outdated regulation.
Geelong small businesses need the best opportunity to grow into big businesses.' The chamber
represents about 800 different businesses, so it is a very important organisation and perhaps
one of the oldest in Australia; it is very significant.
The Prime Minister in this House on 19 March said in relation to Mr Kerr's particular concerns:

... Kerr's Hire's concerns, because under the rules as they stand, many short-term leases have to be registered which means more form filling, more time wasting and more unnecessary expense.

... Red Tape Repeal Day will fix this, as it will tackle many other instances of redundant and unnecessary regulation.

... no one likes filling in forms. It costs time, it costs money and it costs jobs, and that's why Red Tape repeal Day is so important.

The regulatory burden on the telecommunications industry is especially burdensome. A build-up of red tape over almost two decades has left us with a number of outdated and onerous requirements which limit innovation. This bill delivers by lowering the cost burden on industry and on consumers, with expected savings in this regard of some $6.9 million a year.

I wish to commend the Minister for Communications and his parliamentary secretary, who is here in the House today, for their hard work in working with industry to come up with these regulatory savings. That is what it is all about—strong collaboration, listening to these important stakeholders and taking the appropriate action to deliver the savings and to generate jobs growth. In line with the government's current policy to consolidate smaller agencies to reduce administrative and governance costs, the government, as part of the May 2014 budget, announced its intention to abolish TUSMA and transfer its responsibilities to the Department of Communications. This will enhance lines of accountability, help the government focus on its core responsibilities and priorities, ease the cost burden on business by modestly reducing the amount of the telecommunications industry levy that industry pays to help fund the cost of delivering the universal service obligations and other public interest telecommunications services. It will also create greater certainty for industry by having a single agency responsible for policy and implementation of telecommunications universal service matters.

The bill will also remove arrangements for ACMA to register e-marketing codes, given that this is no longer relevant. Consumers will still enjoy strong consumer protection measures, of course, under the regulatory regime established by the Spam Act of 2003. Preselection allows consumers to choose a different provider for local calls, line rental, long-distance and international calls. There are 10.3 million landlines in service in Australia, but only 30,000 consumers who still choose to vary their service providers under preselection. The amendments contained in this schedule are proposed as deregulatory measure to relax the future requirements to provide for preselection. These bills are important because they reflect our government's strong commitment to reducing the red tape burden and they are important because they are part of $2.1 billion of savings that we are delivering already in just some 12 months. For these reasons I commend the bills to the House.

Ms Rowland (Greenway) (19:54): I am very pleased to have the opportunity to provide some input on these deregulation bills. I would like to concentrate primarily on three aspects. The first regards preselection, which in some jurisdictions continues to be an important piece of the toolkit, but it was absolutely essential in Australia during the opening up of services based competition—when we ended the monopoly of the then telecommunications system. Along with other measures, such as number portability, it is
universally recognised as one of those mandated items, aside from the access provisions of competition law that enable service providers to provide alternative offerings for consumers and open up service based competition—the idea eventually being that the ladder of competition would lead to infrastructure based competition.

Members may be interested in knowing there are various understandings of what preselection constitutes—preselection via override or, as we implemented it in Australia, preselection as was an intelligent network based system enabling service providers to override carriers of choice, which we called the 'single basket multiservice delivery mechanism'. It is still present in the commercial access agreements between carriers dealing with the interconnection arrangements of networks. Competition in fixed line services—and later the VOIP services and in particular for long-distance and international calls—really did lead to preselection declining as one of those tools that were essential for delivering competition.

Now that we have the bundling of whole services for local calls, long distance, overseas services and so forth, the importance of preselection as one of those tools in the kit has obviously declined. These provisions have been subject to adaptation over time, as consumer patterns, available offerings and technologies have changed. For example, I note that in 2012 the regulation for the mandatory preselection offering was amended and it is instructive I believe to turn to the summary that is on the department's website. The mandatory preselection offering was amended because it gave service providers greater flexibility in how they supply what is called the standard telephone service to customers using wireless and fibre technologies. I find the following a useful summary of the issue: the regulation—that is, the telecommunications consumer protection service standards characteristics for standard telephone service regulation of 2012—states: 'The regulation does this by removing the requirement to offer preselection on standard telephone services supplied by using wireless in specified circumstances, particularly on the interim wireless services in new developments pending the rollout of fixed line infrastructure and it removed the requirement to offer preselection on the STS offered on wholesale only open access fibre networks such as the NBN for three years pending a review of preselection. These changes recognise that preselection can add unnecessarily the service providers costs and reduce the flexibility in responding to consumer needs.'

As I mentioned, given the amount of time that has passed since the opening up of full competition in Australia, this issue of adding to service providers' costs really was, going back 15 or even 20 years ago, something that the market as a whole needed to absorb because all players needed to participate in the regime for preselection. Everyone participating in preselection enabled interconnection between networks. Although I do not think we are going to see one of those other very important elements in the mandate of number portability—be it in mobile number portability or local number portability—diminish in value, I think it is very reflective of the changing circumstances of competition to have these provisions subject to further deregulation. It does demonstrate that these proposed amendments are consistent with a shift in the utilisation of preselection in that toolkit of mandated requirements. The proposal in this bill is to limit the obligation to provide preselection to legacy networks only and for industry savings to be realised as a result.

I did discuss the standard telephone service and I want to touch on that again. At some point we are going to have to address the definition of the standard telephone service, a
concept which underpins the operation of many provisions in telecommunications regulation, including preselection. The STS is defined in the Telecommunications (Consumer Protection and Service Standards) Act. The definition of STS is four pages long. It comprises conceptual performance characteristics rather than being prescriptive. It talks about STS being used for the purpose of voice telephony. It gives an any-to-any test. It gives a relationship to universal service provision and the possibility of other characteristics to be determined by a legislative instrument.

Various industry groups rely on the definition of standard telephone service in order to form their own industry codes. For example, if you go to the industry code 2005 on preselection, you will see that the definition of standard telephone service is one which, frankly, the code has always struggled with in order to make this concept work for the industry. The ACMA definition of STS, which is on the ACMA website, is quite useful. It broadly defines the standard telephone service to mean the basic fixed telephone used to speak with people in other locations. The reason I raise this is that, whilst I support this element of deregulation in the act, I do believe that long term we can pick out elements of the regulatory regime which have become costly for a lesser benefit over time but which initially would have been absolutely essential to competition. In my view, we as a legislature are going to need to have a more robust prism to address some of the fundamental definitional issues. These are things that I raised some years ago—and I know that many in the industry raised—in terms of how we were to regulate in what we then called the era of next-generation networks. Well, we are there now. Whilst I support these provisions, I believe it would be most beneficial for us to address some of those issues of the standard telephone service definition.

I want to turn to the provisions regarding the Do Not Call Register. As a result of the proposals in this bill, we now have a proposal for indefinite registrations. This reflects changing community attitudes over time—which, I might add, were also reflected in corresponding changes identified when Labor was in government. I noted in my contribution on the broader Statute Law Revision Bill a couple of weeks ago that I had seen media reports—and again this is an interesting constructive issue that I would like to raise—about small business being more readily able to access the Do Not Call Register.

I would again note ACMA's own fact sheets about calls to business numbers. The definition relies on the distinction between a telephone number used for private or domestic purposes and a telephone used for business purposes. I have a useful fact sheet here that delineates and also gives instances where business numbers may be able to be added to the register. It says: 'In practice, where a number is used primarily for private or domestic purposes, it can only be answered on a case-by-case basis. It may depend on how the number is used. Even if the number is used for some business calls, it may still be eligible to be registered if its primary purpose is private or domestic. But in general if a number is registered under a business name it is less likely to be used primarily for private or domestic purposes.' For many small businesses, I would submit, that delineation is quite false in many circumstances. It would probably knock out many small businesses that have an ABN or an ACN and a corporation to whom the number has been issued. There are limited instances in which small businesses might be able to add themselves onto the register.
As I also noted in my previous contribution here, if we are talking about savings—and I noticed that at page 34 of the regulatory impact statement a saving of $3.4 million over 10 years is identified—eliminating or reducing interruptions to small businesses by unwanted telemarketing calls could greatly contribute to productivity. I mentioned in my previous contribution on this that my own electorate office has a number which used to belong to a small business and we still get very many telemarketing calls. Admittedly, a number of the calls are from overseas and it is very difficult to apply the Do Not Call Register provisions in that respect.

In the department's December 2013 discussion paper on the optimal period of registration on the Do Not Call Register, you can see the great shift in community attitudes. In 2007, the Office of the Australian Information Commissioner identified that 27 per cent of people surveyed were annoyed by unsolicited telemarketing. In 2013 that figure had gone up to 45 per cent of people surveyed. The 2007 survey found that 23 per cent of people surveyed found unsolicited marketing to be 'a bit annoying but mostly harmless'. In 2013 that figure had decreased to 11 per cent. When you consider the impact of unwanted telemarketing on a business's day-to-day running, you can see why those community attitudes have changed.

The last thing I want to mention is in relation to part 9A of the Telecommunications (Consumer Protection and Service Standards) Act, which deals with telephone sex services. These provisions were introduced under the Howard government in 1999. They detail the specific numbers that could be used for what is defined in the legislation as a telephone sex service. The rationale for removing these provisions in part 9A recognised that, with the evolution of other ways of accessing this type of content—be it through the internet or through other mechanisms—the use of telephone sex services has declined over time. In particular, I note the rationale is the declining number of complaints as well.

However, if this were examined in a human rights context, in terms of a statement of compatibility with human rights—in particular, looking at the rights of the child—I opine whether or not it would be prudent, whether or not these proposed changes are aimed at achieving a legitimate objective, and whether there is a rational connection between the limitation and that objective and whether or not that is proportionate. The reason I raise this is that part 9A was introduced to address community concerns that these types of services were too easily accessed by children and the deregulation may expose children to a risk of harm, which is currently minimised by the presence and the operation of part 9A. Personally, I think these provisions are outdated and they should go. In fact, in my past life one of my jobs was advising a couple of clients on whether or not they fell within this definition—and I can tell you that it was not always straightforward. So there are a couple of people in the industry who certainly will not be sorry to see some of these provisions go.

I will now go to the remaining aspects of the bill and the provisions regarding deregulatory measures in aspects such as the e-marketing code under part 6 of the Telecommunications Act, which enables the industry to devise codes and standards which are then registered with the ACMA and are then able to be enforced if they are not complied with. I believe the evidence shows that this is no longer necessary, because the Spam Act 2003 has been in operation for some time and has superseded the need for having this piece of industry input. Although you might consider that industry input and industry self-regulation would ultimately be preferable to having hard legislation, the reality is that the Spam Act has been working
well to address those very issues which the e-marketing code provision was actually designed
do.

With those couple of comments, I welcome the further evolution of our
telecommunications regulatory sector. Thank you for the opportunity.

Mr FLETCHER (Bradfield—Parliamentary Secretary to the Minister for
Communications) (20:09): I thank all who have contributed to the debate on the
Telecommunications Legislation Amendment (Deregulation) Bill 2014 and the
Telecommunications Industry Levy Amendment Bill 2014. It has been a constructive and
wide-ranging debate. I note that a number of speakers chose to mention the Abbott
government's program to spend $100 million to improve mobile coverage in regional and
remote Australia. In that regard, I particularly want to acknowledge the presence in the
chamber of the Assistant Minister for Employment, who, with his previous responsibilities,
was instrumental in devising that policy which the government is now in the process of
implementing. I congratulate him on the development of that policy which is proving to be
one that is attracting great interest throughout regional and remote Australia.

The Abbott government came to power in 2013 with a very clear commitment to reduce
red tape, to reduce the burden of regulation, to boost productivity, to increase
competitiveness, to reduce unnecessary regulation and to lift regulatory performance. The
deregulatory measures in this bill respond to this government commitment. This bill delivers
significant reform in the communications portfolio through better regulation and lowering the
cost burden on industry and consumers by an estimated $6.71 million a year. The measures in
this bill strike a balance between maintaining appropriate protections for the community and
the public interest on the one hand, while at the same time capturing opportunities to reduce
unnecessary costs presently imposed on the industry or the broader community on the other
hand.

The bill amends the Do Not Call Register Act 2006 by making the registration period of
the Do Not Call Register indefinite. This will reduce the administrative burden on consumers
and save $3.4 million a year over 10 years. The Do Not Call Register has proved itself to be a
valued consumer protection measure in the Australian community. This measure ensures that
consumers who are on the register can continue to have the benefit of this protection without
needing to take any further action.

The bill also reduces the administrative burden on industry by relaxing the obligations on
telecommunications companies to provide preselection. When telecommunications was first
fully opened to competition in 1997, preselection was very important to enable competition in
long distance and international services. A customer could have Telstra as his or her local
access provider but select Optus or another competitor for long distance or international
services. The preselection obligation imposed on Telstra and other local access providers was
therefore an important regulatory tool.

The member for Greenway, who has considerable experience in this field, made some
comments along the same lines, and I agree with what she had to say. However, technology
has changed greatly, as has the nature of competition since 1997. Today, preselection is only a
very minor part of the competitive picture—and, hence, it makes sense to very much wind
back the nature of the preselection obligation. These amendments will increase flexibility in
the delivery of telephony to Australian consumers and recognise the nature of the competitive telecommunications market in this country.

The government proposes to remove schedule 5 from the bill in an amendment I will shortly be moving. The rationale for the measures in schedule 5 was to remove an administratively burdensome set of record keeping and reporting obligations in the Telecommunications Act imposed on telecommunications companies on the grounds that they provided no real consumer benefit. This measure was supported by industry and consumer groups alike. However, some concerns have subsequently been expressed that this measure gave the appearance of reducing transparency and privacy. The government therefore undertook further consultation with a range of industry players. The outcome of that consultation was that the measures in schedule 5, while felt to be desirable from an industry perspective, were recognised to deliver only a modest regulatory saving. At the same time, there was recognition that removing schedule 5, if it would facilitate the passage of the bill and hence the implementation of other important measures contained in it, was a sensible step to take. The removal of schedule 5 will allow the government to consider the deregulation of part 13 of the Telecommunications Act in the broader context of privacy protections and consumer safeguards.

The telecommunications industry is a fast-moving and growing sector. It is also a heavily regulated sector. Over time, some of the regulation applicable to the sector has become outdated due to advances in technology, changes in consumer behaviour and evolution in the structure of the market. The bill before the House responds to many of these changes—including by removing regulation that is now clearly out of date. The bill repeals the provisions that regulate the supply of telephone sex services via a standard telephone service. These provisions have become out of date because of advances in technology and changes in the way that such services are provided and accessed. I want to emphasise that the removal of these provisions is not expected to impact on the risk of children accessing such services. The strong content rules enforced by the Broadcasting Services Act 1992 will remain in place.

The bill also removes the arrangements for the Australian Communications and Media Authority to register e-marketing codes under part 6 of the Telecommunications Act. These provisions have become unnecessary since the ACMA deregistered the eMarketing Code of Practice in June 2014 and it is unlikely that any future codes will be introduced. Importantly, consumers will still receive the necessary protection in this area because the Spam Act 2003 continues to provide appropriate protection measures to deal with e-marketing activities.

A key measure in the bill, which responds to the government's commitment to a smaller and more efficient government and which will result in savings for industry, is the winding up of the Telecommunications Universal Service Management Agency. The bill will abolish TUSMA and transfer TUSMA's responsibilities to the Department of Communications. This will reduce administrative and governance costs and create greater certainty for industry. It will mean that there will be a single agency responsible for the policy and management of contracts for the delivery of public interest telecommunications services. This will enhance the lines of accountability, help the government focus on its core responsibilities and priorities and ensure that consumer safeguards are maintained.

The industry levy bill makes consequential amendments to existing industry levy arrangements, reflecting the proposed amendments in the bill which transition the assessment

These bills are an important step in this government's ongoing commitment to reduce unnecessary regulatory burden and costs on industry and the broader community while maintaining significant consumer safeguards. I commend these bills to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr FLETCHER (Bradfield—Parliamentary Secretary to the Minister for Communications) (20:18): I present a supplementary explanatory memorandum to the bill and move the government's amendment:

(1) Schedule 5, page 83 (lines 1 to 13), omit the Schedule.

Question agreed to.

Bill, as amended, agreed to.

Third Reading

Mr FLETCHER (Bradfield—Parliamentary Secretary to the Minister for Communications) (20:19): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Telecommunications (Industry Levy) Amendment Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Third Reading

Mr FLETCHER (Bradfield—Parliamentary Secretary to the Minister for Communications) (20:20): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.
Safety, Rehabilitation and Compensation Legislation Amendment Bill 2014
Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr PERRETT (Moreton) (20:21): I oppose the Safety, Rehabilitation and Compensation Legislation Amendment Bill 2014. This bill is a direct hit against the workplace health and safety of Australian workers. It takes away the rights of Australian workers to fair and reasonable cover when they suffer the misfortune of an accident at work. Before I get to the legislation in detail I want to tell a story through the prism of my brothers. I have five brothers—six but one has passed away—two who are basically clerks and three who work in the building and mining industries. The history of Comcare legislation is that it was basically directed to looking after clerks—not clerks like those at the table here but clerks generally; people not in high-risk industries.

For two of my brothers, if this legislation were agreed to and they were then taken into such a scheme, it would be an appropriate scheme. But for my three other brothers who work in the mining and construction industries, it would not be appropriate. My oldest brother works in the construction and mining industry and provides advice on occupational health and safety. The next brother works in the labour hire industry, supplying workers to the construction industry especially but also the mining industry. My other brother Tim is a labourer in the construction industry. I mention Tim particularly because it is his birthday today and I just wanted to send a happy birthday greeting to him. That is a good thing. I am sure he is out celebrating with his family now, and that is a good thing.

But I want to take the parliament back to an incident that happened to my brother Tim at the Gold Coast, almost literally on the border between New South Wales and Queensland, on 29 November 1996, a few days after his birthday, when there was a big construction project at Twin Towns Services Club at Tweed Heads. If you know that facility, it is very close to the border of Queensland, but it was over in New South Wales that the accident happened. A huge tower crane where my brother working crumpled under the weight of a large cement container, the kibble, which was overloaded. Then a tonne of concrete collapsed—right beside my brother; he was standing on the platform—and it killed two people. I will name those work colleagues of my brother: Rodney Taula Masak, 37, a Brisbane dogman; and Wayne Master, 34, a Pottsville concrete worker.

My brother was standing right beside him. He was hit by the kibble but was not killed, as his two colleagues were, right beside him. It took him years and years and years to get over that—not only the physical injuries associated with that accident but also the mental anguish that comes with seeing your workmates killed right beside you. Then, actually, my other older brother came along to that construction site because he worked for Lindores Crane and Rigging, the crane hire company that was actually working for Leighton Contractors on that building project.

I want to tell the story of this legislation through the prism of my five brothers, particularly that brother Tim who experienced that horrific accident way back in 1996. Thankfully he is still around to celebrate his birthday, unlike the two gentlemen that died alongside him,
Rodney and Wayne. I say a special hello to their families, and I am sure that they are still missed. I know that at Twin Towns there is a marker acknowledging their deaths.

This legislation, the Safety, Rehabilitation and Compensation Legislation Amendment Bill, basically has been considered by this parliament and many state parliaments because it has implications for workers in states as well. On 15 May 2014 the Senate Selection of Bills Committee recommended that the provisions of the bill be referred to the Senate Education and Employment Legislation Committee for inquiry and a report by 8 July 2014. The bill before the chamber tonight is comprised of five schedules. I am not going to go in detail to every schedule, but I will just give a quick run-through of the five schedules.

Schedule 1 extends the criteria applying to a corporation which is seeking a self-insurer licence. The amendments enable those corporations which are currently required to meet workers compensation obligations under two or more workers compensation laws of a state or territory to apply to the Safety, Rehabilitation and Compensation Commission to join the Comcare scheme. That is particularly of note for companies that operate over the border, and I go back to that initial example I gave of the Twin Towns jobs site, right on the border. The accident occurred literally 10 metres over the border from Queensland, but the Coroner’s Court that dealt with that crane company and the courts that dealt with it—even though it was a Queensland based crane company, actually coming from my home town of St George—were all in New South Wales, because it was just over the border. I think at one stage the crane was in Queensland and its load was actually in New South Wales, so that is an example of how easy it is for corporations to go across the borders. We see it from the deaths, too—one Queensland worker, one New South Wales worker. I can understand why corporations would want to come into a simplified scheme rather than deal with two different jurisdictions. The joys of Federation! I understand that we are trying to get rid of costs wherever we can, but we also need to look after the people who will be affected by those decisions.

Schedule 2 of the bill enables the Safety, Rehabilitation and Compensation Commission to grant group licences to related corporations and makes consequential changes to extend the coverage provisions of the Work Health and Safety Act to those corporations that obtain a licence to self-insure under the SRC Act. Schedule 3 excludes access to workers compensation where a person engages in serious and wilful misconduct, even if the injury results in death or serious and permanent impairment. Schedule 4 excludes access to workers compensation where injuries occur during recess breaks away from an employer’s premises—and I should stress that that is not the case in most state based schemes. Schedule 5 contains minor technical corrections to the Work Health and Safety Act.

There is no requirement that an employer have a minimum number of employees in a particular Australian jurisdiction in order to qualify for a self-insurer licence. In the example I gave, if it was a bricklayer or something, it might have two employees—one based in Queensland, one based in New South Wales. They could actually apply to be a part of this scheme. Obviously, it could be a completely different entity that has thousands and thousands of employees scattered all around Australia, and they can see the benefits in having one scheme. But we have to remember, with scale, that it could be a very, very small entity that is trying to extract maximum advantage and put their employees at a disadvantage. In particular, group licences could be granted to small employers which are not equipped to administer a self-insurance scheme. That would be my big concern, and obviously one of the big concerns
for the union movement and for every state government and territory government that is interested in making sure their citizens have the best possible scheme.

It is clear that Comcare is not adequately equipped to monitor performance or hold self-insurers to account on a national scale if a self-insurer does not meet injury management and return-to-work obligations. Who would have thought it, but every now and then employers are prepared to lie, especially in some trades where people regularly go out of business. That, unfortunately, is the reality of the construction industry. People are prepared to lie and if the government or the regulator is not prepared to look at the books and ensure that best practice is occurring at building sites, construction sites or even normal workplaces then, unfortunately, employers who are prepared to lie will exploit their employees and leave them hanging in the loop.

There are also privacy concerns relating to the administration of workers compensation by self-insurers. The Comcare scheme was established to cover workers who undertake low-risk work in the Australian Public Service, such as the example I gave at the start of my speech of my two brothers, who are basically clerks. This scheme was not designed to cover other types of work such as construction, manufacturing or mining where there is a very real risk that you might end up dead at the end of your day at work. They are high-risk industries. A lot has been done to make them safer. However, with respect to my colleagues in front of me, they are still nowhere near as safe as sitting at a desk and doing a clerk’s job. You know what I mean: a paper cut is not quite the same as a wall falling on top of you or a kibble or a crane collapsing right alongside you.

Comcare performs at a lower level than many state and territory workers compensation schemes, because there are no statutory processing times. In particular, there are no time frames on employer obligations to make medical and other compensation payments when a worker is injured. That often makes all the difference. If someone can be afforded the right rehabilitation and right treatment, they can go back to work, particularly when they do not have a sick leave scheme or the like to cover them during a bad time.

The scheme before the chamber offers fewer benefits than many state and territory workers compensation schemes, has limited access to common law compensation and the amount payable in that case is capped at only $110,000. This concern has been raised with me, certainly in Queensland. I personally believe that Queensland has the best scheme. It has been administered under Labor and Liberal governments. It is a good scheme, run by professionals.

Ms Butler: Hear, hear!

Mr PERRETT: We should not be going to this lesser scheme, with all respect to those people covered by the Commonwealth scheme. Queensland has set the standards and we should be maintaining that current process. I take that interjection from the member for Griffith. She worked in this area as a lawyer and saw the horrors that can be visited on workers if they are not treated appropriately.

Decisions which are the subject of appeal as to the choice of workers compensation scheme are made by the employer, based on financial savings, and employees are not consulted about what this means to them if they are injured. I know from my time working for unions that if you do not look after the employee, you can create extra heartache and it will also mean that you have a less productive employee.
This bill did not form any part of the coalition government's election policy. Therefore, there is no mandate at all for this bill. It is not like those rolled-gold promises such as 'no cuts to education, no new taxes, no cuts to health, no cuts to the ABC and SBS'—those things that are sacrosanct to those opposite! This was not mentioned during the election at all. It is not in the glossy brochure, with a picture of the ministers on the front page. Real Promises, I think it was called.

Mr Hutchinson: Real Solutions.

Mr Perrett: That is right. I have never seen a bigger misnomer. Nevertheless, it was not mentioned at all. This bill has no sound policy justification whatsoever. In fact, it undermines all the existing workers compensation schemes in Australia, including the one in Victoria which, under former Premier Jeff Kennett, had moved towards the Commonwealth scheme.

This is an ill-conceived bill that ignores the founding principles of Australian workers compensation schemes and why they were established in the first place. It is more about ideology rather than about producing something productive for workplaces. It is the Liberal government, once again, looking to aid small savings for big companies, while injured workers and their families will bear inestimable financial and emotional costs and hardship by being excluded from workers compensation schemes, particularly as the pension age goes up to 70, where in these industries like construction and mining it is so much harder for people to do their job right up to age 70. It is different if you are sitting at an office desk or perhaps a teacher.

For example, the bill proposes the re-introduction of an exclusion from eligibility for compensation during recess breaks, which could be that of simply leaving the worksite to go and get some food. These construction sites can often be in an area where there is no food available at all. Many workers use breaks to complete employer business and to carry out extra duties.

This amending legislation would assist unethical employers to avoid their responsibilities. If not for their employment, the worker would not be taking the break in that location and would not be exposed to the risk.

There would be no organised sports events and other team-building activities because workers would not be covered if they were injured during these activities. In 1985 the Commonwealth government legislated for the formation of the National Occupational Health and Safety Commission, which has gone on to do great work. The history behind this legislation should be looked at by those opposite. As a Queenslander I would especially say that this legislation does not apply. Queensland has set the standards in terms of looking after workers when they are injured. We are doing it at a low cost to employers, compared to other states and territories, and we are able to cover a range of workers in a range of activities. The Comcare scheme that is being proposed would allow for unethical employers to do the wrong thing by their employees. And, as I said in the example I gave at the start of my speech, this is a scheme designed for workers in safe environments, not in those risky environments.

Mr Hutchinson (Lyons) (20:36): I do acknowledge the member for Moreton's contribution to the debate on the Safety, Rehabilitation and Compensation Legislation Amendment Bill 2014 and the examples that he gave. But I guess with all of these issues,
whilst safety in the workplace is absolutely and should be at all times paramount, it is also about getting the balance right between productivity within the workplace in a country like Australia where we have challenges in respect of that. One of the fundamental commitments that we did make before the election of 2013 was to be a government that would get out of the way of business wherever it was appropriate to do so in the form of superfluous red tape. Nobody could argue that we have not embarked upon an aggressive deregulatory process to make things easier.

I acknowledge the passion with which the member for Moreton spoke. I will respond directly to some of the suggestions he made. The Safety, Rehabilitation and Compensation Act 1988 absolutely requires that in its decision to grant a licence the Safety, Rehabilitation and Compensation Commission take into consideration whether:

… the applicant has the capacity to meet the standards set by the Commission for the rehabilitation and occupational health and safety of its employees.

So there are safeguards in place. The legislation also requires that the commission must not grant a licence if the applicant's past or likely future performance in complying with workplace health and safety legislation reveals that it has not met standards of state regulation in the past—the member for Moreton described the fine standards that obviously exist in his home state of Queensland—and is not likely to meet those required by Comcare, as the regulator for Work Health and Safety Act 2011, and the commission in the future. That is the framework. The safety net is there. I think all of us in this place believe that nothing in the workplace is more important than safety.

Previous speakers have gone into some of the details of this bill. I would like to focus a little bit on balance. I emphasise that in no way should we discourage or diminish safety in the workplace, but it is one of the biggest areas of regulatory burden and has become a self-perpetuating industry. As the member for Moreton highlighted, much of this regulation is state based. I give the example of an oyster farmer in my electorate. In running his oyster leases he runs 40-horsepower four-stroke outboard motors on the punts that he uses to access the oysters. I have a 125-horsepower, two-stroke motor on the back of my boat. I can assure you that his motors are a lot quieter than mine. He is required to provide his employees with Australian standard ear protection, which is fair and reasonable. But ever six months he is obliged to send his employees to get their ears tested at his cost. That does not take into consideration whether on not on the weekend they enjoy loud music in a pub or they use chainsaws inappropriately. Last week I was in St Helens. I was stopped in the street by a fellow who assured me that he did not vote for me at the last election. Nevertheless, he wanted to get off his chest an issue he had about getting the NBN connected to his property. On the first attempt, the contractor who had been engaged by NBN Co. to do the installation was unable to get up his ladder because he did not have someone to hold the ladder. A subsequent appointment was made and the contractor came back with a chap who was able to hold the ladder, but he was still unable to get up on the roof, because the chap did not have the right certificate. It goes on and on. We have heard stories about things that are adding cost and that, frankly, are a disincentive to people employing other Australians. That is where the balance is out of kilter.

In my home state of Tasmania we have seen the demise of the forest industry, which is a relatively high-risk workplace where occupational health and safety is as important as in any
other workplace. I will not go into the reasons for the demise of the industry; I have done so before in this place. The people who monitored and were responsible for the maintenance of occupational health and safety standards have moved into the agricultural space. There are increasingly requests that the owners of shearing sheds that have been functional, safe and adequate, in some cases for many years, pay frankly exorbitant amounts of money to bring them up to a standard that is deemed now to be the minimum requirement.

I spoke also recently to a fisherman. As a small-businessman, he is one of the foundations of our economy. His issue is around compliance. He has had a limited coxswain certificate for 30 years. When it was issued it was done so in perpetuity. He operates a small vessel by himself. He also has with his wife a quite successful business where he value-adds to the seafood that he catches. With changes made in respect of the Australian Maritime Safety Authority, the national regulator, and to the state regulations his certificate is not acceptable. They require him to have greater certification. He is required to do a refresher course every three years if he is operating offshore. He is required to have a first-aid certificate. He said to me, 'I'm not quite sure how I'm going to administer first aid to myself.' He operates a one-man vessel. He is 59 years old. There are other people who are of a similar age and in their mid-60s who also are being obliged to upgrade their limited coxswain certificate to a restricted coxswain certificate. They are being asked to jump from a height of three metres into water in the dark. He said, 'Look, my body is old. I've been a fisherman all my life.' On top of that, it cost him $1,500. These are disincentives for people to get on and run businesses. These are people who have operated safely for all their lives. In this case, I think provisions need to be made for grandfathering these sorts of things.

These are examples of the overreach of the whole system of occupational health and safety in our country. Again, I acknowledge the contribution from the member for Moreton, because he spoke very well and passionately about something I think we all should acknowledge. But we have created an industry in and of itself. We have lost those fundamental drivers that were motivation for people and which, at the end of it all, made this a great country where people were prepared to take a risk, start a business and employ people. The excessive compliance means we are losing that.

We are seeing increasing costs in so many aspects of our lives, whether it be in building a house or whether it be for food. It has this compounding effect on the cost of everything we do. It is, quite frankly, insidious. Not just low-income earners but middle-income earners around this country are often doing without food because of the cost-of-living increases that we are seeing.

Ms Butler interjecting—

Mr HUTCHINSON: I know you have spent a lifetime in this space, Member for Griffith, and I hear you. I am sure your contribution will be worthwhile. But it is about getting the balance right. Again, I emphasise that this is not about compromising safety. For years, roofers wore sandshoes. They are now obliged to wear steel capped boots with rubber soles. Sandshoes were a perfect tool for the job, but they are not allowed any more. The regulatory burden is pushing up the cost of living, it is increasing the cost to business and it is a disincentive to people to employ other Australians.

What is driving all this? I do not know the answer, but it is clearly about vested interests. There are training organisations. They are important and workplace safety is important, but
this is getting to a point where small businesses are suffering. I think of the electrician who is doing work done at the Port Arthur historic site. They are licensed contractors. They do everything by the book. The electrician down there, though, cannot afford to put on a man to hold the ladder when he goes up one. He just cannot afford it. This is the sort of thing that is happening all around our country every day. We need to work together in this space to get the balance right between productivity and red tape in what has become an insidious industry around occupational health and safety.

I think I have made my points. In essence, as I have said, the details of the bill our wide-ranging, but effectively it is providing a framework under Comcare with those safety provisions that I mentioned at the start of my contribution. It is about getting some coordination for businesses that are operating across multiple state jurisdictions around Australia with different workers compensation schemes and different work health and safety regulations. I think we all appreciate where we can save that regulatory compliance cost. That money can be used more effectively by those employers to create new jobs and, indeed, improve overall the safety standards within their enterprise. I think these are absolutely achievable objectives.

This red tape is a disincentive to employ Australians. I think that the bill strikes the right balance between reducing red tape and giving employers the opportunity to compete and be productive. Also, I emphasise this: everyone in this place acknowledges that occupational health and safety and workplace safety is critical, but the balance is wrong. I hope some of the examples I have given tonight are food for thought.

Ms BUTLER (Griffith) (20:50): When I think about the fact that there have been 159 workplace deaths this year, it really makes my blood boil to hear occupational health and safety regulation described as red tape. When I think about having been one of the first people on the scene at a workplace accident where two people lost their lives, hearing the suggestion that occupational health and safety laws are 'overreach' makes me very angry. When I think about the working people who have lost limbs, suffered psychological injury or been rendered unable to work in the only occupation for which they are skilled, I become quite angry when I hear the phrase 'insidious industry' in relation to work health and safety laws. So I would be quite concerned by any suggestion in this place that somehow we need to weaken occupational health and safety protections in this country, that somehow occupational health and safety protections are a choke on business when in fact the real choke on business is poor workplace safety and the lack of capacity—the injuries, illnesses and the deaths—that can arise from lack of appropriate workplace safety.

This move to bring employers from state based workplace health and safety regulations and workers compensation systems into the Commonwealth system is very concerning for people who care about workplace health and safety because there are a lot of differences between the state based systems and the Commonwealth system. I speak particularly about Queensland as it is where my knowledge is. I am particularly aware of the Queensland systems.

It is clear, when you look at the workplace health and safety regimes, that necessarily the Commonwealth system is less equipped to enforce compliance of workplace health and safety laws. Think about the fact that there are only some 44 workplace health and safety inspectors in the Commonwealth system, whereas there are hundreds in the state based system, and they still can only do so much with the resources that they have. That in and of itself is sufficient to
give you pause to make you wonder whether moving people into the Commonwealth system is really going to be in the best interests of working people.

When it comes to Comcare—and we are really talking here about legislation aimed at encouraging employers to move from their state based systems into the Comcare system—it is just a fact that the Comcare system offers less protection and less support for injured workers than systems like the Queensland workers compensation system. It is an important incentive for employers to ensure workplace safety, to incentivise care and diligence—a lack of negligence—to know that if you are negligent and your negligence causes harm, there is a prospect of legal recourse against you. Yes, that can be insured for and that is insured for quite properly, but that fact—the risk that needs to be managed—is a powerful incentive for safer workplaces. That is why systems like the Queensland system, which still has access to common law damages for injured workers, are superior to a system like Comcare where there is really no practical access to common law damages for injured workers.

I think it is a really curious move to move away from common law protection for injured workers. What you are really saying to the community is that the taxpayer will bear the loss that is occasioned through employer negligence. In other words, we will socialise the loss so that, if someone is injured because of an employers negligence, there will be a statutory lump sum or possibly a long pension. But, other than that, the person will have to rely on taxpayer funded Medicare and social security systems—versus a classical common law approach where the working person will be able to seek recourse against the employer whose negligence occasioned the loss and damage.

As you can see, there is a question of fairness here; it is one that really should not be ignored. In Queensland, as I say, we have a very good workers compensation system. Unfortunately, the Newman government recently took away some of the rights for working people in the Queensland workers compensation system, but nonetheless it remains one of the systems in this country where people can have access to common law damages, which entitles the working person to seek loss of earnings, future medical expenses and to receive compensation for the loss of a career—in other words, to put a person in a position where they can live with dignity and can recover from the injury or illness to the best extent possible, in a dignified manner with the assistance that they need. This is instead of relying on a long system like Comcare where conflict is built into the system, because it is ongoing support on a pension basis largely, without access to compensation for injury occasioned by fault, negligence, or carelessness—by a failure to give the care that you owe to your neighbour. That is really the heart of negligence when we talk about negligence rights.

A lot of people in our community have concerns about this bill. I am certainly one of them. As someone who has attended from time to time the international day of mourning for workers who have been killed, I have to say I have heard enough stories in my time to know that it is never enough to think that workplace health and safety legislation is just red tape or overreach. This year I attended the Workers’ Memorial Day service convened by the Queensland Council of Unions. My good friend from the Transport Workers Union, Bob, gave an address on behalf of another official whose son had been killed that week in a truck driving accident. It was a really poignant and moving story. It was all the more poignant for
me because, as someone who has worked with transport workers previously, I have been to meet with union delegates to talk to them about their rights at work. One issue that has come up consistently has been their concerns for those people who were employed by employers where Comcare, rather than the Queensland WorkCover scheme, is their workers compensation scheme.

One of the grave issues of concern for them is what is known as journey claims—in other words, whether or not they can get compensation if they are injured on their way to work or their way home from work during transport. Of course, Queensland being a highly decentralised state, one of the issues—an important issue—in any discussion about the relative benefits of WorkCover versus Comcare is that there is a lot of travel; there is a lot of transport required. The consequence of that is that journey claims are extremely important to working people in Queensland. So much so that, when the Newman government was moving to water down the workers compensation scheme, to take away some of the rights, it seemed that they intended to take away journey claims. There was such a sustained community backlash that they had to desist from that push and continue with journey claims.

The Queensland Council of Unions has written to me about that attempt to water down workers compensation protections in Queensland. What they said to me was: 'Concern about the Newman government's agenda triggered union campaigns and the establishment of community coalitions. In particular, the removal or reduction in employees' common law rights, as well as the removal of journey claims, were the subject of public debate and campaigns. Following this union community activity, there is heightened awareness about the loss of such coverage and protections in Queensland.' They went on to say, 'The Newman-LNP government eventually rejected the removal of journey claims, but did restrict common law damages.' And they said, 'Journey claims survived because of the likely impact in regional and rural areas.' They went on to make a comment about the restriction of common law rights. What they then told me was the following: 'Polling shows that a significant majority of Queenslanders are opposed to the reductions in the coverage outlined above. There is little doubt that the decision to restrict common law damages contributed to the dramatic reduction in support of the Newman LNP government that has been continually evident in opinion polls and manifested in the Redcliffe by-election won by the phenomenal Yvette D'Ath MP, now the state member for Redcliffe.' That is my editorialising. They wanted to say that any decision by the Abbott government to impose—

Debate interrupted.

ADJOURNMENT

The SPEAKER (21:00): I propose the question:
That the House do now adjourn.

Disability Services
Education Funding

Mr HAYES (Fowler—Chief Opposition Whip) (21:00): I recently received letters from some very passionate teachers and parents in my local area asking me to speak up on behalf of students with disabilities and their school communities. One of those teachers was actually my daughter Elizabeth, who I am very proud of and know to be a very dedicated teacher.
These people expressed to me that the needs of students with disabilities are not currently being adequately resourced in our schools, particularly in the non-government sector. The Labor government committed to the Gonski plan for school funding, which included loadings for students with disabilities to ensure schools would receive additional support to make sure that they were able to address their needs. Labor put in place $100 million of interim loading in 2014, while the true level of need and consistent national methodology was being worked out in consultation with the states and territories. Before the last election, the coalition promised to support Labor's proposal and implement the Gonski plan in full.

Amongst other things, this government has failed to deliver on the expected increase in funding for students with disabilities in the budget and they have also failed to extend the interim More Support for Students with Disability program. This is another of the broken promises by the Abbott government. It is a part of the $80 billion cut to schools and hospitals and a betrayal of the students with disabilities, their families and their schools.

Parents of children with disabilities are worried that their children will not get the support they need nor will they get a fair go. They fear that their kids will not get the opportunity to achieve their full potential in life. Disturbingly, the funding for students with a disability is alarmingly low, given the high level of support that they actually need.

Now, tragically, we find many of these kids are lost in the mainstream education, forcing parents to contemplate withdrawing them from traditional education in favour of homeschooling. These students, in turn, miss out on important aspects of schooling, including socialising in a school community, while other students actually miss out on a level of diversity in the school environment.

My daughter Elizabeth is not only a dedicated teacher but a mother of a child with a disability. My grandson Nathaniel is on the autism spectrum and he attends a local systemic Catholic school. Elizabeth loves her job, but says that she goes to school each day with a sense of dread. In a letter she wrote to me, she said:

I dread the phone call that reports my son has thrown a chair across the classroom.

I dread the phone call reporting that my son has been suspended because he was so frustrated with the noise in the overcrowded classroom that he has had a meltdown.

This is my life at the moment. This is the life of so many parents of kids with disabilities.

This dread would be eased with the commitment of appropriate funding. Such resourcing would allow our kids to feel like they are part of society.

Proper resources would allow our kids to dream about their future, including attending university. Funding would ease the likelihood of a lifetime of welfare.

Our kids just want to know that they have a place in our community. Therefore, the government must accept that they need to do more in education. At the moment, they are devaluing students with disabilities.

I would like to say this to all parents, teachers and particularly students with a disability, including my grandson Nathaniel: I care.

The SPEAKER: I thank the member for Fowler for a very moving piece.

National Security

Mr PORTER (Pearce) (21:05): The National Security Legislation Amendment Bill, the Counter-Terrorism Legislation Amendment (Foreign Fighters) Bill and soon the
Telecommunications (Interception and Access) Amendment (Data Retention) Bill represent collectively the most significant reforms to the legislative regime governing Australia's national security for many years. I rise first to support the Attorney-General for his stewardship of this suite of legislation, which is critical to our national security and which has been drafted in a way which is reasonably and proportionately adapted to its important purpose. Secondly, I wanted to make some comment on two points of criticism that have emerged regarding the package of bills that have been debated so far. This is worthwhile doing because it illustrates how sometimes when issues of civil liberties are raised in the context of what are often technical criminal law and security legislation there is a tendency to give undue weight to arguments that are just plainly wrong.

There are two examples of very weak arguments that moved almost seamlessly from being espoused by fringe adherents of completely unfettered civil liberties to the mainstream media: firstly, that the National Security Legislation Amendment Bill constructed new and unreasonable restrictions on press freedom and, secondly, that the Foreign Fighters Bill in its overseas travel exclusion somehow reversed the onus of proof in a manner that is radical or unacceptable. Of course, there is no such thing even close to resembling unfettered freedom of speech, of travel or of the press and there is always a balancing exercise to determine where to appropriately draw the line between public safety and the limits of a variety of types of personal liberty.

But a key rhetorical device used repetitiously in arguing against just about any security measures is that what is proposed is unheralded, new or radical. If true that argument carries some weight, but the problem is that it is rarely correct. I suspect that this claim will be incorrectly made with respect to the upcoming data-holding provisions. In anticipation of that, it is worthwhile looking at how true the claim was with respect to previous civil liberties arguments. It has been argued that clause 35 of the National Security Legislation Amendment Bill 2014 represented some kind of unheralded restriction on the ability of the press to report on law enforcement operations. Leaving aside the fact that clause 35 applies to all persons, and that it is not exclusively or even primarily aimed at journalists, and leaving aside the fact that security intelligence operations are rare and are only conducted in the most serious of circumstances, and leaving aside the fact that the amendments do not allow for the suppression of information relating to unlawful conduct, which preserves the right of any person to provide information to the independent Inspector-General of Intelligence and Security for investigation and, where appropriate, public reporting, and leaving aside the fact the provision is designed for a clear and reasonable purpose of protecting the life and safety of ASIO officers. Leaving all that aside, it is simply incorrect to suggest that there is something new in the provisions. This is so because it is a principle, a mechanical provision and a legislative structure that already applies to protect AFP officers engaged in commensurate operations. There is simply nothing new, radical or novel in the provisions that have been passed through this House.

The second area where the very weak criticism of the coalition's national security package has received airtime which was hugely disproportionate to its merit was in relation to the creation of the offence of 'entering or remaining in a declared area'. Leaving aside that the section provides for a number of logical exceptions, we have had arguments such as this from Senator Wright in the other place:
… the offence does not include a fault element; it does not include a mental intention element; it does not require the person to be travelling with any kind of criminal or wrongful intent.

A number of opponents of the legislation have suggested that this provision should be opposed because of its operation and because it reverses the onus of proof and is therefore radical and therefore is the wrong place to draw the line.

Clause 119.2 makes it clear that the defendant bears an evidential burden under clause 13.3, not a legal burden of proof under clause 13.4. Quite simply, what this means is that a defendant who wishes to suggest that they have a lawful reason for being in the area must point to or adduce evidence to show that there is a reasonable possibility that he or she had a lawful excuse to be there—noting that the prosecution case may have already provided evidence. Once the possibility is evident, it must be negated by the prosecution beyond reasonable doubt.

Such a concept is simply not a reversal of the onus of proof, and it is certainly not a process which is novel to the law. Indeed, nothing under this exclusion provision is a novelty. Breaching geographic exclusions is far from novel, nor is the absence of a criminal mental element. Indeed, ever since the Criminal Code Act was introduced in 1995, clause 6.1 has operated to create strict liability offences, where no fault element has been required to be demonstrated.

State governments have been utilising geographic exclusionary orders, in one form or another, for many years to protect the peace and order of nominated domestically geographical areas. It is common in domestic violence orders and move-on notices. None of these are particularly new principles, and neither are those which have been passed through this House.

**Indi Electorate: Volunteers**

**Ms McGOWAN** (Indi) (21:10): In praise of volunteers, I rise tonight to say a warm and sincere thank you to the many volunteers who have worked with me and my staff in this first year. I would like to acknowledge the 36 people who packed up their lives, tripped up the Hume Highway and worked in the Parliament House Indi office. I would like to thank all those who helped in the budget impact tour, collecting, inputting, deciphering handwriting and analysing data—over 200 hours donated. To those who staff the Wodonga office on a regular basis, thank you. To the clipping team, the research team, the admin team, the catering team, the scrapbook team, the telephone answering team and those who make cups of tea and coffee, thank you. Thanks to each and every one of you for your gifts of time, your enthusiasm, your energy, your reliability, your dedication and your ability to turn up and to be cheerful, helpful and willing workers.

To all the staff of this wonderful parliament, a most sincere thank you. It cannot have been easy accommodating us. Some days I know the staff must have shrugged their shoulders and rolled their eyes, as they helped yet another volunteer found lost, confused and a little bit scared, often in the basement, and brought them back safely to our office, 2R 115.

To the security staff who regularly smile, say ‘Gidday’ and wave the volunteers through the check points, to the library staff, the information desk staff, the tour guides and the staff of the parliamentary education office, thank you. To the waiting staff and the staff in the pass office,
to all of you, a warm and sincere thanks. We are so grateful for your tolerance, your care, your concern, your many kindnesses and most of all your professionalism.

Volunteering and the way in which the community of Indi engaged with the democratic process was one of the highlights of the election campaign. I am delighted that the tradition continues. There are so many benefits for a politician to have such ready access to this vital and committed community. I know that each day the blessings are mine. I have their support with research. They bring local issues to this place. They assist with signing in visitors and escorting them around. They handle the mail, do the letters and the mail-outs. They attend events on behalf of the office and, most of all, they bring laughter, happiness and joy to my office.

In closing, I would like to particularly acknowledge and say a warm thank you to Angus, Fergus, Michael, Albert, Eden, Sarah, Anna and Rubie—because you brought your parents to this place. Thank you to Leah, Cam, Nick and Tas for sharing your insights, for teaching me about Facebook, Twitter and social media, and making sure that the voices of young regional people are heard in this place. And finally to Pam, Dianne and Susan, this week's volunteers, it has been wonderful sharing the experience with you. I hope you can now join Cathy's crew and share the word in Indi about how this place really works, and the many opportunities there are for the people's voices to be heard in the people's house. Thank you.

Australia-China Free Trade Agreement

Mr TEHAN (Wannon) (21:14): I rise tonight to speak on a wonderful development for this nation—the signing of the free trade agreement between Australia and China. This agreement is going to have a long lasting legacy for our nation, a long lasting legacy for our agricultural sector and a long lasting legacy for our services sector. It is an incredibly important document.

I want to start by congratulating the Minister for Trade and Investment, Andrew Robb, for the wonderful job that he has done in bringing this negotiation to a conclusion. Others tried over a sustained period of time and failed, yet within 12 months Australia's trade minister delivered not only this agreement but an historic agreement with Japan and also an historic agreement with South Korea. However, it is the China agreement that I want to focus on—although, I also would not mind focusing on the agreement we are going to make with India and the 12-month time frame that we have set for it. This agreement will also set us up for the future.

But let us concentrate on China. It has delivered for our agricultural sector. It has delivered for our dairy sector. It has delivered for our beef sector. It has delivered for our wool industry. It has delivered for mutton and lamb. It has delivered for our wine industry. It has delivered in all those key sectors of our agriculture constituency. There can be no complaints about how this agreement has set up our farmers to capitalise on the huge growth that we are seeing and will continue to see when it comes to demand for our agricultural exports.

It is not just our agricultural exporters who are going to benefit from this agreement; it is also our services sector. As all those in this chamber will know, it is the services part of our economy which is the growing part of our economy. This is where our future lies, whether it be in health services, education services, age care services, legal services or financial services—these are the growth areas of our economy. Why? Because these are the key growth
areas in our urban centres and, whether we like it or not, it is the urban population that is growing in Australia and it is where the majority of our population is going to continue to grow.

This agreement delivers for the two key sectors of our economy—the agricultural sector and the services sector. It will also enable stability for our mining industries, because they now have surety of access into that Chinese market. So it is a win also for them. But how are we going to capitalise on this agreement? We have now paved the way for our exporters to get access to this Chinese market. But does that mean we rest on our laurels? No, it does not. It means that we now have to focus on making Australia and our industries as competitive as we possibly can. I say to those opposite: you need to get out of the way and enable us to do this. What we now have to focus on is making sure that we have an efficient and effective tax system. We have to make sure that we have a workplace relations system which will enable our employment to grow and especially our young people to get jobs. We have to make sure that our economy is as competitive as possible, because if we do that then we will be able to get the job growth and the prosperity that we need to make this country great into the future. It is great now, but we have to make sure it continues. It also means that we will be able to finance a world-class education system and a world-class health system, which our people want us to be able to deliver.

This government is creating the pathway to our future prosperity. We are creating pathways to Asia which were unimaginable, even 12 months ago; but we have to make sure that our nation can capitalise on this. The job has begun, but we will make sure that as a government we finish it.

### Renewable Energy

**Ms Butler** (Griffith) (21:19): It is a pleasure to rise in the adjournment debate. I want to draw the House's attention to some visits I have had in my electorate recently from Solar Citizens, the Solar Council and other organisations as well as some local people who are very concerned about the attacks that have been made on renewable energy in this country. As this House is aware, the renewable energy target for a long time enjoyed significant bipartisanship. It was created under Prime Minister John Howard and then significantly extended under Prime Minister Rudd and later Prime Minister Gillard. It is disappointing that there has been a significant retreat from bipartisanship on the part of the government in respect of the renewable energy target. There have been some very scurrilous attempts to now claim that the commitment was for a so-called real 20 per cent target when in fact the bipartisan was for an absolute target of 41,000 gigawatts hours, for the obvious reason that a percentage relative target would not give certainty to industry, households and consumers.

The renewable energy target, now that it is subject to that failure of bipartisanship, is giving rise to significant uncertainty in terms of both large-scale renewable energy and small-scale renewable energy. Labor is really proud of our record on solar. When we came to government in 2007, there were 7,400 houses across the country that had rooftop solar, and by the time we left government there were 1.3 million—and it is still growing at a significant rate. People strongly support solar. Obviously, I was disappointed when the Queensland Newman Liberal-Nationals government tried to demonise solar users as being champagne sippers and latte drinkers—not that I have got any opposition to people who drink champagne
or coffee—because the point is that it is lower and middle income households who tend to use solar, and so to suggest that somehow it is an inner city elite issue is entirely wrong. You have seen the attack on the tariff feed-in rates in Queensland that has led to a lack of confidence in people continuing to install solar. It is really counterproductive if the aim is to increase the use of renewable energies. And why wouldn't it be, Madam Speaker? I think most sensible people—at least those of us who believe in climate change and not those who might think that the science of climate change is 'absolute crap'—who are not climate change deniers would accept the tendency towards renewable energy, particularly solar, is a good thing.

Another organisation that has been to see me and is very concerned about the attack on renewable energy is the Australian Sugar Milling Council. The council has grave concerns for the government's plans to weaken the RET, because renewable energy is an integral part of the Australian sugar milling business. Since the Australian Renewable Energy Target commenced in 2001, Australian sugar mills have invested over $600 million, including $300 million since the splitting of the RET into the large- and small-scale schemes in 2010. The industry has identified a further $1 billion of potential investment at existing sugar mills. So they are gravely concerned about the loss of bipartisanship in respect of the Renewable Energy Target.

In the medium and long term, renewable energy is important to households for their cost of living. We know that there are significant cost-of-living pressures on households in Australia at the moment where 15 per cent of households reported to Choice that they had deliberately missed the payment of a bill on time because of cost-of-living pressures, Around 50 per cent of households are foregoing non-essential items and around a third are foregoing essential items because of cost-of-living pressures. We know the modelling shows that in the medium and longer term, renewable energy will contribute to lower power prices, and yet the federal government and their colleagues in Queensland have been going about demonising Australians who have installed solar panels. These are not the actions of the government or a party that is actually fair dinkum about renewable energy, and I think it is really disappointing. One of the grave tragedies of the attack on renewable energy means that there is not the propensity in Australia to look at innovations like solar boats. (Time expired)

**Migration**

Ms O'DWYER (Higgins) (21:24): Our world is becoming a smaller place. Goods, people and information can travel with greater ease than any previous time in human history. For Australia, a nation greatly affected by our geographic isolation, these changes bring great opportunity as well as new challenges. It is the government's task, wherever possible, to maximise Australia's opportunities while minimising the threats that a shrinking planet presents. This is particularly the case when it comes to the movement of people.

Modern Australia has been built on successive generations of migrants that have contributed to our economy and our society. Continued migration remains vital for Australia's economic growth. It is through their skills, endeavour and culture that we can all share in a brighter, enriched future. We must, however, not take our success as a migrant nation for granted. As such it is important that the community retains confidence in our systems, through the proper management of our immigration program and the security of our borders.

In particular we remain committed to ensuring that bona fide refugees continue to find safe haven in Australia; however, this must be done through an orderly, efficient and ultimately
humane process not via criminal syndicates of people smugglers getting people to come here on unseaworthy vessels. Operation Sovereign Borders has been successful in drastically reducing unauthorised maritime arrivals, with no unauthorised boats reaching Australia in eight out of the past nine months. This is a far cry from Labor's chaotic and ultimately tragic policies where over 50,000 people arrived unauthorised by boat, directly resulting in more 8,000 children in detention and at least 1,000 deaths at sea—men, women and children.

Building on this return to order, further changes to our Migration Act under the Migration and Maritime Powers Legislation Amendment (Resolving the Asylum Legacy Caseload) Bill will provide clarity and consistency for Navy and Customs personnel when detaining vessels and people at sea; re-introduce Temporary Protection Visas to enable asylum seekers to live safely within our community with the right to work, and access Medicare and social security, for up to three years; and introduce the Safe Haven Enterprise Visas, which will allow unauthorised arrivals currently in Australian detention centres who have been proven to require protection with an option to live, work and contribute in regional areas for up to five years.

These two visas will enable the backlog of asylum claims created by the Rudd-Gillard-Rudd government to be properly addressed and, very importantly, they will provide some certainty to those seeking asylum to enable them to get on with their lives.

Similarly, the Migration Amendment (Character and General Visa Cancellation) Bill broadens the immigration minister's ability to refuse or cancel a visa on character grounds. The legislation will broaden the basis on which an individual can fail the character test and allow the minister to require that personal information relevant to character be provided to him or her. These changes include: changing the definition of 'substantial criminal record' to include persons who have had two or more terms of imprisonment with these terms totalling 12 months or more—a decrease from the aggregate period of two years; broadening of the character test to include failure on specific grounds of 'serious international concern' such as involvement in genocide or if found guilty of any sexual offences against children and it also includes those persons who have been charged with such an offence to be refused entry. Furthermore, the changes enable the minister to refuse or cancel visas when an individual is considered a threat to the national interest based on advice from ASIO or Interpol; and enable the minister to cancel a visa without notice because they have been sentenced to a term of imprisonment of 12 months or more or have been convicted of a sexual offence against a child. The minister can, however, revoke the cancellation if they believe the character test has been passed or in extenuating circumstances—for example in the case of a pardon.

Australia's tyranny of distance has historically buffered Australia from the worst of events beyond our shores. However, a vigilant and flexible legislative framework is necessary to manage the challenges that result from a changing world. In this place we must never forget that the first duty of every national government to protect its citizenry and secure its borders wherever possible. The recent legislative changes are commonsense, responsible amendments that better enable the Australian government to fulfil this primary duty.

It is also the duty of a humane nation to provide refuge for those who flee persecution in their home country. I am proud that under this government we have been able to increase the number of humanitarian visas issued to people overseas in abject conditions and in refugee camps, who, with their families, wait in hope of a better life. We must never forget these
people, who have been sidelined by the people-smuggling trade and who are truly vulnerable and cannot pay criminals to take them a better life but rely on us in this place. We have fulfilled that promise to them; we will not forget them. This is why we have taken the steps necessary to make sure that they can have the opportunity of a better life in Australia through our humanitarian visa program.

House adjourned at 21:30

NOTICES

MADAM SPEAKER to present a Bill for an Act to amend the Parliamentary Service Act 1999, and for related purposes.

Ms Rishworth to move:

That this House:

(1) recognises the critical role that Trade Training Centres (TTCs) play in introducing young people to vocational education at school and assisting them to achieve vocational education and training (VET) qualifications;

(2) acknowledges that TTCs have enabled schools to provide greater and more diverse opportunities for students completing secondary school;

(3) accepts the important role that TTCs play in ensuring that young people get the vocational skills they require and in conjunction, are able to achieve a secondary school certificate that otherwise may not have been possible;

(4) supports the industry partnerships between registered training organisations, schools and VET providers that have prospered through the introduction of TTCs;

(5) condemns the Government’s $950 million cut to the TTC program; and

(6) urges the Government to honour its commitment to support existing TTCs.

Ms MacTiernan to move:

That this House:

(1) recognises the leadership of Western Australia in establishing the Population Health Research Network (PHRN) to enable health data from around the nation to be brought together for vital health research; and

(2) calls on the Minister for Health to:

(a) allow the Pharmaceutical Benefits Scheme, Medicare, childhood immunisation, aged care, and other Commonwealth health data to be linked through this network through enduring linkages; and

(b) heed the advice of leaders in population health such as Professor D’Arcy Holman, who says that the Commonwealth’s decision not to contribute its data to the PHRN ‘has again blinded us to the truth of the health system and denies us what would have been a powerful paradigm-shifting tool for public accountability for our $140 billion spend per year’.

Ms Owens to move:

That this House:

(1) notes that:

(a) November was Shop Small month;

(b) Shop Small is an annual event designed to encourage people to explore their local small businesses;

(c) small business is a major driver of both employment and production; and
(d) shopping locally helps to ensure a vibrant local community and a stronger local economy;
(2) acknowledges the many people who went out to support local business during Shop Small month; and
(3) encourages people to shop locally this Christmas.

Ms Hall to move:
That this House:
(1) notes that November is Lung Health Awareness Month;
(2) acknowledges that lung disease contributes to more than 10 per cent of the overall health burden in Australia, and was the cause of:
   (a) 20,376 deaths in 2012, almost 14 per cent of all deaths;
   (b) 276,505 hospitalisations in 2011-12, representing 3 per cent of all hospitalisations; and
   (c) more than 1.4 million hospital patient-days in 2011-12, over 5 per cent of all patient days;
(3) recognises that at least 1 in 10 Australians will be affected by lung disease;
(4) takes note of the new initiative launched by Lung Foundation Australia (LFA), Just One Breath, which explores the extraordinary things that can be done with just one breath;
(5) shares the message with constituents, friends, family and other loved ones, to get everyone thinking about their own lung health, and encourages them to visit www.justonebreath.com.au and share the champions' stories; and
(6) commends the work of LFA in raising awareness, supporting those affected by lung disease, developing clinical resources and supporting research to find a cure for lung disease.

Mr Thomson to move:
That this House:
(1) stresses the superiority of collective security through the United Nations over unilateral action or 'coalition of the willing' type adventurism, and strongly supports the 'responsibility to protect' principle as a vehicle to protect civilians; and
(2) urges the Government to:
   (a) encourage the United Nations to establish peacekeeping forces in the world's trouble spots to protect civilians and to extinguish conflicts before they escalate in ways which potentially draw in Australia; and
   (b) implement the recommendations of the Joint Standing Committee on Foreign Affairs, Defence and Trade regarding the establishment of a mediation unit within the Department of Foreign Affairs and Trade to assist in resolving intrastate and interstate disputes before they develop into open conflict (similar to the Norwegian model).
QUESTIONS IN WRITING

Building Multicultural Communities Program
(Question No. 289)

Ms Rowland asked the Minister for Social Services, in writing, on 28 August 2014:
(1) Did any individuals or organisations contact his department expressing dissatisfaction that the Building Multicultural Communities Program had been cut; if so, (a) who are these organisations and individuals, and (b) can he provide a copy of their correspondence.
(2) In respect of the Deputy Secretary for Families and Communities stating in Senate Estimates on 5 June 2014 that a number of organisations contacted his department 'to seek a review' of the reasons for their funding being withdrawn, (a) what are the names of all such organisations, and can he provide a copy of their correspondence, (b) did his department reply to any organisations; if so, (i) on what date, and (ii) can he provide a copy of the reply, and (c) did his department meet with any of these organisations; if so, (i) which ones, and (ii) on what date(s).

Mr Andrews: The answer to the honourable member's question is as follows:
(1) Please refer to the response to Question on Notice 585 from Additional Estimates hearings in February 2014, and Question on Notice 210 from Budget Estimates hearings in June 2014.
(2) (a), (b), (i), (ii), (c), (i) and (ii) 29 Organisations sought a review of the decision to withdraw their grant funding. 25 Organisations received reimbursement for expenditure they had incurred. In four cases the decision to withdraw funding was upheld. Further information cannot be provided as the Organisations would expect to be consulted prior to the public release of the requested information. To do so would require an unreasonable diversion of resources.

Building Multicultural Communities Program
(Question No. 290)

Ms Rowland asked the Minister for Social Services, in writing, on 28 August 2014:
(1) Can he explain the full process, from beginning to end, of executing a funding agreement (a) in his department, and (b) under the Building Multicultural Communities Program (BMCP), and how the process for the BMCP differs to the process used for other programs in his department.
(2) Upon receipt of applications for the BMCP, (a) what process did his department use to finalise the funding agreements, (b) how many staff worked on the finalisation of the funding agreements, (c) who was the decision maker on whether and when funding would be provided, (d) on average, what length of time did this process take, (e) what was the (i) longest, and (ii) shortest, processing time, (f) were there any delays; if so, why, and (g) did his department have sufficient resources to conduct this processing.

Mr Andrews: The answer to the honourable member's question is as follows:
(1) (a) See response to Question on Notice 918 relating to Budget Estimates Hearings in June 2014.
   (b) The process mirrors the process that applies in relation to other grant programmes.
(2) (a) See Question 1.
   (b) See response to House of Representatives Question on Notice No 254 asked on 26 August 2014.
   (c) The former Minister for Multicultural Affairs, Senator the Hon Kate Lundy, was the decision maker.
   (d) to (g) Providing this level of detail would be too resource intensive.
Building Multicultural Communities Program  
(Question No. 321)

Ms Rowland asked the Minister for Social Services, in writing, on 2 September 2014:
(1) In respect of the decision to withdraw offers of funding for the Building Multicultural Communities Program (BMCP), how many representations has his department received 'expressing disappointment at this decision' (Freedom of Information request No. 13/14-078), and can he provide these documents.
(2) What are the names of the ten organisations that have 'expressly requested reconsideration of the decision' because they have been financially disadvantaged, and have any other organisations made such representations since then; if so, how many, and what are their names.
(3) What are the names of the six organisations that have provided evidence in support of their request for reconsideration, and
(a) what sum did they each request, and
(b) have these funds been provided.

Mr Andrews: The answer to the honourable member's question is as follows:
(1) See the Department's response to FOI 13/14-078.
(2) Please refer to the second part of the answer to Parliamentary QoN # 289.
(3) (a) and (b) Please refer to the second part of the answer to Parliamentary QoN # 289.

Department of Social Services: Grant Processing  
(Question No. 425)

Mr Conroy asked the Minister for Social Services, in writing, on 22 September 2014:
In 2013-14, how many Commonwealth grants were approved by the Minister's Department, and at what total cost, and of these, how many recipients have (a) signed funding agreements, and at what total cost, and (b) received payment, and at what total cost.

Mr Andrews: The answer to the honourable member's question is as follows:
The list of DSS grants can be accessed at: http://www.dss.gov.au/grants-funding/grants-funding. This list includes all grants approved by the Minister's Department and total cost.

Department for Immigration and Border Protection: Grant Processing  
(Question No. 430)

Mr Conroy asked the Minister for Immigration and Border Protection, in writing, on 22 September 2014:
In 2013-14, how many Commonwealth grants were approved by the Minister's department, and at what total cost, and of these, how many recipients have (a) signed funding agreements, and at what total cost, and (b) received payment, and at what total cost?

Mr Morrison: The answer to the honourable member's question is:
The full list of 2013-14 individual grants are published and publicly available on the Department of Immigration and Border Protection (DIBP) website and the Australian Customs and Border Protection Service website.

Live Animal Exports
(Question No. 478)

Mr Kelvin Thomson asked the Minister for Agriculture, in writing, on 23 September 2014:

How does expanding the live export trade value-add to Australia's food exports?

Mr Joyce: The Minister for Agriculture has provided the following answer to the honourable member's question:

Australian livestock exports (other than breeder livestock) are ultimately destined for food supply chains in the importing country, and contribute significantly to the value of Australia's agriculture exports.

In 2013-14 the livestock export trade was worth approximately $1.2 billion. Since this government came to office in September 2013 the value of live animal exports has exceeded $1.4 billion and continues to grow.

The industry employs around 10 000 people, contributes significantly to the country's economy, supports many rural and regional communities, and underpins economic returns through the farm gate by providing alternate markets for livestock and competition in the marketplace.

Demand for Australian live animals and meat is derived from the importing country's need to supplement their own domestic cattle production with beef imports and live cattle imported for either direct slaughter or finishing in feedlots before slaughter.

In some of Australia's major livestock export markets, Australian live animals and imported meat are not readily substitutable.

Additionally, the absence of Australian livestock in overseas markets does not necessarily directly translate into potential for increased meat imports from Australia. Many other countries supply meat less expensively and, for livestock, Australia has many competitors in Africa and Europe, none of which have the same standards of animal welfare for the export of livestock.