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FORTY-FOURTH PARLIAMENT
FIRST SESSION—THIRD 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

Printed by authority of the House of Representatives
## Members of the House of Representatives

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<td>Whiteley, Mr Brett David</td>
<td>Braddon, TAS</td>
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<td>Wilkie, Mr Andrew Damien</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>Wyatt, Mr Kenneth George AM</td>
<td>Hasluck, WA</td>
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<tr>
<td>Zappia, Mr Antonio</td>
<td>Makin, SA</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>
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<td>Senator the Hon. Nigel Scullion</td>
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<tr>
<td><em>Minister Assisting the Prime Minister for the Public Service</em></td>
<td>Senator the Hon. Eric Abetz</td>
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<tr>
<td><em>Minister Assisting the Prime Minister for Women</em></td>
<td>Senator the Hon. Michaelia Cash</td>
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<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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<tr>
<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>
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<tr>
<td><strong>Attorney-General</strong></td>
<td>The Hon. Michael Keenan MP</td>
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<tr>
<td><strong>Minister for the Arts</strong></td>
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<tr>
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<td>Senator the Hon. George Brandis QC</td>
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<tr>
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<tr>
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<tr>
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<tr>
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<tr>
<td>Parliamentary Secretary to the Minister</td>
<td><strong>The Hon. Michael McCormack MP</strong></td>
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<tr>
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<tr>
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<tr>
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<tr>
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Thursday, 15 May 2014

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

COMMITTEES

Public Works Committee

Membership

The SPEAKER (09:01): I have received a message from the Senate informing the House that Senator Boyce has been appointed a member of the Parliamentary Standing Committee on Public Works.

BUSINESS

Suspension of Standing and Sessional Orders

Mr PYNE (Sturt—Leader of the House and Minister for Education) (09:01): by leave—I move:

That standing order 31 (automatic adjournment of the House) be suspended for this sitting and that, after the Leader of the Opposition completes his reply to the Budget speech, the House automatically stand adjourned until 10 am on Monday, 26 May 2014, unless the Speaker or, in the event of the Speaker being unavailable, the Deputy Speaker, fixes an alternative day or hour of meeting.

Question agreed to.

Consideration of Legislation

Mr PYNE (Sturt—Leader of the House and Minister for Education) (09:02): I move:

That so much of the standing and sessional orders be suspended as would prevent the following from occurring:

(1) when the order of the day for the resumption of debate on the second reading of the Appropriation Bill (No. 1) 2014-2015 is called on, a cognate debate take place with the Appropriation Bill (No. 2) 2014-2015, Appropriation (Parliamentary Departments) Bill (No. 1) 2014-2015, Appropriation Bill (No. 5) 2013-2014, and Appropriation Bill (No. 6) 2013-2014;

(2) at the conclusion of the second reading debate, including a Minister speaking in reply, and thereafter, without delay, the immediate question, or questions, necessary to complete the second reading stage to be put, and when resolved Appropriation Bill (No. 1) 2014-2015 then being considered in detail and then any question or questions necessary to complete the remaining stages of the Bill to be put without amendment or debate;

(3) at the conclusion of the proceedings on Appropriation Bill (No. 1) 2014-2015, separate questions to be put without further debate on the motions for the second readings and any further motions necessary to conclude consideration of the Appropriation Bill (No. 2) 2014-2015, Appropriation (Parliamentary Departments) Bill (No. 1) 2014-2015, Appropriation Bill (No. 5) 2013-2014, and Appropriation Bill (No. 6) 2013-2014; and

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

Question agreed to.

Mr PYNE (Sturt—Leader of the House and Minister for Education) (09:04): I move:

That, in respect of the proceedings on the Tax Laws Amendment (Temporary Budget Repair Levy) Bill 2014, the Income Tax Rates Amendment (Temporary Budget Repair Levy) Bill 2014, the Family

1. the resumption of debate on the second readings of the bills being called on together;
2. at the conclusion of the second reading debate, including a Minister speaking in reply, any questions being put on any amendments moved to motions for the second readings, and then one question being put on the second readings of the bills together;
3. the consideration in detail stages, if required, on all the bills being taken together;
4. at the conclusion of the detail stage, one question being put on the bills together and one question being put on the third readings of the bills together; and
5. any variation to this arrangement to be made only by a motion moved by a Minister.

Just to briefly explain, both of those motions simply allow the debate on the appropriations to be held as a cognate debate and then the debate on the temporary budget repair levy bill, which obviously affects 14 separate pieces of legislation, also to be dealt with as a cognate debate. And I thank the Manager of Opposition Business for his cooperation.

The SPEAKER: The question is that the motion as moved by the minister be agreed to.

Question agreed to.

COMMITTEES

Public Works Committee

Approval of Work

Mr McCORMACK (Riverina—Parliamentary Secretary to the Minister for Finance) (09:08): I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Development and construction of housing for Defence at RAAF Base Tindal, Northern Territory.

This project aims to extend the base's married quarters precinct to accommodate an additional 50 dwellings. The project aims to deliver dwellings that are designed to be sustainable and appropriate for the conditions. The estimated overall project cost is approximately $47.1 million, including GST, contingency and escalation costs. The land is already owned by the Commonwealth.
I referred these works to the Public Works Committee in December 2013. The committee has now reported back and recommended that these works proceed. I would like to commend the committee for conducting a rigorous inquiry into these works. Subject to parliamentary approval, construction is expected to commence in June 2014 and to be completed by June 2016.

Question agreed to.

BILLS

Australian National Preventive Health Agency (Abolition) Bill 2014

First Reading

Bill and explanatory memorandum presented by Mr Dutton.

Bill read a first time.

Second Reading

Mr DUTTON (Dickson—Minister for Health and Minister for Sport) (09:09): I move:

That this bill be now read a second time.

Today I introduce the Australian National Preventive Health Agency (Abolition) Bill 2014.

Repealing the Australian National Preventive Health Agency Act 2010 through this bill will abolish the Australian National Preventive Health Agency, ANPHA. This will streamline and better coordinate public health efforts that are currently spread across two agencies and remove duplication and unnecessary costs.

Australia has a long history in supporting people to make healthy lifestyle choices and providing health services that accompany good health outcomes. The coalition government continues to be committed to supporting an effective and responsive health system to deliver the health care services and measures needed by our population. An effective health system includes supporting preventive health and broader public health efforts.

The government also recognises that individuals need to take responsibility for lifestyle actions that affect their health. To fully support individuals and communities in implementing healthy lifestyle choices, the government will remain focused on ensuring information is available to inform health related behaviours. Essentially, the government wants to empower and inform people so that they are in the best position to take control of their own health and wellbeing.

In 2010, the former Labor government established ANPHA, with the primary focus on the prevention of the harmful use of alcohol, on obesity and on tobacco. In addition to this core focus and its role in advising the Commonwealth, ANPHA was established with a capacity to be directed by the state, territory and local governments to provide preventative health advice. However, since its inception, no jurisdiction has provided direct funding to the agency for its work on prevention. ANPHA has been solely funded by the Commonwealth, creating an additional separate agency with associated costs which continue to have overlapping responsibilities with the Commonwealth Department of Health.

The Commonwealth Department of Health has long played a critical national leadership and advisory role in supporting action in public health and in implementing preventive health
measures, including activities to address chronic disease as well as significant reforms and initiatives on alcohol, tobacco and obesity.

There is currently a lack of clear demarcation of responsibilities between ANPHA and the Department of Health. This current arrangement has led to a fragmented approach to preventive health and inefficiencies through duplication of administrative, policy and program functions between ANPHA and the department.

Under the bill transitional arrangements will enable the smooth, transparent and appropriate wind down of ANPHA and reintegration of functions to the Department of Health. Essential functions will be integrated with the department's existing work addressing alcohol, tobacco and obesity and in line with current policy and priorities, enabling a better coordinated and appropriate focus on key health priorities and the most efficient use of government funding.

Existing commitments to grants and social marketing efforts will continue. Ongoing analysis and advice, policy development and stakeholder involvement on key health issues will continue. Action on alcohol, tobacco, obesity and chronic disease priorities will continue for this government.

We know tobacco smoking is the largest cause of preventable death and disease in our country. We remain committed to reducing smoking rates, including through national tobacco control measures and education programs.

We know obesity is an increasing public health problem with multiple consequences. We remain committed to supporting measures that encourage Australians to make informed lifestyle decisions to reduce the risk of chronic disease consequences. That is why this government is developing a national diabetes strategy.

We know harmful use of alcohol continues to occur, with associated short- and long-term risks. We remain committed to addressing these issues, including through education activities and by working with states and territories, stakeholders and communities.

The Australian government can continue its focus in these priority areas, without the need for a separately established and Commonwealth-funded agency.

Additional staffing and administrative costs have been required to run ANPHA for functions that can be effectively performed by the health portfolio's lead department. Ceasing ANPHA will ensure that there is no confusion about the Commonwealth government's responsibilities and action in public health and will ensure Commonwealth funding is not wasted on maintaining a separate agency. Abolishing ANPHA through this bill will enable a more coherent and streamlined approach to preventative health by the Commonwealth, facilitate stakeholder navigation and interactions with the government on related health issues, remove unnecessary overlap and inconsistencies, and produce administrative efficiencies and savings by reintegrating essential functions into the Department of Health.

Cross-government action will not be jeopardised as a result of abolishing ANPHA. ANPHA is currently solely Commonwealth funded, as I say, and there are established and transparent mechanisms available to progress national issues, including through the Standing Council on Health and its subcommittees.

New streamlined arrangements do not diminish the government's focus on preventive health or action on alcohol, obesity and tobacco. The bill will enable essential actions to
continue under much more appropriate arrangements, without the inefficiencies, confusion and costs associated with maintaining separate agencies.

I reiterate that the Commonwealth government is committed to prevention. However, our commitment to preventative health is broader than just the work of the agency. The government's actions on preventative health will encompass efforts across the entire health system, including support of GPs and other primary healthcare services, the long-term sustainability of the Medicare benefits and pharmaceutical benefits systems, and supporting people to access preventative health and early detection services, such as immunisation and screening programs.

The previous coalition government has a strong record on supporting prevention measures and we will continue to build on this record. It was a previous coalition government who began the National Bowel Cancer Screening Program back in 2006. This government has committed funding to fully implement a biannual screening interval for all Australians aged 50 to 74. It was a previous coalition government who lifted the childhood immunisation rates dramatically from 52 per cent in 1995-96 to over 90 per cent. We are committed to improving those rates even further.

We are a government committed to improving the health of all Australians. I am pleased to be able to introduce the Australian National Preventive Health Agency (Abolition) Bill 2014 to achieve the aforementioned benefits and efficiencies in the health portfolio with flow-on benefits to the health sector, but most importantly to the Australian population more broadly.

Debate adjourned.
Ordered that the resumption of the debate be made an order of the day for a later hour.

Health Workforce Australia (Abolition) Bill 2014

First Reading

Bill and explanatory memorandum presented by Mr Dutton.
Bill read a first time.

Second Reading

Mr DUTTON (Dickson—Minister for Health and Minister for Sport) (09:17): I move:
That this bill be now read a second time.

Today I introduce the Health Workforce Australia (Abolition) Bill 2014. This bill will streamline the delivery of programs to build our health workforce and remove an unnecessary layer of administration and bureaucracy.

This government is committed to reducing red tape. In health, there has been too much officialdom, too much duplication. We need to refocus our attention away from the bureaucrats and back onto patients. We need to focus on the needs of all Australians accessing our healthcare system. It is the government's determination to strengthen and modernise Medicare and improve the health outcomes for all Australians.

We know that without our health workforce, we would have no healthcare system. We need to support and build our health workforce; these are the doctors, nurses and allied health professionals delivering front line health services to Australians. However, setting up a health
workforce agency has created another layer of bureaucracy in our healthcare system, and this is taking valuable resources away from front-line health services.

The Health Workforce Australia (Abolition) Bill 2014 will close Health Workforce Australia. The programs and functions of HWA will transfer to the Department of Health. The government will continue to support the health workforce and the programs that are helping to build a sustainable, well-distributed health workforce. The government is delivering on its commitment to reduce red tape and streamline programs so that they are effective and efficient. The programs currently managed by HWA will continue, but aligning these with those already delivered through the Department of Health will allow us to save valuable resources by reducing duplication in both service delivery and in the significant overheads required to run an agency.

Health Workforce Australia was established by the Rudd government through the Council of Australian Governments under the National Partnership Agreement on Hospital and Health Workforce Reform. This was a four-year agreement that expired in June 2013. Under the NPA, Health Workforce Australia was to act as a national body working to health ministers to streamline clinical training arrangements and support workforce reform initiatives. The NPA also set out the expectations of the Commonwealth, states and territories to jointly fund Health Workforce Australia. The states and territories were expected to provide almost $540 million over four years, but again, it did not occur. It was another failure of the Rudd government. The coalition government is the sole funder of the HWA and therefore is taking the decision to deliver its funding in the most efficient way.

Having both Health Workforce Australia and the Department of Health managing health workforce programs has created duplication and confusion. The previous government's review of health workforce programs, which reported in 2013, identified legitimate stakeholder concerns about the lack of clarity defining the respective roles of HWA and the department. It also identified inconsistencies between the two agencies in delivery of funding. By bringing HWA's programs into the Department of Health, we are addressing those issues; there will be more clarity for stakeholders, consistent funding arrangements and the opportunity to align programs with key government priorities.

Perhaps HWA's most notable achievement is the publication of national health workforce modelling, giving long-term projections of supply and demand for the Australian health workforce. This work will continue. All priority activities will continue to be delivered and organisations currently funded by HWA can be assured that all current funding agreements will be met.

The government recognises the role of the states and territories when considering our health workforce. While the Commonwealth government will continue to work to provide national leadership for health workforce reform; as the largest employers of the health workforce, the states and territories have an enormous role to play. The ability to achieve maximum productivity, boost employee retention and achieve effective delivery and deployment of the health workforce varies significantly across jurisdictions and employers. The Commonwealth government remains committed to working with states and territories towards national workforce planning and reform and to making sure that the significant interest of the private sector in this planning and reform work is recognised. Our private health employers have a lot of experience in driving innovation and productivity, and we need
to be able to bring this into our national conversation on workforce reform. The Department of Health already works closely with its state and territory counterparts, and the private sector. We do not require a separate agency to do that.

The closure of Health Workforce Australia is not a withdrawal of support or resources for the health workforce. By creating efficiencies, by streamlining programs, by reducing bureaucracy, we are ensuring that we will get better value from the investment in programs to build the health workforce of Australia for tomorrow.

Debate adjourned.

Ordered that the second reading be made an order of the day for the next sitting.

**Energy Efficiency Opportunities (Repeal) Bill 2014**

**First Reading**

Bill and explanatory memorandum presented by Mr Baldwin.

Bill read a first time.

**Second Reading**

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry) (09:23):

I move:

That this bill be now read a second time.

The purpose of the Energy Efficiency Opportunities (Repeal) Bill 2014 is to repeal the Energy Efficiency Opportunities Act 2006. Savings from the program were announced in the Mid-Year Economic and Fiscal Outlook, on 17 December 2013.

The bill repeals the act, which took effect on 1 July 2006. The program requires large energy-using businesses to assess their energy use and identify cost-effective energy savings opportunities. The program is mandatory for organisations that use over 0.5 petajoules of energy annually and may be undertaken voluntarily by medium energy-users. This applies to over 300 corporations. For those corporations falling within the program, the act imposes mandatory compliance and reporting obligations.

This government acknowledges the burden regulatory programs, such as the Energy Efficiency Opportunities Program, impose on business and has committed to cutting red tape. Repealing the Energy Efficiency Opportunities Act 2006 will save Australian businesses $17.7 million per year.

Australian businesses are well aware of the impact of higher electricity prices on the bottom line.

Since 2006, when the Energy Efficiency Opportunities Program was introduced, Australian businesses, including Australia's largest energy users, have worked to develop energy management capabilities that have strengthened their resilience to rising energy prices and other changing economic conditions.

Changing conditions and increasing awareness of energy efficiency have lifted energy management capability and responsiveness, with many corporations reporting that key elements of the EEO Program are now standard business practice.

While the Energy Efficiency Opportunities Program has played an important role in this process and resulted in the development of a range of energy efficiency projects which
companies can choose to implement based on energy prices and their specific circumstances, it has now become superfluous given the actions businesses and large energy users are already taking of their own accord to reduce energy costs and therefore reduce business costs.

The energy market and energy costs have changed considerably since the program's inception in 2006. As a result of these changes, including increasing energy costs, businesses have developed a suite of mechanisms for better energy management. Energy productivity is now core business for Australian industry and industry is best placed to define the processes and make decisions on how best to manage energy.

The Emissions Reduction Fund will help businesses and industry to take direct action to reduce emissions and improve their energy efficiency. The government will continue to explore options for improving energy productivity through the current energy white paper process.

In addition, energy productivity is also being considered by the Council of Australian Governments (COAG) Energy Council. Work is underway to review priorities in relation to national coordination on energy productivity.

**Specifics of the bill**

I now turn to the specific aspects of the bill.

The bill repeals the Energy Efficiency Opportunities Act 2006.

It provides for a retrospective date of 29 June 2014 to come into force. This will provide clarity to companies and stakeholders that reporting and assessment obligations under the Act will cease on 29 June 2014. This includes variations to existing assessment plans under new developments and expansions which were due to be submitted on 30 June 2014, and which will no longer be required. This is a practical action that shows the government is committed to reducing regulation for Australian business.

Debate adjourned.

Ordered that the second reading be made an order of the day for the next sitting.

**Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill 2014**

**First Reading**

Bill and explanatory memorandum presented by Mr Ciobo.

Bill read a first time.

**Second Reading**

Mr Ciobo (Moncrieff—Parliamentary Secretary to the Treasurer) (09:28): I move:

That this bill be now read a second time.

The establishment of a deep and liquid retail corporate bond market will provide benefits to businesses and investors.

A strong retail corporate bond market will provide a viable funding source for Australian companies without foreign currency risk and frees up space on lending institutions' balance sheets for investment in other parts of the economy.
For investors, the reforms in this bill will provide an opportunity for them to diversify their risk and access a new source of fixed income which is increasingly in demand by older Australians.

The bill is further evidence of the government's commitment to reduce regulatory burdens on business and reduce unnecessary costs.

The measures in the bill require companies to offer simple corporate bonds through an offer-specific prospectus, provided they have lodged a base prospectus with ASIC for the purpose of making an offer under the new two-part simple corporate bond prospectus regime.

This new disclosure regime will reduce costs for bond issuers as it will enable the bond issuer to incorporate or refer to information already disclosed by the bond issuer as part of the disclosure material.

The base prospectus will also be able to be used for up to three years for subsequent tranches of bond issues where the information remains current.

The bill also removes the deemed civil liability that applies to company directors and provides clarification around the reasonable steps required to satisfy the due diligence requirements in respect of directors' criminal liability.

Thirdly, the bill contains amendments to the Corporations Act which will put in place architecture to enable parallel trading of simple corporate bonds in the wholesale and retail markets.

Unlike the Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill 2013 that was brought forward by the previous government last year, this bill will apply the less burdensome disclosure obligations to bonds with a maturity of up to 15 years.

The reforms in the bill before us today are a significant advance on the government's goal of providing opportunities for business and encouraging the development of a deep and liquid bond market in Australia.

While the bill will reduce the regulatory burden on issuers of corporate bonds, it also ensures that appropriate standards of consumer protection are maintained.

This bill delivers on the recommendation in the Johnson report, *Australia as a financial centre: building on our strengths*, which recommended that government 'reduce regulatory requirements on corporate debt issuance to retail investors'.

Full details of this bill are contained in the explanatory memorandum.

Debate adjourned.

**Social Security Legislation Amendment (Green Army Programme) Bill 2014**

*Second Reading*

Debate resumed on the motion:

That this bill be now read a second time.

to which the following amendment was moved:

That all the 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 notes the:

(1) program will be deeply flawed in its design and implementation given the poor environmental record of the current Government;
(2) bill provides insufficient protections for participants in the areas of occupational health and safety, workers compensation and rehabilitation;

(3) Government should clarify why participants do not have employee status even though they are to be removed from the social security system and paid an equivalent training wage;

(4) Government must provide assurance that the Green Army Program will not displace or reduce employment opportunities for existing workers;

(5) lack of detail of the training provisions in the program, namely specified minimum hours, provision of accredited recognised training and opportunities for ongoing training and career pathways; and

(6) importance of supporting young people to make the transition to meaningful work and further training opportunities.”

Mr RAMSEY (Grey) (09:31): As I was speaking on this last night I was about to move to a Green Army proposal not approved yet that I think typifies exactly what the Green Army can be about, at least environmentally. There were 31 pretty dark days in South Australia from 14 January to 14 February this year when we had uncontrolled fires in the Southern Flinders Ranges just out of Port Pirie, only about 20 kilometres away, threatening townships like Nelskaby, Napperby and Wirrabara. This fire became known nationally as the Bangor fire. In the end, property losses were only moderate. Certainly there was no loss of life and, for that, we are very, very thankful. But there were times when this fire flared uncontrollably very near to settled areas. Lots of outbuildings, fences and things like that were lost on farms. Mercifully, only three houses were lost—a tribute to the volunteer firefighters and also the SA Metropolitan Fire Service. I add my thanks to those who came from interstate, particularly New South Wales. There were all the volunteer groups and obviously the ambulance service, St John's and the Salvation Army. You could go on and on listing them and the locals who gave a hand to fight this fire.

The difference with this fire was that it lasted for 31 days. There were times when we got a bit of rain and it quietened down and people went home for a while but, by the end, the firefighters and volunteers were just exhausted. It was a great effort. They did very well. There were over 100 farm firefighting units in the field and hundreds of firefighters on the ground. They used the Elvis helicopter bomber and a number of fixed-wing aircraft.

You might wonder what this has to do with the Green Army, but there is a proposal from the Mount Remarkable council which is looking at revegetating some of the areas most fiercely affected by this fire. What brought this fire to an end, as so often happens in Australia, was a flood. We had around 150 millilitres of rain in a few hours on the areas that were burning the most fiercely. Of course the flood then caused an enormous amount of damage. There is a very scenic drive up from Port Germein through to near Murray Town that crosses the Flinders Ranges. Rock walls which help form the roadway and were built over 100 years ago have been washed away. The gorge is still closed and will be for some time as they work to reconstruct it.

One of the great tragedies of this fire was that it burnt over 60 per cent of the Wirrabara forest. The Bundaleer forest, only 30 kilometres away near Jamestown, was burnt out 12 months ago. These were the oldest pine plantations in Australia. They were the very first. It is a great shock to the community and the businesses associated that those forests are now under threat, because there is no guarantee from the state government that they will be replanted.
That is a bigger story for another day about insurance policies and state governments taking what they can out of bodies such as ForestrySA.

Anyway, this project will revegetate native scrub that has been burnt out by the bushfires. It will recreate ecological communities and assist some of the threatened species. It will assist landholders with fire and flood recovery and restore the natural beauty of the landscape. Nothing could be more needed. Seeing Green Army crews out there will bring a shot of enthusiasm to the community. It will be great experience for those who get to work on this Green Army project. At the end of the day, they will be delivering important environmental outcomes as we attempt to mitigate the damage that was caused, firstly, by the very high intensity fire and, secondly, by the very high intensity flood that followed it. It is through projects like this that the Green Army can rise above the ruck and show us what a good program this is for Australia. I am very hopeful, in fact, that other projects assisting fire recovery can be proposed and financed in the future. While I said in my opening remarks that this one is not yet approved, I have a very high level of confidence that it will be because it is such a good project. Whatever I can do to bring that about I will do. But, even if it were to fail, we will not give up.

The DEPUTY SPEAKER (Mr Broadbent): I thank the member for Grey for putting the story of that fire on the record of the parliament. It is extremely important. The question is that the amendment be agreed to.

Mr HUNT (Flinders—Minister for the Environment) (09:37): Let me also begin by thanking the member for Grey. That is a very powerful story in relation to a community event, with a community impact and an impact on the landscape. He sets out precisely the sort of work which Green Army teams could hope to do in the future—land rehabilitation and land recovery—and, in so doing, provide support for communities and support for the way in which we can provide jobs, opportunity, training and community and environmental benefit. I cannot think of a better exemplar of the way in which a Green Army team should be developed, should operate and should work than the one which the member for Grey has set out. We are focused entirely on good outcomes for the community and good outcomes for the environment, whether it is land rehabilitation, whether it is riparian recovery, whether it is sand dune restoration or whether it is replanting of native species. A particular personal and policy focus of mine is the encouragement of areas for threatened species recovery. These are all worthy goals—all with a strong history of a very successful program in the previous Green Corps and that also deal with emissions reduction. So it ticks all the boxes with all of these things—emissions reduction—

Mr Perrett: Maybe even combat climate change.

Mr HUNT: or climate change, mitigation, abatement. These are all of the things that we would want to achieve. It actually does things rather than simply taxing things, and that, I would say to the member for Moreton, is the important difference. He supports an electricity tax; we do not. We support practical action on the ground to reduce emissions, to reduce landscape degradation and to encourage support for workers—for people who want to create a future for themselves.

So having said that, let me deal briefly with some of the issues raised during the course of the debate in the Social Security Legislation Amendment (Green Army Programme) Bill 2014, or what I would call the Green Army bill. During the course of the debate, some issues
have been raised in relation to employment status. Let me make it clear that the employment status proposed under the Green Army bill is exactly the same arrangement that existed under the previous government's National Green Jobs Corps program. Participants will not be engaged in traditional full-time employment. They will be engaging in work experience-style activities for up to 30 hours per week. I would say it is not accurate in relation to the claims made by some to suggest this means they will not be provided with relevant protections or that they will be low-paid workers. Their wages will be higher than they would have been on Newstart, and they are higher than they would have been under the previous Green Jobs Corps program. This is, again, exactly the same arrangement that existed under the Green Jobs Corps program, but with higher funds. It is pretty significant, I would have thought. It is not a program where people would be expected to be or classified as being in a situation of existing employment opportunities. It is not a replacement for that. It is training. It is work experience. It is hands-on practical action for the environment. Most significantly, this $525 million program over four years and $800 million program over five years will work hand in hand with Landcare groups. It is Landcare extension funding. It is very significant funding so as to allow practical work with Landcare groups, within the terms of the funding arrangements.

Let me deal with the second issue, and that is the claims by some in relation to the allowances. We are creating a specific allowance that is overwhelmingly higher than the previous Green Jobs Corps program, Newstart and Youth Allowance. It is a fact that has not actually been contested on any factual basis. General assertions have been made, which are false, untrue, incorrect and inaccurate. The hourly rate of the Green Army allowance is commensurate with trainee hourly wage rates. Participants are not engaged in traditional full-time employment for a 38-hour week, and Green Army participants, as I said, will be engaged in activities for up to 30 hours per week. The program will provide opportunities for young people to transition from unemployment or school to employment or further training while undertaking local projects in delivering environmental outcomes. It is a critical part of our earn or learn approach to opportunity for young Australians. This is a means by which in year 1, 2,500 young Australians; in year 2, 5,000; in year 3, 7,500; in year 4, 11,500; and in year 5, 15,000 young Australians can either be team leaders or be participants. It is a tremendous opportunity to build a standing national green army, a standing workforce of people who will do good work for the environment and engage in and receive training and benefits.

Having said that, I also want to deal with the issues that were raised with regard to the transition to and from income support. Let me make this statement as we set down the legislation, knowing that the statements carry all of the weight for the Acts Interpretation Act that they do. We have created an allowance for participants to allow for a seamless transition back to accessing support payments, if required. Labor’s model was effectively a Work for the Dole, where a person received Newstart or Youth Allowance. This will be an easier program for young people. In particular, as soon as the participants have exited the program, their pre-existing payments will be reinstated. All they have to do is let Centrelink know that the Green Army project has been completed. If they are not in employment, their payments will recommence commensurate with where they were previously. I think that is very important to understand—a seamless but critical part of the earn or learn program.
The final claim that I want to deal with here is in relation to work health and safety protections. Our approach goes further than the arrangements that existed under the previous government's National Green Jobs Corps program. I have taken a strong, clear personal interest in this area. I certainly have made inquiries. I have issued instructions and I have been utterly focused on safety as the No. 1 priority. The previous Green Jobs Corps and before that the Green Corps were, in my view, exemplars in this space. They were examples of what should have happened as opposed to the way in which the Home Insulation Program was rolled out. Despite the fact that they were exemplars, we are going further. We are mandating work health and safety training for participants and extending the work health and safety requirements of the service provider.

Any claims that young people will have no safety protections are simply, categorically, absolutely wrong, incorrect and misleading. All participants in the program will be afforded the relevant protections under existing state and territory legislation and any applicable Commonwealth laws. Risk plans will be developed by service providers and agreed with government, and individual project risk assessments will be undertaken before activities commence. A rigorous work health and safety audit scheme will ensure independent audits of both service providers and projects within the program. All parties will be required to hold relevant insurance. The Commonwealth will also take out insurance for all participants in the program. Service providers will report regularly to government on the management of participants and project delivery, and an audit and compliance scheme will manage any contractual breaches. Those are the essential elements of this program in response to the claims.

Let me focus on the Green Army bill and the purpose of the Green Army. In Tuesday night's budget we allocated $525 million for four years and $800 million for five years. This is a very significant Landcare extension fund. We want to work with Landcare and councils. We want to provide young people the opportunity to work in the field to gain the skills to have a real and lasting difference, whether it is in boardwalk construction, threatened species habitat rehabilitation or in programs for riparian recovery for clearing away noxious and invasive pests—practical action to improve the local environment whilst gathering work skills, work training and, wherever possible, a certificate I, a certificate II or other recognised training certificate.

Against that background, I want to thank all of the participants in the debate. I do want to thank the opposition for their cooperation. We may disagree on some of the arguments but I am hopeful that we will agree on the general direction. I especially want to thank the department and my office: Sean Sullivan; Peta Lane, who has had carriage of the program; her team; and Sarah Meredith from my office. This is an outstanding program.

The last person I want to acknowledge is the Prime Minister. I would like to have claimed that this program was my idea. It was not. He had conceived it over many long years of thinking and he proposed it. My job has been to help shape and deliver it, but all credit where credit is due for what I think is a fine idea which will have a practical benefit. I commend the bill to the House.

The DEPUTY SPEAKER: The original question was that this bill be now read a second time. To this the honourable member for Port Adelaide has moved as an amendment that all
words after ‘That’ be omitted with a view to substituting other words. The immediate question is that the amendment be agreed to.

Question negatived.

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

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

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

Question agreed to, Mr Bandt and Mr Wilkie voting no.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mr HUNT (Flinders—Minister for the Environment) (09:54): by leave—I move:

That this bill be now read a third time.

I apologise if I delayed the House in any way.

Question agreed to.

Bill read a third time.

Fair Work Amendment Bill 2014

Second Reading

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

Mr BRENDAN O'CONNOR (Gorton) (09:54): I would like to return to the contribution I was making on this bill some time ago. In their policy document, the coalition said:

… unions can seek entry to a workplace if … the union is a bargaining representative seeking in good faith to make an agreement to apply in that workplace.

Yet, contrary to this very clear commitment, there is nothing in this bill that implements the government's pre-election promise. No clever wording or trick can hide the fact that the coalition said one thing before the election—in their policy document, no less—and now after the election they are doing the exact opposite.

The coalition also said they would adopt recommendation 35 of the expert panel, which provides Fair Work Australia with greater power to resolve disputes about the frequency of visits. Again, though, the coalition has mis-characterised, or deliberately ignored, a significant qualification that exists in the recommendation. The expert panel's recommendation provided that there must be a balance between the rights of unions to represent the members and the rights of employers to conduct their business. The government's inclusion of a provision that requires the Fair Work Commission to consider the 'combined impact on the employer's operations' is clearly intended to exclude all unions from a site if only one union or, indeed, one representative has been found to have entered too frequently. For the government, it is a case of punish one, punish all.
Furthermore, Labor has concerns about the invitation certificate process that the government is proposing. The government suggests that, if an employee would like his or her union to come to their workplace and they wish to remain anonymous, the union must apply to the Fair Work Commission to obtain an invitation certificate. Does the coalition honestly believe that, in a workplace with, say, 15 or fewer employees, an employer will not be able to find out who sought the union's presence?

Additionally, there are no provisions for the commission to deal with an application within an appropriate time frame, so entry for the purposes of holding discussions with employees about an immediate workplace issue can be unduly delayed and allow sufficient time for the issue or problem to be hidden.

Another of the government's mendacious claims is that employers have to pay for the cost of 'union boss joy-rides' to remote worksites. This is simply wrong. The coalition are not just misleading people here; they are wrong. What the coalition do not tell you is that employers are able to recover costs and are required to facilitate access only where agreement cannot be reached and where premises are not reasonably accessible by transport other than that provided by the employer, or where the nature of the premises means that the union is required to stay overnight and no accommodation other than that provided by the employer is reasonably available. Labor believes that Australian workers, regardless of the location of their workplace, have a right to union representation and that unions should have fair access to work sites.

For the reasons that I outlined previously and, indeed, in this morning's contribution, Labor opposes the Fair Work Amendment Bill 2014. We oppose this legislation because we will not stand idly by as the government goes after the employment conditions of Australian workers. We oppose this legislation because it is Labor, and only Labor, that always fights for the vulnerable and low-paid workers who cannot afford to have their conditions and pay cut by this government. For this reason, the opposition will seek to refer this bill to the Senate legislation committee for a thorough review to get to the bottom of these issues and establish the true intent and effect behind this government's reform. Finally, by way of amendment to the second reading motion, I move:

That all the words after “That” be omitted with a view to substituting the following words: “the House declines to give the bill a second reading because:

(1) of the need to provide sufficient protections in Individual Flexibility Arrangements and the impact that losing protections will have on employees; and

(2) of the Greenfield agreement making process being heavily skewed in favour of employers; and

(3) of the provisions of the bill undermine the right for Australian employees to be represented at work including a requirement that an employee tell their employer if they want to speak with a union; and

(4) of the need for a full examination of all amendments within this Bill that may unfairly impact on employees.”

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

Mr Husic: I second the amendment.

Mrs PRENTICE (Ryan) (10:00): I rise today to speak on the Fair Work Amendment Bill 2014, recognising that the coalition government is yet again delivering on its election
promises. Labor stands in this place today announcing that they will oppose this bill without even letting it go through to the Senate committee process. As the first government speaker on this bill I would like to start by responding to some of the comments made by the shadow minister. While it may come as a shock to those opposite, as they often forget their own election commitments, this bill seeks to deliver on some aspects of Labor's 2007 election policy, Forward with Fairness; specifically the introduction of right of entry provisions and individual flexibility arrangements and closing the strike first, talk later loophole. Labor's policy clearly stated that under Labor's system awards would provide the parameters within which flexibility arrangements could be made under an award flexibility clause. This could include matters such as rostering and hours of work and all-up rates of pay, provisions that certain award conditions may not apply where an employee is paid above a fixed percentage as set out in the award, and an arrangement to allow the employee to start and finish work early to allow them to collect their children from school without the employer paying additional penalty rates for the early start.

I would like to identify how non-threatening these proposed amendments are. Extending the termination period in the legislation from 28 days to 13 weeks replicates a decision of the Fair Work Commission that is already in place. It is already the case today that non-monetary benefits can apply subject to the better off overall test—this just clarifies its operation. As the lowest paid workers on modern awards can currently enter into an IFA, there is little reason to allow union bosses to stop higher paid workers on EBAs from being able to enter into an IFA. Allow me to be clear: this bill is in no way a return to policies of the past. It merely clarifies the operation of the IFAs that were in Labor's Fair Work Act and in Labor's policy taken to the 2007 election and strongly supported by the union movement. Julia Gillard herself stated in September 2009:

Fair Work, in complete contrast to Work Choices, allows for Individual Flexibility Arrangements (IFA) which ensure that employees are always better off overall against the underlying award or enterprise agreement. Individual Flexibility Arrangements are not individual statutory agreements.

It is a mystery why Labor is opposing this bill, especially in respect of right of entry and strike first, talk later, as in 2007 Julia Gillard stated:

We will make sure that current right of entry provisions stay. We understand that entering on the premises of an employer needs to happen in an orderly way. We will keep the right of entry provisions.

At the National Press Club debate on 8 November 2007 she adamantly stated that she was

… happy to do whatever you would like. If you'd like me to pledge to resign, sign a contract in blood, take a polygraph, bet my house on it, give you my mother as a hostage, whatever you'd like.

One of Julia Gillard’s media releases stated:

We would not want to see changes to the right of entry systems that jeopardise work performance.

Another one said:

As of today—

28 August 2007—

federal Labor will maintain the existing right-of-entry rules without exception.

Kevin Rudd himself stated in April 2007:

Industrial disputes are serious. They hurt workers, they hurt businesses, they can hurt families and communities, and they certainly hurt the economy.
He said that employees 'will not be able to strike unless there has been genuine good faith bargaining.' So, it eludes me why Labor is opposing their own election commitments and undertakings. At the end of the day, it should not come as a surprise. They did it with the carbon tax and they are doing it again today. Those opposite have no shame when it comes to defying the trust of the Australian people. The coalition pledged to improve the fair work laws; specifically, greenfields agreements, union right of entry, individual flexibility arrangements and a number of other Fair Work Act Review Panel recommendations that were ignored by the previous government.

Before the election I was appointed as a member of the coalition's Australian Building and Construction Commission working group, charged with the task of examining the viability of re-establishing the ABCC. The working group was presented with clear evidence that aggressive and militant union behaviour is commonplace in the building and construction sector. Site shutdowns, illegal strike action and other industrial disruptions occur regularly. The CFMEU and other unions frequently use purported safety issues as an excuse for industrial action. Coercion of individuals and companies is a tool frequently used by the CFMEU and its officials. There is troubling evidence of increasing corruption and criminality in the construction industry. Key construction unions, particularly the CFMEU, behave as if they are above the law. For example, they routinely ignore return-to-work court orders. Through these practices, the CFMEU and other unions have substantial industrial power and leverage which they use to impose uneconomic and unreasonable employment terms on head contractors and, through them, on subcontractors and across the industry through pattern agreements. In addition, the unions exercise control over what would ordinarily be commercial decisions, such as which subcontractors a head contractor may use, and over detailed operational issues such as whether a site operates beyond core hours.

Union militancy in the construction sector has profound economic and social consequences. To a significant extent there is an environment of criminality and loss of respect for the rule of law. Subcontractors are often exposed to coercion from the CFMEU. In the Queensland Children's Hospital dispute, although subcontractors received cheques from the CFMEU, pursuant to court orders that they be compensated for their loss, the CFMEU intimidated a number of the subcontractors into not cashing those cheques. The unions' power has increased because, at the command of the unions, the Rudd-Gillard-Rudd government terminated the ABCC, which the Howard Government had established, replacing it with a much weaker agency, Fair Work Building and Construction. Under the Australian Building and Construction Commission productivity increased and there were average lower construction costs of 3.4 per cent, a 2.1 per cent increase in overall construction activity and an overall combined effect of $7.5 billion in increased living standards in current dollar terms.

I have had many constituents inform me of their run-ins with the CMFEU. Earlier last year a gentleman who owns a small earth-moving business in Brisbane explained to me how he is being shut out of potential contracts by the CMFEU as he refuses to sign their EBA and that he thus receives no contracts for city works, suffers continual disruption during jobs and has the unions dictating terms and controlling businesses and employee selection.

Mr Perrett interjecting—

Mrs PRENTICE: The net financial losses relating to this exceed $500,000.
Another constituent of mine has expressed his concern over being bullied by the CFMEU into entering unfair EBAs now which will lock him into years of uneconomic and unreasonable workplace practice. The unions know that the coalition government is set on re-establishing the ABCC and is now bullying contractors into signing dishonourable EBAs before this legislation takes effect.

 Constituents have contacted my office telling me they are shopfitters trying to work at the Indooroopilly Shopping Centre site in my electorate of Ryan. I note the member for Moreton did not exactly support those shopfitters at the time. They had tried to gain access to their sites and were stopped by the CFMEU picket line and told that if they did not have a union EBA they would not be working in the centre. They finally managed to get some workers onto the site; however, there was a line of unionists constantly watching and questioning their workers. The union again made it clear that if they did not enter into an EBA the work would stop.

 The shopfitters then took to the local media. The Courier Mail also covered their plight in the weekend paper, stating:

 Frightened “mum and dad” operators have revealed members of the CFMEU are using “safety concerns” to enter retail outlets, which have been handed over from developer Multiplex, so they can coerce the small operators into signing enterprise bargaining agreements and join the union. The issue hit breaking point last week when police were called to the shopping centre, which is undergoing a $450 million redevelopment, after about 200 members of the CFMEU launched an impromptu rally where they howled “go home scabs” at independent shopfitters.

 My constituents say that shopfitters simply cannot afford to accommodate the unreasonable day-to-day demands of the union and unsustainable wage expectations. Time is critical on building sites; the contractor typically faces a hard deadline and must pay liquidated damages if they are late to complete the job. The unions exploited this fact in their industrial action, knowing that each day a site is shut down, the pressure is building on the contractor to cave in.

 Unions also shut down sites for other reasons—for example, to divert workers to participate in marches, pickets and rallies. On 16 August 2013, five sites in Brisbane were shut down and up to 500 workers from these sites participated in a march through the Brisbane CBD. The trigger for this was that the Federal Court was about to hand down a decision concerning the conduct of the CFMEU official Bob Carnegie; despite it being a favourable decision for Bob Carnegie, they still went ahead with the strike.

 It is also routine to shut down a site with a view to getting an outcome unrelated to the site. It can often be linked to negotiations concerning an EBA on another site or in other parts of the country. When a contractor had not signed an EBA with the CFMEU in Queensland, the CFMEU enforced a site shutdown, purportedly on safety grounds, at a site in Canberra.

 The coalition ABCC working group heard troubling evidence about stop-work action taken at times of maximum economic and operational risks, such as during the middle of a concrete pour. A concrete pour on a floor had been half completed when the union called a stoppage. Workers left the site and the pour was interrupted before it was completed. This meant what had been done was wasted. On returning to work, the half-finished concrete pour had to be jackhammered out. They then repoured the concrete and, again, halfway through the pour a strike was called. This farcical effort cost the contractor $250,000 and several lost weeks.
A recent trend has been the practice of community pickets as a technique for unions to disclaim responsibility. The union claims that the pickets are made up of members of the community not affiliated with the union. This makes it difficult to impose fines on the union.

There is troubling evidence of increasing corruption and criminality in the construction industry. We learned through the ABCC working group that it is not uncommon for union officials to openly ask contractors and subcontractors for money. This can be disguised in many ways, including paying for goods and services supplied by the union at a very substantial overvalue, sponsorship of union picnic days, buying advertising space in union magazines and so on. In some cases, we were told, it is as brazen as a union official asking an employer for cash—"$10,000 in a brown paper bag to keep the peace'.

We heard repeated anecdotes that subcontractors will not be retained by head contractors unless they are on a CFMEU approved list. Head contractors told the working group that CFMEU approved subcontractors are usually considerably more expensive than others. Only the naive would not see the potential for money to be paid by a subcontractor to the union in such situations.

Contractors and subcontractors regularly find themselves in the position that they must agree to unsavoury demands from building unions or fail to win or hold business. This may require them to break the law; very frequently it requires them to violate good commercial and procurement practice. Such an environment corrodes respect for and compliance with the law. The Courier Mail reported that 'Master builders construction policy director told a three-hour parliamentary committee hearing into the changes yesterday that he estimated union misuse of the right of entry provisions was costing the industry millions of dollars.'

It is no secret that the unions have run amok all over the building and construction industry. It is time that the coalition government reversed Labor's weakening of the watchdog on the unions and gave power back to the industry to fairly and economically conduct its business.

I continue to hear from my constituents, small business owners, private contractors and sole traders that the unions are no longer standing up for the little guy and are instead exploiting the major companies and driving out the small independent competition. It is the coalition who is standing up for workers and small businesses. I commend this bill to the House.

Mr PERRETT (Moreton) (10:14): I rise today to speak on the government's Fair Work Amendment Bill 2014. I am happy to outline the many reservations I have about this horrible piece of legislation and I look forward to voting against it in due course.

The fair work laws introduced under the Labor government improved fairness in Australian workplaces, after John Howard's Work Choices attempted to dismantle the fabric of Australian society. I note that the two responsible ministers at the time were Mr Hockey and Mr Abbott; now Treasurer and Prime Minister implementing a budget that attempts to do much the same.

I was interested to hear the first speaker from those opposite, the member for Ryan, and the rank hypocrisy that was on display at the beginning of her speech, when she talked about the former Prime Minister Gillard's commitments before an election and the implementation of those commitments after, and how they changed. For that to happen a few days after the budget we received on Tuesday night is unbelievable. I do know a little bit about the
construction industry. I do not hang around the shopping centre at Indooroopilly that the member for Ryan referred to, but I do know this: I have got three brothers that work in the building industry, and my brother-in-law, who has passed away, had a story to tell as well.

I know that not every single union member or every single construction worker is a saint. But equally, as I am sure the small business minister would attest, not every single small business operator or every construction company is a saint either. In fact, the unpaid money owed to workers in the construction industry has to be seen to be believed. It is nothing like retail or education or some of the other sectors of the community. The amount of workers who go without money because of sharp practice or fraud is a tragedy, since people—especially small businesses—can be left begging.

I know how significant health and safety is in the construction industry. I know this because my little brother saw two men killed standing literally right beside him. He was working on the construction of the additions to Twin Towns, when the crane collapsed right beside him. The counterweight actually hit my brother on the back. The physical damage was horrible, but the mental damage done to him took years to recover from. He is now back in the construction industry. So I know how important health and safety is. It is important that unions have the right to talk to people about the benefits of being in a union, because what unions bring to the table more than anything are health and safety concerns. The member for Ryan had just a one-line reference to it saying, 'Its so-called health and safety concerns.'

I worked in the education industry, and I was a union organiser. I remember going to schools and hearing about people not doing the right thing, which might lead to psychological stress or damage down the track. In the construction industry, if you take shortcuts with scaffolding people die. If you take shortcuts with health and safety walls collapse on people and kill them. The construction industry is not like other industries, where you can let things slide for a while and improve them in the long term. That is why the amendments in part 8 'Right of Entry' of schedule 1 are important.

I have been to schools where the only place I could interview somebody was in the office right next to the principal's office, often within earshot and with no door to be closed. At a school that was a bit of a pain and a problem, and we would arrange meetings afterwards. It would be like the Prime Minister saying to a chamber packed full of LNP members, 'Alright, I'd like anyone who has a concern about the budget to tell me what your concerns are.' The member for McMillan might speak up, because he is an independent thinker and is happy to speak up; the member for Leichhardt might do it; or even the member for Brisbane might speak up in public about what their concerns are about the budget. How about if they said, 'Well, how about we have one-on-one interviews?' The reality is that the amendment they are proposing in part 8 would be like having a one-on-one interview over behind Peta Credlin in the adviser's box, saying, 'Yeah, speak your mind freely,' however, it is right next to the Prime Minister's adviser. You need to have the opportunity to talk about health and safety in a safe place where you can speak up about health and safety, because health and safety costs money. That is the reality. The cowboy operators always scrimp on health and safety. That is how they undercut their competitors. It is not like in retail where you can be undercut by someone offering a product that is cheaper—unless it is stolen, of course—the reality is that the easiest way to save costs in the construction industry is by scrimping on health and safety, and that costs lives.
Our reforms ensured that workers could raise issues with union representatives in workplaces, giving them access to broader rights to flexible work arrangements, and to protect workers from arbitrary rostering changes, which are a big problem generally. The changes came from a long period of consultation that employers were involved in, a consultation in which the Labor government made concessions to their point of view—it was about balance. Allowing workers to talk to union representatives in their lunchrooms about safety or other issues is a basic right. That is where, rather than peeling off the people one by one, you are able to say, ‘What are the group concerns? Can you speak freely and safely?’ and then the union can normally facilitate acting on it. Requiring employers to consider the impact on workers' family and care responsibilities when they introduce major rostering changes is a reform that recognises that many workers have families to look after. Taking action against workplace bullying, a major cause of human misery and lost productivity in Australian workplaces, was also long overdue. These changes were a huge step towards making workplaces fairer.

What we now have before the House is a typical LNP attitude that proves once again that this government fundamentally does not understand workplace legislation, and does not have what it takes to protect Australian workers. Safe workplaces, I would suggest, are the bedrock of a strong civil society.

I believe that members of parliament represent communities, not an economy. We represent people and families, not economic commodities and units of production. Labor strongly opposes these amendments, which undermine the right to organise and be represented by a union, and which expand the use or scope of individual flexibility arrangements.

These decisions are giving people a sense that the coalition is running back into the arms of that harsh mistress called WorkChoices, an exhumed, mouldering beast arisen to Joe and Tony's post-budget apocalypse. The Abbott government made it clear where its priorities lie when, instead of announcing a jobs plan in the face of mounting job losses, it introduced legislation to cut the wages and conditions of Australian workers. It has also flagged that horrible policy where people under 30 would have six months basically to beg for money.

We know that the Liberals are waging a war on penalty rates. We know this from their submission to the Fair Work Commission and from comments from nearly everyone, from backbenchers right through to the Treasurer. It is always great when someone pulling in $400,000 a year talks about the excesses of a shift worker. I give it the same credence as Gina Rinehart's comments about African wages stealing Australian mining jobs—that is, none at all.

Low-paid workers in particular would be very vulnerable if the provisions of this bill were enacted by the parliament. Unless the government is going to implement in its entirety recommendation 9 of the expert panel, as it promised, we must conclude that it is the first step to open slather on cutting penalty rates and allowances for Australian workers—something that has been a part of the fabric of society since the Harvester decision, and before that, one could argue. I would contend that Australians simply cannot believe a word this government says about workplace relations. They are getting their agenda from the IPA, or someone even more extreme.
The Fair Work Amendment Bill provides for individual flexibility agreements that buy out overtime pay and penalty rates for zero financial compensation. The bill undermines a range of key rights at work, and it is an exercise in the government ticking off that pre-election wish list of some extreme people in the mining industry. The government is also letting employers dip their hands into the pockets of workers by cutting their entitlement to the payout of annual leave loading on termination, money that Australians have been entitled to for years and years—40 or 50 years, in fact.

Tony Abbott is giving the green light to employers to cut people's pay, under the guise of greater flexibility. The opposition does not consider it reasonable for workers to trade away significant amounts of their take-home pay for nonmonetary benefits. This is a blatant attempt to cut pay and conditions through individual contracts, and shows that the Abbott government does not understand the concerns of Australian workers, nor the Australian sense of a fair go.

If recommendation 9 is implemented low-paid workers are extremely vulnerable as this government opens the doors to a slather of cuts on penalty rates and allowances for Australian workers. Before the election Mr Abbott was only too happy to don a hard-hat and a hi-vis vest and probably go through an induction process and then stand alongside workers. But I do not think he ever really got past the entrance of most of these workplaces. Since he has become Prime Minister he seems to be interested only in sticking up for corporate Australia, which we saw in the budget the other night.

Australia is in the midst of a job-security crisis, as detailed in the budget papers, with thousands of workers losing their jobs and many others pushed into casual, insecure work—a new way of life for Australia. That is what the Abbott government should be focused on, not on making life tougher for people. Day after day we keep seeing the Abbott government trying to drive down wages, at a time when families can least afford it. Talking about people doing the heavy lifting: who is it? It is not the people on $200,000 a year, like parliamentarians. No, it is the poorest people in our society who have been asked to start the war on the so-called age of entitlement.

Now that the so-called wages blowout has been proven to be a lie, the Abbott government has fallen back on individual contracts, which were a hallmark of WorkChoices, the horrible child of the member for Mayo. This is all about cutting wages and diminishing conditions that Australian workers rely on in order to balance life and work. If this bill were enacted it would provide employers with the ability to set terms and conditions that will affect prospective employees, without those employees having a real voice. 'Unity is strength' is the reality of modern workplace relations. It always has been. The idea that good-faith bargaining plays a role in this process is simply wrong, particularly if we see this through the prism of the building industry, where I think over $1 billion in unpaid wages exists. And who misses out? The workers.

Labor fundamentally believes in freedom of association—that long history going back to the charters in the UK, or the Irish, or the Eureka Stockade. It exists in whatever you want to extract from Australian society, such as the Diggers in World War I who went on strike. We have always had this tradition of people banding together to look after their rights. It is the Australian way. We do strongly believe in freedom of association. The first speech from those opposite suggests that the LNP do not. It is our strongly held belief that employees should be free to join or not join a union, if they so wish. That is the reality.
In finishing I would like to mention a person I will call my brother-in-law, Michael Jenkins, my sister-in-law's partner of nearly 17 or 18 years. He passed away recently. He worked out at Cannington, a mine to the south of Mt Isa. The member for Ryan talked about the joy flights of union leaders. The reality is that effectively there is no way to get to Cannington unless you fly there in one of the employer funded planes. That is the case for many mining operations. There are no 747s landing there, so you need to be able to access employer flights. It is then perfectly appropriate that the employer seek the money back. That is the reality. I would hate for those opposite to mislead the parliament about this. Michael passed away recently. He was only a young man. We often had conversations about the stresses involved with the mining industry. I know Cannington reasonably well, and, unfortunately, during my time working in the mining industry there were fatalities there. These industries are not like working down at the local shop. If we are talking about construction, if we are talking about mining, I know from my own family experience—from people like Michael Jenkins and from my brother, Timothy Perrett—that too often people can die because of the workplaces they are in, and this legislation should be avoided at all costs.

The DEPUTY SPEAKER (Mr Broadbent): I thank the member for Moreton for his contribution and for sharing his story with us.

Dr HENDY (Eden-Monaro) (10:29): I rise to support the Fair Work Amendment Bill 2014 and reject the opposition's amendment. This bill is part of our economic reform program as promised before the election and is also part of our jobs plan. I will have more to say about jobs later in this speech.

Members will know that I am a former chief executive of the Australian Chamber of Commerce and Industry. As such, I know a bit about the subject of the bill before the House. Industrial relations has been a fraught area of debate in the Australian polity for more than 100 years now. Despite our opponents' simplistic attempts to demonise our views on industrial relations, the fact is that our approach is to actually put in place an industrial relations framework that improves wages and terms and conditions over the long term. We want to boost the incomes of employees as well as employers. Our opponents say that we hate trade unions. That is not true. Many on our side of politics have been members of unions. I am particularly proud of the fact that my great-grandfather, William Hendy, was a founding member of the Queensland Teachers' Union and was one of the first general secretaries of the union in the late 1800s. The member for Moreton, who is just leaving the chamber, may be interested to know that, given his background in the education union.

Mr Champion interjecting—

Dr HENDY: The member for Wakefield is a member of the Shoppies, are you?

Mr Champion: Yes.

Dr HENDY: I have another particular family story to relate that is relevant. My late mother was a member of the Hardy family, and one of my Hardy ancestors is Harriet Hardy. That is not a name that is particularly known in the annals of history, but she was married to John Stuart Mill, one of the fathers of English liberalism. The fact that an ancestor of mine had such close links to liberalism's foundations is, of course, personally pleasing to me. However, I further note that John Stuart Mill recorded that his two greatest published works—that is, the books *Principles of Political Economy* and *On Liberty*—were joint
collaborations with his wife, despite the fact that her name was not recorded as joint author. So I could potentially claim that my ancestor was one of the mothers of English liberalism.

What has all that got to do with trade unions and industrial relations? It is that JS Mill's works from the mid-1800s—specifically, from the earliest days of liberalism—justified the legitimacy of labour unions in a capitalist system. I have always agreed with that. And indeed, it was the Liberal government of Sir George Reid here in Australia that actually established Australia's unique industrial relations system. It was not a Labor government, but a Liberal government, that did that. I have always argued that the Liberal party, as the creator of that system, has been best placed to ensure that the system is appropriately balanced between employees and employers.

It is a bit like a seesaw in a children's playground: if it is weighted too much one way, it simply does not work. The former Labor government massively weighted up the seesaw in favour of the trade union leadership. We need to re-weight the system—and this is what this bill starts to do. Why is this important? The reason is jobs. Recently we saw that the latest unemployment rate is 5.8 per cent. While not the best of news, it was an improvement from the six per cent earlier in the year. Indeed, it was an improvement on the 6.25 per cent forecast by the federal Treasury during the dying days of the Labor government. This is the economic legacy we were left and are now dealing with. When John Howard left office the unemployment rate was four per cent, and very soon after the 2007 election it fell slightly further, to 3.9 per cent. That was a magnificent effort that Prime Minister Howard and his Liberal and National Party team were able to deliver after inheriting from the Keating Labor government an unemployment rate of more than eight per cent in 1996. And it is very instructive, how many years it took—that is 12 years, to get to that 3.9 per cent figure.

Unemployment is an incredibly hard social problem to deal with; it takes years of effort. And now we have to again start a repair job after Labor has sent unemployment rising. This bill helps to deal with the problem. In the period that the now Leader of the Opposition was employment minister, the number of unemployed people increased by 80,000, and over the full six years of the Labor government the jobless queues grew by 200,000. Labor still do not recognise the destructiveness of their policies. The impact on small business has been particularly devastating. In my own electorate of Eden-Monaro, small business is the lifeblood of rural communities. As the minister at the table, the member for Dunkley, well knows, across the country the last six years saw some 3,000 fewer small businesses employing people. The overall result for small business has been staggering. Under Labor, 412,000 jobs were lost in small business.

Only the coalition has a credible plan to create jobs by getting the budget in order, getting regulation down and getting productivity up. As the minister stated in the second reading speech for this bill, this bill will deliver on key aspects of our election policy and does not go any further than that. Indeed, he said that on union workplace access, individual flexibility arrangements and the removal of the ability to strike first and talk later, we are actually delivering on specific policy commitments made by the Labor party prior to the 2007 election but that Labor deliberately broke. These changes are on top of the significant reforms contained in the Fair Work Registered Organisations Amendment Bill 2013 and the Building and Construction Industry (Improving Productivity) Bill 2013.
Indeed, we have a significant reform agenda. With respect to this current bill, I want to concentrate on the issue of individual flexibility arrangements. The bill introduces amendments to provide clarity and certainty for employees around the use of IFAs. IFAs are not some diabolical invention of the Liberal party. In fact, they were introduced by Labor—by Julia Gillard, no less—when she was workplace relations minister, with the intent of enabling employees and their employers to mutually agree on conditions that suit their needs while ensuring that employees are better off overall compared with their underpinning employment instrument.

The better off overall test was introduced with IFAs and we have no plans to change it. The Liberal Party's view is that IFAs ought to be an important option to enable employees to, for instance, manage their child care or other caring arrangements, to spend time with family or for other commitments. They are specific to the individual and are of benefit to them.

The amendments to IFAs in this bill are actually based on the Fair Work Act Review panel recommendations commissioned by the Rudd-Gillard-Rudd government. They also include further new safeguards to ensure that employees are better off. To be clear, the current IFA framework in the Fair Work Act will stay, with additional protections put in place.

As the minister has catalogued, this means that an employer cannot force an employee to sign an IFA or make it a condition of employment, that the employer must be better off overall than they would have been under the applicable modern award or enterprise agreement, and a worker must provide a statement to the employer saying that the IFA meets their genuine needs and that they are better off overall. The amendment will deliver on the promises made by Labor in 2007 and provide that IFAs may be made in relation to all of the matters currently prescribed in the model flexibility term, to the extent that those matters are covered in the agreement. This will ensure that workers have access to fair flexibility without a veto by union bosses.

Two further amendments recommended by the Fair Work Act Review panel will be made to provide clarity and certainty to both employers and employees. First, the unilateral termination period for IFAs made under enterprise agreements will be extended from 28 days to 13 weeks, consistent with the position of awards. The second amendment will confirm the existing position that the better off overall test for IFAs can be satisfied by exchanging monetary benefits for benefits that are not monetary. The amendment, combined with the government's new requirement for a statement in writing from the employee, will provide greater protection and certainty for all parties. These changes deserve to be passed. The Labor and the Greens have vowed to block them in the Senate. This is to deny the job-creating nature of these reforms. The Labor negativity is appalling when it is known that this opposition will cost jobs.

I want to particularly refer to Paul Howes and Martin Ferguson. Paul Howes, National Secretary of the Australian Workers Union, the AWU, has belled the cat on the opposition leader's negative strategy. As reported in The Sydney Morning Herald on 5 February this year, Mr Howes:

… criticised the industrial relations system for “dragging Australia down” and fired a broadside at “criminals” who betrayed the union movement and hijacked its agenda.
Australian Workers Union chief Paul Howes has called for a “grand compact” between business and unions to take the heat out of the industrial relations debate and admitted wages in some sectors had increased too quickly.

Mr Howes urged his comrades in the union movement to concede there had been a pattern of unsustainable wages growth in some sectors of the economy, adding “we could be pricing ourselves out of the market”.

He said "the leap-frog wage outcomes in the offshore sector, in particular, are not going to be sustainable for the long-term".

But he urged business to concede that on an economy wide basis, industrial disputes had fallen and wages growth had slowed.

The union national secretary said the industrial relations see-saw in Australia, which has seen a range of legislative changes in the last decade and a half and contributed to a "perpetual instability" in the IR system.

"Some will tell you that our industrial relations system is dragging us down.

"And I won't be popular amongst my friends in the labour movement for saying this - but I agree," he said.

To be fair I think that Mr Howes might be holding a grudge with respect to the Leader of the Opposition over the knifing of Prime Minister Julia Gillard just weeks prior to the 2013 election. However, he made some sensible comments about Labor's dog-in-the-manger approach to industrial relations. Recently Martin Ferguson, the former Labor cabinet minister and, indeed most relevantly, a former president of the Australian Council of Trade Unions, had a lot to say about the bereft policies of the opposition. Martin Ferguson is a well-respected former Labor Party MP. He is not a member of the HR Nicholls Society. Again The Sydney Morning Herald reported on 28 February 2014 the following:

"High labour costs and low productivity are an unsustainable mix," Mr Ferguson said. "And therefore elements of the Fair Work Act must be looked at."

Mr Ferguson said the Coalition's plan to restore the Australian Building and Construction Commission should be seen as a step that would encourage investment in Australia.

"Rather than seeing the ABCC as a tool that allows one side to get an upper hand over the other in some never-ending ideological skirmish, it should be seen for what it was: a mechanism that holds both sides to account and which can help deliver projects on time and on budget," he said.

"As the son of a bricklayer, I know a thing or two about the building industry.

"But it is time that some in today's union leadership recognised that their members' long-term interests are aligned with their long-term job security."

Labor's response was typical—to play the man. The member for Gorton simply dismissed these considered comments, saying that, 'Mr Ferguson had deserted the workers and joined the employers.' This is typical class warfare from the member for Gorton—an approach shared by the Leader of the Opposition.

I remind the House that, since the election, the Leader of the Opposition has done a deal with the trade union leadership to oppose the government's sensible reforms. In an article by Peter van Onselen in The Weekend Australian, on 9 November 2013, it was reported that during the Labor leadership campaign straight after the 2013 federal election:

In letters to union leaders he—
that is, the Leader of the Opposition—
reaffirmed his commitment to a host of policies that go further in unwinding bipartisan workplace reforms of the past two decades than the Fair Work Act did.
The Leader of the Opposition should release those letters so that the public is aware of his secret policies.

In conclusion, I strongly support this bill. It is a major economic reform bill that is a key part of our jobs plan. I reject the opposition's amendment and am saddened by the dog-in-the-manger attitude to such important reforms.

Mr CHAMPION (Wakefield) (10:44): This is a bill of broken commitments. After the budget, which was a budget of broken commitments, it is not surprising that this bill should come into the parliament. We all remember the Prime Minister saying on Melbourne radio that WorkChoices was 'dead, buried and cremated'. It was a full stop and another one of his great rhetorical commitments given to the Australian people in the last election. It is hard to keep track of them all—there were so many of them. He promised that WorkChoices was dead, but here is this bill in the parliament and it is a continuation of the Liberals' long war that the member for Eden-Monaro talked about, going way back to 1890. They have always been trying to get back to that point; it is their ideological starting point, when they had freedom of contract and they could push workers around. There was a series of strikes in the 1890s; workers lost all of them, but we won the moral battle.

That is why an arbitration power was inserted in our Constitution during the federation debates. People might have lost the war on the ground and they might have been pushed around by their employers, but they wanted our federation to have some fairness in it. Fairness begins at work and that is a principle that has always been present in our country.

There were also great ideological debates in the 1930s, when they tried to cut all wages and pensions by 10 per cent, in the 1960s and in 1992—I vividly remember that one of the reasons I joined the Labor Party was the prospect of $3 youth wages. The ALP's IR policy of the time said: 'We are going to basically have a brave new world. We are going to scrap every award across the country and workers will start again to negotiate for conditions that they had in the past.' All of that would have been swept away in the 1993 election if Hewson and Howard had had their way; workers would have had to start from year zero.

That is the point that this government wants to get us back to. What they intend to doing is not to bring the big bang; they are just going to cut it like you cut an onion—one slice at a time. That is their strategy. Nobody should be under any misapprehension about what this government intends to do. They intend to run austerity in the budget, even though they promised something otherwise; they intend to lift the GST, even though they say otherwise; and they intend to destroy the industrial relations fabric of this country. Once they have destroyed the sensible social fabric in this country and the Australian way—Medicare and the like—they will set out on a long ideological war to do the same thing in the workplace. Everything that makes Australia fair will be ripped away.

The people who will suffer most in this system—I have seen it, because I have been there—are people like cleaners, retail workers, trolley collectors, hospitality workers and the like. I remember in about 1994—when I was working as a trolley collector—there was the cleaners and caretakers award, which I was employed under. I did not get my penalty rate,
which was one of the reasons I joined the SDA, but I at least got the award rate. Within a few years, those workers had slipped out of the award safety net through a legal technicality and their wages tumbled from $11 or $12 an hour to about $5 or $6 dollars an hour. It was still possible in South Australia a few years ago to find trolley collectors employed on $6 an hour. There were young people employed on miserable wages through a series of subcontractors in the retail sector.

That gives you some idea of what will happen if the award system goes and if those opposite get their way—that is freedom of contract. That is what happens. Even now, if you look at the Fair Work Ombudsman's website, you will find from time to time cases they have taken on to recover the wages of unpaid trolley collectors. It is people like that who suffer the most when we remove protections. Retail workers, hospitality workers, cleaners and people in the service sector are the ones who are the most vulnerable to wage reductions.

People in the building industry, who can and do organise to protect their wages can often withstand these periods of adversity during Liberal governments. But it is the people with the least protection—those who are the most unorganised and the most vulnerable—who suffer under the coalition. They have the most to fear from a return to WorkChoices, from a return to 1992 or a return to the 1890s. They do not have much protection, but they do have their votes. They have always expressed their displeasure at the ballot box about the type unfairness that those opposite are promoting.

The provisions of this act are presented an evolution, small steps and a little cut the onion—one slice at a time—and so they target things like right of entry in the workplace, but the whole of this act aims to stop unions from entering into workplaces, to stop workers from talking to unions and to stop workers from having the choice of joining a union.

Mr Nikolic: It is to protect Joe McDonald; that is what it is about!

Mr CHAMPION: No, no. I worked in the cleaning industry. I got told, 'If you join a union, you get the sack.' That was what I was told, and a lot of people get told that. How would you protect them? How would you protect them, Member for Bass?

Mr Nikolic: Joe McDonald.

Mr CHAMPION: He does not give a fig about those people. He does not give a fig about their civil rights. They bring up the bogeyman—some bogeyman trade union official. We saw that in the ads in 2006 and 2007. Didn't work then. Won't work now. All this will do is restrict people's right to join a union because they will never, ever get to see the union. The union will never be allowed to be present on the work site. So you will have the freedom to join, but the union will not be able to do much for you. That is the aim of those opposite, and they get so upset when we say it in the parliament. There are all these cries of outrage from across the room.

It is the same thing with greenfields agreements. It sounds eminently fair. After three months, if the employer and the unions have not reached an agreement on a greenfields site, the employer can then apply to the commission to make an agreement with themselves. It sounds sort of fair: 'We don't want to stop development in this country,' so three months sounds fair enough. But I have dealt with situations where existing workforces have simply been moving from one suburb to the next, from one site to the next, and that has been the mechanism to invoke this greenfields clause in order to completely rewrite, or threaten to
rewrite, the conditions of an existing workforce. That is what ends up happening. If you are in
the building trade, mining or any of those sorts of industries where things start up and close
down and start up and close down, then these provisions for greenfields agreements will be
utilised to destroy longstanding conditions. Make no mistake: conditions that have been built
up in this country over 100 years of progress, decency and bargaining will be stripped away
overnight.

It is the same with individual flexibility agreements. The whole set of arrangements in this
bill needs to be looked at very carefully, because those opposite are seeking to use a
mechanism in the Fair Work Act to completely change its aim by the introduction of non-
monetary benefits in exchange for your working conditions. We all know what that leads to in
retail. I remember in the old days, when there used to be more DVD and video shops, you
used to get two free DVDs at the end of the week. It will be the same here: say goodbye to
your penalty rates. Those are the sorts of arrangements that get made—a bag of tomatoes or
something in exchange for your penalty rates. They are the sorts of silly arrangements that get
made when you do not have adequate protections. That is what this bill seeks to do. Individual
flexibility agreements will become individual contracts.

That is the aim of those opposite. They should be fair dinkum, just once in their lives. For
once in their lives, they should be fair dinkum with the Australian people. This has become
the Liberal way, you see, since Fightback! They got such a scare when they were honest with
people about what they believed in that they now obscure their aim. And anyone who opposes
them is an infant, apparently. That is the new rhetoric: 'You've got to be an adult.' This is the
ridiculous, bizarre spin that they come out with.

What else do we find in this bill? We find that, stashed away, there is a little sting in the
tail for those on workers compensation, because the bill seeks to remove employees' ability
to take annual leave while they are on workers compensation or awaiting the outcome of a
workers compensation case. Now, that will put some people at a great deal of disadvantage.
Effectively, this will leave some people without income.

What else do we find in the bill? We find changes to annual leave loadings and shift
loadings. Shift workers all over the country, people who regularly work late at night or on
Sundays, get their shift loading when they go on annual leave because it is part of their
normal income. But hidden away in this bill is this: if it is not in your award, if it is not
expressly provided for in your agreement, out it goes. That is the first little slice of the onion
towards removing those sorts of conditions—removing annual leave loading, which the
coalition have been trying to get rid of since the seventies, and removing the right of shift
workers to loadings when they are on annual leave which are part of their normal income. The
reason those provisions were put in place was that often shift workers would work 50 weeks
of the year, working nights and getting a shift loading of an extra 30 per cent, and when they
went on holiday their income would actually drop. That is why those provisions were put in
place—because of that blatant unfairness.

This is just the first wave of industrial relations changes. We know that, in the lead-up to
the next election, if those opposite get away with this budget, if they are feeling confident, up
the GST will go—if they can convince the premiers; it seems some of them are getting cold
feet—either by broadening the base or lifting the rates, or both. Then we will see the
inevitable industrial relations debate. They are before the Fair Work Commission today, trying to reduce people's penalty rates on the weekend, and the penalty they want on weekends is zero. It is not 50 per cent. It is not a reasonable rate. It is zero. It is a flat rate. That is what those opposite seek.

Those opposite should save us from their mendacity, from them breaking their commitments to the Australian people. This is a bit of an opportunity for those opposite, like the member for Bass, to just for once be clear, give a bit of straight talk and go to the ballot box with what you actually believe—rather than being this wolf in sheep's clothing, which is what they seek to do every time. It will save us from bills and budgets of broken commitments.

Mr Nikolic (Bass) (10:59): I welcome this opportunity to speak in support of this bill, to reject the opposition's amendment and to reinforce the coalition government's commitment to improve the Fair Work laws. How extraordinary to hear the first few Labor speakers on this bill oppose their own election commitments. The member for Wakefield talks about keeping your commitments. Well, this bill is about helping Labor keep its own commitments when it comes to this area. We heard the member for Wakefield, from the shoppies union, use the language of class warfare and division and, above all, protection of union interests, opposing amendments introduced by Labor itself. We should not be surprised, because Labor opposes many things now it previously supported. It reflects a disturbing lack of certainty and clarity at the leadership level of what was once a proud party.

This is a party that before the last election said it had 'terminated the carbon tax' yet now opposes our repeal of the carbon tax. This is a party that promised billions of dollars in savings at the last election yet now opposes in the Senate our efforts to make those very same savings. This is a party that trashes the reform legacy of Labor prime ministers Hawke and Keating in the industrial relations area. Hawke and Keating would never have been as captive to a union movement as the current members opposite are. Far from the proud legacy of Hawke and Keating, ALP leaders today embrace the Calwell-Whitlam legacy of economic ineptitude and subservience to union bosses. It is little wonder that the Australian people so comprehensively rejected such confusion and dysfunction at the last election.

I will say at the outset that greater investment and productive workplaces are the foundation on which our future prosperity will be built. It will not be built on the sort of divisive language we have heard from the former government in recent years, which frames the debate as a battle between rich and poor and an ideological struggle between capital and labour. Nothing could be further from the truth. Hawke and Keating never resorted to the cheap politics of division that those opposite engage in today. The whole billionaires-versus-battlers story that many members on the other side continue to peddle on a day-to-day basis has been rightly dismissed by the Australian people. The truth is that capital creates jobs, and the greatest power of business is its power to invest or disinvest. When it does invest, jobs are created, people earn income, they pay taxes, governments receive revenue and so the collective needs of our community can be funded. It is a golden thread of logic that no amount of socialist babble will change.

All members of this House should have a special and ongoing interest in the matter of work in general and the Fair Work Amendment Bill in particular. This is an important issue in my home state of Tasmania, which is blighted by unemployment as well as its invariable
accomplice—underemployment. I use the language of crime deliberately because the effects of joblessness are like a criminal invasion of the psyche and wellbeing of those afflicted by it, all the time corroding individuals, families and even whole communities. Once this problem reaches the critical mass of intergenerational welfare dependency, it requires a near superhuman effort from government to turn that situation around. Tasmania, like other beleaguered parts of the nation—notably some in rural and regional Australia—includes depressed communities where unemployment directly affects 20 per cent, or more, of people. They are desperately seeking work.

The government's Fair Work Amendment Bill seeks not only to improve existing work conditions but also to play a critical role in encouraging long-term investment in Australia. It gives genuine substance to the coalition's proud claim that, 'Australia is once more open for business.' In supporting this bill my intention is threefold: firstly, to focus on the full spectrum of Australia's employment compact, and that includes employees, employers, and the legislative role and responsibilities of government; secondly, to highlight the key elements of this important bill; and, thirdly, to comment on the relationship between this proposal and the unacceptably high rate of unemployment in my home state of Tasmania.

It is all too easily forgotten that employment related policy and supporting legislation must balance and meet the needs of multiple and sometimes dissenting parties. The coalition's commitment to balance the rights, needs and requirements of both employees and employers represents both a challenge and our determination to do the right thing for all Australians. Refreshingly and perhaps uniquely, this amendment bill represents a case where the government and even key Labor luminaries find themselves in heated agreement with each other.

During a recent address to the National Press Club, the former head of the Australian Workers' Union, Paul Howes, spoke passionately about the inherent pointlessness of class warfare between unions and business, at various points calling for a 'grand compact' and 'gestures of compromise'. I welcome Mr Howes's outbreak of common sense. Mr Howes might also have borrowed thematically from the Fair Work Amendment Bill itself, because this bill practically enshrines legislation that will better protect the work rights and conditions of all Australians. Whether he knew it or not, Mr Howes's speech contained key elements of this amendment bill. I genuinely thank Paul Howes for his faith in the government and, unlike some of his Labor colleagues, we will not let him down.

What the coalition intends with the Fair Work Amendment Bill has never been a secret. We released our workplace relations policy well before the 2013 election in order to openly address key problems with the Fair Work laws. This bill implements the commitments we made in that policy. Contrast that approach with the Labor and Labor-Green governments from 2007 to 2013, which rolled back not only coalition IR policy but many of the sensible policies that former prime ministers Hawke and Keating introduced. This bill also delivers on specific promises made by the ALP themselves prior to the 2007 election, promises they subsequently broke.

I will now focus briefly on some key features of the bill. It provides more balanced workplace relations outcomes, which include the safeguarding and protection of workers' conditions. It prevents needless union vetoing of greenfields agreements. This will ensure that unions cannot use endless delays as bargaining chips which frustrate investment and risk our
country's prosperity. This bill supports the establishment of a work environment and culture that encourages investment in new projects. It sends a strong message to investors that Australia is, once again, open for business. It ensures that bargaining must have commenced before strike action can be taken. This is in order to negate needless and costly industrial action. It also avoids waste and productivity impacts, which the government, like other sensible and fair-minded Australians, is not prepared to tolerate. It improves individual flexibility arrangements to enhance productivity and fairness by giving our workers a greater say personally in negotiating work arrangements with their employers. Everything we are doing on the issue of individual flexibility arrangements was recommended by the previous government's own Fair Work Act Review Panel and was clearly articulated in the coalition's election policy.

Indeed, this idea of the individual having distinctive rights has been one of the most fought over in our recent history. As long ago as 1996, Bob Hawke commented:

For its part, the trade union movement must recognise ... the right of an employer and an employee, freely, to enter into individual contracts underpinned by an independently determined safety net.

Julia Gillard promised prior to the 2007 election to sweep away all individual agreements, but then ultimately took a more pragmatic view in promising:

Under Labor's new collective enterprise bargaining system all collective agreements will be required to contain a flexibility clause which provides that an employer and an individual employee can make a flexibility arrangement.

But, once again, Labor were all promise and no delivery. The legislation they introduced made individual flexibility clauses effectively worthless. These clauses in union agreements typically allowed for only one or two minor terms to be varied and could be unilaterally terminated on a month's notice. Employers and employees ignored them as offering no practical benefit to either party. Yet so many people in my community tell me they crave individual flexibility. In opposing this bill, Labor and the unions ignore those voices, even though individual flexibility is within a collective framework and the employee is better off.

Another important feature of this bill is that it delivers on what was promised by the previous government in 2007 on union workplace access. It will implement fairer right of entry laws that mean business can carry on without unnecessary disruption. Employees can access union representation if they wish to; and, if they do not wish to, they are able to go about their business without unnecessary disruption or harassment. Right of entry is a statutory privilege and conditions ought to apply. This should particularly be the case, given the frequency of unauthorised site visits. As we know, Labor broke their promise on union access by giving unions much easier access to workplaces under the Fair Work Act, and it has been shamelessly and repeatedly exploited. We have seen the arrogance of CFMEU National President, Joe McDonald, who was fined $193,600, along with his union, for ignoring a request to leave a site in Western Australia. When asked to leave, because he did not have a right-of-entry permit, Mr McDonald replied:

I haven't had one for seven years, and that hasn't f**king stopped me.

Little wonder that unlawful industrial action by union official Joe McDonald has resulted in more than $1 million in fines being issued since 2005. Our changes will reduce union capacity to harass and disrupt business. The bill will also address the failure of the previous
government to implement a number of common sense recommendations made by its own Fair Work Act Review Panel in 2012.

In all these respects, this bill implements the coalition's publicly stated election policy—nothing more and nothing less—and the sorts of mendacious claims made by the member for Wakefield will not change that fact. The government is strongly committed to these measures. They will help build a more stable, fair and prosperous future for Australia's workers, businesses and the economy. We therefore call on the Labor Party and on all members of this parliament to support the sensible and measured reforms included in this bill; they are about bettering the lives of all Australians.

I now turn to a separate and thorny issue, that of the actual limits of government workplace involvement. The coalition took to the electorate a clear plan of exactly what we would and would not do in relation to workplace policy, if elected. We seek now to fulfil only that which we promised. However, it is not lost on me, nor on any other member of the government, the pain that is currently being felt in wider Australia following large-scale job losses. The government remains deeply sympathetic to the immediate and obvious impact of these job losses on workers, families and local communities. But the fact remains that there are limits to government involvement in work. Arguably, they can be distilled into two different but equally pressing imperatives. The first is to set or adjust the conditions by which work might be made as fair as possible for all parties—not only for the few, militantly represented or aggressively outspoken but for the many, and for the long term. This is exactly what this bill does. The second compelling imperative is to guard taxpayers' money with great vigilance. The coalition will never allow taxpayers' money to be spent with the reckless abandon of the previous government. This will necessarily mean having to make tough decisions now, for the longer-term national good.

In the end, it comes down to this: business or commerce is ultimately about profit, albeit hopefully achieved in a way that is sensible and humane; but government, on the other hand, is about reality, reasoned compassion and prudence—treating people and organisations fairly and consistently and, not least of all, managing public tax revenues respectfully and with strategic purposes foremost in our mind. The government will, of course, continue to pursue its goal of doing what it can to make work safe and fair for all Australians, notwithstanding the wider turbulence of strategic global market forces, which are often opaque and difficult to predict. This is also reality.

To conclude, this bill is balanced, far-sighted and honest. It is balanced because it looks to the rights of all parties in the Australian work compact—employees, employers and government. It is far-sighted because it supports the creation of workplace conditions which encourage investment. And it is honest, because it meets in full and only that which the coalition actually proposed before, during and after the 2013 election. In terms of honest and reliable policy development, presentation and implementation, the Fair Work Amendment Bill is fair in both name and substance. I commend it to the House.
person who does the right thing and finishes school and goes on to do a course at university, TAFE or somewhere else will have to spend the first six months looking for work with no income at all—not even the dole, which is below the poverty line. If they do not find a job and are lucky, they will be put on a Work for the Dole program. At the end of that time if they still have not found a job they will not be offered more support but will be kicked off the dole again and will spend six months without any income at all. This is a young person who is trying to do the right thing and look for work. It may be through no fault of their own because they may be in a country town where there is 17 per cent youth unemployment or they may be in a suburb in the city where the job prospects are low.

What is that young person who has done the right thing and finished studying and looking for work meant to do when the government takes away their income? Their landlord does not care that the laws have changed. The landlord just wants the rent to be paid on time. The electricity company does not care about the government's new approach. It is quite happy to turn the power and the heating off because they have got no money. God forbid that they get sick. If they get sick, they will no longer be able to find a doctor who will bulk-bill for young people. They are going to have to pay a co-payment to see the GP. If the doctor says they need a test and prescriptions, they will have to pay co-payments on those as well. So these young people looking for work will not go and see a doctor if they get sick.

They might get kicked out of their house, which makes this week's budget a recipe for homelessness. Ask yourself what you would do if you were a young person and you did not have enough money to buy food. Do not be surprised at all if you start seeing young people doing unsavoury things in order to pay for basics, such as food and power, because this government is going to take away their income full stop. What would you do if you were in that situation of trying to find a job and you could see looming a period of having to live without any money coming in?

When you look at this bill it is very clear what faces that young person. Their potential employer is going to say: 'I will be happy to give you a job. I know there is this pesky thing called the minimum wage, but I don't think I really want to pay you that. What I am prepared to offer you is something less than that, with a few extra benefits on the side. That might be different from the legislated legal minimum wage, but really it's up to you—take it or leave it.' Buried in this bill is a note in the section on so-called 'individual flexibility agreements'—and I will talk about what they are in a minute—that says:

Benefits other than an entitlement to a payment of money may be taken into account.

What does that mean? That means that it will be completely legitimate for a fish and chip shop owner to say to a young person, 'I'm going to give you a job, but I'm going to pay you part of your wage in fish and chips.' It is going to be completely legitimate for a cinema shop owner to say, 'I know there is this legal condition that says you have got to get a minimum wage of a certain amount, but how about we enter into an individual flexibility agreement where I give you some movie tickets instead?' Movie tickets and fish chips do not help you when you go to the supermarket to buy the groceries you need. They do not help you when you go to the electricity company and say you cannot pay your power bill. You cannot say, 'I'm sorry I cannot pay the power bill, but how about a potato scallop instead?' That is the future if this bill passes and if this budget passes. It will systematically allow employers to drive down wages and conditions. An employer will be able to enter into a legally binding
agreement with their workforce on Monday and then contract out of it with a particular individual on Tuesday. When you take into account the immense pressure that is going to be put on young people, you can see exactly what that is going to do to people's wages and conditions in this country. It is going to be worse in those areas where there is already existing high unemployment.

I do not know about the people who are putting this bill forward, but before I came to parliament I spent 12 years working with some of this country's lowest paid workers. These were people who had no other opportunities. They were told, 'If you are happy to sit in a room or in your garage in inner or outer suburban Melbourne and sew clothes to be sold on Bourke Street for $200 or $300, we will pay you $2 to $3 an hour.' These were people who did not have English as their first language. These were people who had limited skills. These were people who, under existing laws, were told to call themselves independent contractors and look after their own superannuation and work cover, which of course they did not and they will have no plan for their retirement. They were told to do all of that and maybe it will give them a little bit of money. That is what is in store for all young people in this country in the future if this legislation passes.

I have news for those opposite who talk about flexibility. They talk about flexibility as a one-way street. These are the same people who not prepared to say, 'Let's amend the laws to give people who are looking after kids greater power to have more time off so they can pick the kids up from school or drop them off.' These are people who say, 'No, we will not allow employees to have greater security over their work if that is what they want and that is what suits them.' For the Liberals, flexibility works only one way—it is flexibility from above. But I have news for them. You do not need this provision in the legislation to allow genuine agreement between employers and employees to vary wages and conditions, because it already happens. When you have good employers and good employees, you reach these kinds of agreements all the time. People reach these kinds of agreements all the time, but they do it against the backdrop of legislation that sets out what the Australian community thinks is a fair minimum standard of wages and conditions.

The legislation that is before the parliament today is about changing that minimum standard. It is not about giving people more flexibility; it is about giving bad employers more power over vulnerable people, who are going to be in an even worse position after this budget. And it does a number of other things. Most of us would think that an agreement applying in the workforce involves at least two people—at least two parties. But, under this legislation, an employer is now going to be able to agree with itself about what legislation and minimum conditions will apply in a workplace. The provision about so-called greenfields agreements says that, if you are about to start a new project that might be to dig up the minerals that all Australians own—we only get to dig them up and sell them off once—and you want to negotiate an agreement for wages and conditions over the course of that project when it gets up and running, all an employer has to do is put a substandard agreement on the table and say, 'Here's what I want.' If three months later there has been no agreement, it is able to go off to the Fair Work Commission and get the agreement ratified. You do not even need another party to the agreement. You just have to decide it yourself. I am very sure that a wealthy miner is going to look after its workers when it does not have to! It is going to pay the least it possibly can. That is what this legislation allows it to do.
We have also seen this obsession from the government about employees having access to their union representatives at reasonable times. I can tell you stories of workers in sweatshops—making the clothes that those of us in the chamber here today will be wearing—who are working on less than minimum conditions and would dearly love to know what those minimum conditions are. Often the only way that they will find out about them is from a union representative who comes in and tells them, 'No, actually there are laws and you are entitled to be paid properly as a member of the Australian community.' Yet, what we see here in the legislation is a winding back of those provisions that allow someone to come in and give that explanation. What we know—because I have seen it happen—is that what some unscrupulous employers do at the moment, or have been doing in the past, is say, 'Sure, you, low-paid worker, can find out about what your minimum legal rights are, but I tell you what I'll do: I'll put the union representative, when they come during your lunch break, in a room next to my office and I'll just sit there with a clipboard making a note of every worker who comes in to get advice about what their minimum conditions are.' Currently, the legislation says that you cannot do that. You must strike the right balance between not disrupting the workplace and allowing people to find out what their minimum entitlements are. That goes under this legislation. When you think about this from the perspective of a vulnerable worker who may not have English as their first language, how are they going to find out about their rights? They just will not. That will be the practicality of it. That is exactly what this legislation is designed to do.

The legislation tilts the playing field further in favour of powerful employers by allowing them to just sit there, fold their arms and say, 'We refuse to engage in discussions with you about an enterprise agreement.' Also, it will take away the only thing that the employees have the right to do in that situation, which is their right to industrial action. At the moment, if the employer refuses to negotiate with you, the employees are allowed to say, 'We're going to start stop-work meetings,' or, 'We're going to go on strike until you strike a deal with us.' This is not something that is fanciful or of no consequence. At places like Cochlear, for some eight years, I think, the workers who are making the bionic ears that are one of Australia's greatest export inventions have been unable to negotiate an agreement with their employer. Does this bill give them the right to go to Fair Work and say, 'Look, we just can't strike a deal; why don't you decide as the independent umpire?' No, it does not allow them any help. In fact, it further ties their hands and allows the employer to sit there and say, 'I'm just not going to negotiate with you.'

These are just some of the measures in this bill. There are others that say, if you have happened to accrue annual leave loading and other generous measures during your time at work, and it turns out that you get sacked before you have had the chance to take them, do not expect to get your full entitlement paid out—you are only going to get part of it. That is what this legislation says when it comes to annual leave loading. When one looks at the other provisions, you can see that the government has gone back to the previous Fair Work review and just picked the eyes out of the things that work to implement on one side of the ledger, but there is nothing there to balance it up on the other side.

I will be moving some amendments, when we come to the consideration in detail stage of this bill, to remove the clauses of this bill and, instead, substitute them with other clauses that would actually benefit working people in this country. These amendments would give them
more job security and allow workers to have the flexibility that works for them, so that they can have the time off to pick up the kids, to drop them off at school or, perhaps, to look after a sick grandparent. That is the kind of flexibility that we need, not this flexibility from above in this bill. If this bill passes, and if the budget passes, the future for young workers in Australia is very grim indeed.

Mrs McNAMARA (Dobell) (11:29): I rise to support the Fair Work Amendment Bill 2014. It is important to recognise that this bill will deliver key aspects of this government’s policy. This policy was endorsed by the Australian people at the September election. This government is delivering on its election commitments and, through the Fair Work Amendment Bill 2014, we are restoring balance to our workplace relations system. The bill will do this by improving the process by which greenfields agreements may be negotiated; ensuring that agreements are not frustrated by unions pursuing unsustainable claims and forcing delays to commencement which may threaten investment in major new projects that are crucial to our prosperity; restoring union workplace access rules to reflect those which were in place prior to Labor’s union-friendly amendments; dealing with excessive right-of-entry visits by union officials; improving workplace productivity and flexibility by enhancing the scope for employees to make individual flexibility arrangements to meet their genuine needs, as determined by those employees; and closing the strike first, talk later loophole within the good faith bargaining rules, which Labor refused to address.

In 2007, the previous Labor government promised a fair and balanced workplace relations system that would guarantee necessary protections to employees whilst allowing employers the necessary flexibility required to operate viable and sustainable businesses. Unfortunately, what we saw from Labor was a resetting of the workplace relations pendulum in favour of the union movement. This effectively applied a handbrake to the Australian economy. Labor made a promise, prior to the election, and delivered something entirely different while in government. This is in stark contrast to this government, which is getting on with the job of building a stronger economy so that everyone can get ahead. One of the ways we are doing this is through our commitment to a more balanced and fair workplace relations system. The amendments presented in this bill will provide a more balanced workplace relations system whilst safeguarding workers’ conditions and protections. The Fair Work Amendment Bill 2014 is good for jobs, good for workers, good for employers and good for the economy.

Labor’s economic and workplace relations management since 2007 saw the slowest wage growth on record dating back to 1997. The ABS wage price index reflected a mere 2.6 per cent growth in wages in 2013. It was so low that it slipped below the inflation rate as measured by the ABS consumer price index. This meant a moderation in living standards, a decline in employment and a fall in real net national disposable income per capita. These figures illustrate the need to have a flexible workplace relations system, adaptable to the economic challenges present across the economy. Australian CEOs across the mining, manufacturing, services and construction sectors have stated concerns about the lack of flexibility in industrial relations as being an impediment to growth in 2014. This bill will provide clarity and certainty for employers and employees on the use of individual flexibility arrangements.

In theory, individual flexibility arrangements are an important tool. They were introduced by the former government with the intent of enabling workers and their employers to mutually
agree on conditions that suit their respective needs while ensuring that employees are better off overall when compared to their underpinning employment instrument. Individual flexibility arrangements should be central to a workplace relations system that supports the varying employment needs of workers in a modern economy. For example, individual flexibility arrangements can act as a real alternative workplace agreement, enabling employees to manage their childcare or other caring arrangements so as to spend time with family or to manage other commitments. These arrangements are specific to the individual and are not designed as a management tool for business. Importantly for the employee, an employer cannot force an employee to sign an individual flexibility arrangement or make an arrangement a condition of employment. The employee must be better off overall than they would have been under the applicable modern award or enterprise agreement and a worker must provide a statement to the employer that the individual flexibility arrangement meets their genuine needs and they are better off overall.

Under the current Fair Work system, unions are able to restrict the scope of flexibility terms under enterprise agreements to only cover a single matter; for example, the taking of leave. This means that workers may be denied the opportunity to make individual flexibility arrangements on other matters even if they and their employer agree to other suitable arrangements. Under the former Labor government, we saw the potential benefits of individual flexibility arrangements traded away for the priorities of union officials and union bosses. There have been widespread calls from business and industry supporting a return to flexibility in the workplace.

In my electorate of Dobell, the unemployment rate of 6.88 per cent sits above the national average. Faced with even higher youth unemployment figures and low workforce participation we need the option of flexibility arrangements to encourage workforce participation. There is a great manufacturing business in Dobell that has had issues with union right of entry. This is a business that is compliant with the law and has an agreed and established system in place for union officials and visits, despite not having a unionised workforce. They are also a lean business. They deal with three major customers who are big players with a significant market share. They demand suppliers run lean, efficient and productive business operations. However, this has been exploited by union officials through behaviour akin to the lunchroom invasion. There have been 16 visits by union officials to the non-unionised workforce over 12 months. The main line from union bosses was recruitment. The principle reason given was that every worker could only get an additional $14 through the union. This local Dobell business has a great employee culture of safety, performance and productivity amongst the 140 staff. The hard-working staff quickly came to the realisation that $14 across 140 staff was going to very quickly make that lean and efficient business not so productive and have an impact on their combined ability to deliver a competitive product on tight margins to demanding customers. This is a perfect example of the right-of-entry provisions being exploited by union bosses for their own benefit, resulting from more broken promises from the Labor Party.

The amendments before the House will deliver on the promises made by Labor in 2007 and ensure that workers have access to a fair degree of flexibility without providing a veto to union bosses and union officials. This bill will address the current imbalance in union workplace access rules, and our changes will fairly and sensibly balance the right of
employees to be represented in the workplace, if they wish to be, with the right of employers
to go about their business without unnecessary disruption.

The former Labor government opened the door for the union movement into Australian
businesses, resulting in 523,700 working days lost due to industrial action in the last three
years alone. Labor made no attempt to implement any recommendations in order to reduce
such action. Under Labor's policies we saw a devastating loss of productivity across the
Australian workforce, primarily as a result of two policy failures: right of entry provisions and
the 'strike first; talk later' loophole.

This government sees right of entry as a specific statutory privilege to which conditions
ought to apply. Regrettably, some union bosses do not. This bill will amend these provisions
insofar as the ability for unions to enter a workplace is tied either to a union's recognised
representative role at the workplace or to employees at the workplace having requested the
union's presence. Furthermore, a union will only be entitled to enter a workplace for
discussion purposes if (1) they are covered by an enterprise agreement or (2) they been
invited by a member or employee who they are entitled to represent. The changes proposed by
this bill will enact Labor's publicly stated promise prior to the 2007 election—another
promise broken.

The bill will also remove the 'strike first; talk later' loophole under the Fair Work Act. The
then opposition leader, Kevin Rudd, stated in 2007:

Industrial disputes are serious. They hurt workers, they hurt businesses, they can hurt families and
communities, and they certainly hurt the economy.

Mr Rudd further stated that employees 'will not be able to strike unless there has been genuine
good faith bargaining'. However, once again Labor failed the policy test, implementing a
workplace relations framework whereby employees are allowed to strike before bargaining
has commenced. This is why in three years we have seen 523,700 working days lost due to
industrial action.

This amendment bill will mean that industrial action cannot be the first step in the
bargaining process. It will therefore restore a balanced and harmonious approach to enterprise
bargaining. The bill also seeks to make amendments to the greenfields provisions in order to
help unlock new investment and prevent needless delays to new projects. The Australian
Industry Group rightly highlighted in 2012:

Unions currently have too much power to refuse to enter into a greenfields agreement for a new project
unless all their demands are met.

These amendments seek to provide confidence and certainty to investors and to ensure that
Australians benefit from the prosperity generated by new projects. This will strongly signal to
investors that Australia is open for business.

This bill also implements other recommendations from the Fair Work Act review—a
review undertaken by the now Leader of the Opposition—including: removing inconsistency
that currently exists by allowing employees in some jurisdictions to accrue or take leave
whilst absent from work whilst receiving workers compensation benefits; restoring the
longstanding position that employees are only entitled to annual leave loading when their
employment ends where it is expressly provided for in their award or workplace agreement;
and the introduction of the requirement that an employer must give an employee who has
requested to extend their unpaid parental leave a reasonable opportunity to discuss the request unless the employer has already agreed to the request.

The measures outlined in this bill deliver on key aspects of our election policy. We must look at restoring fairness and flexibility to the workplace to support new jobs growth. The test for the Labor Party is whether they will support measures outlined in the Fair Work Amendment Bill 2014 to lead to a more productive workplace relations framework, increased jobs and higher real wage growth. They now have a chance to atone for their broken promises by supporting the measures in this bill—the same measures that they outlined and committed to in 2007.

This bill implements the coalition's publicly stated election policy—nothing more, nothing less. This government released its workplace relations policy well before the 2013 election to address the aforementioned problems within the fair work laws. The measures in this bill will help encourage investment in new projects that are important to the Australian economy by preventing unions from vetoing greenfields agreements. Industrial action will be reined in by ensuring that bargaining must have commenced before strike action can be taken, reducing unnecessary losses in productivity and working days lost, and we will restore much needed flexibility to the workplace through improvements to individual flexibility arrangements, which will lead to increased productivity and fairness. I commend this bill to the House and call on members opposite to support its measures.

Mr KELVIN THOMSON (Wills) (11:43): The Fair Work Amendment Bill 2014 claims to strengthen protections for employees by requiring employers to ensure that under individual flexibility arrangements workers’ genuine needs are met and they are better off overall, but on the flipside it implements a ‘get out of jail free’ card for employers regarding this obligation, by providing them with a legal defence where they will not be held liable for breaching the flexibility terms if they enter into an individual flexibility arrangement ‘believing’ they were complying with those terms. The new rules say that all an employer needs to do is to claim that they had a reasonable belief that they were doing the right thing in order to avoid prosecution.

The Prime Minister used to say that Work Choices was, 'dead, buried and cremated', but in insidious ways, as demonstrated by this amendment bill, the reality is otherwise. Recently the union United Voice recounted the story of Jackie Petts, a Victorian cleaner. Jackie was presented with an individual agreement by her employer, Spotless, which cut her weekend shift pay, and she refused to sign it. As she explained: 'Spotless came up with a form for all of us to sign. It cut our weekend shift pay. The supervisor came round and said, "Sign this or you won't have any weekend shifts." Those that signed kept their normal shifts. I didn’t sign and I lost my weekend shifts. None of those who signed talked about it, they just signed. I kept my job, but without the weekend shifts it was not enough to live on.' Individual flexibility arrangements are supposed to be voluntary, but Jackie's experience demonstrates that this is not how they work in practice. When employers put individual agreements in front of their employees, people are under pressure to sign—even though it means a pay cut.

Jackie was working a six-day week, relying on that sixth weekend shift in order to earn a living wage. Modern cost-of-living pressures, including the rising cost of housing, electricity, rates, water, gas bills, which are outstripping CPI, can mean that shift allowances and penalty rates are crucial. In Jackie's case, her shift allowance is extremely important as she is paying
off her house on her own. Weekend and evening rates make up anywhere from 10 to 30 per cent of the take-home pay of shift workers. The removal of weekend rates can mean shift workers lose up to $270 per week or up to $14,000 a year before tax. The Liberal government’s individual contracts could mean some Australian workers will be forced to support their families on just $577 per week after tax. Under this amendment, it would become legal for Jackie to sign away her weekend and evening rates for no extra pay.

The Liberal Party talks about workers and employers having the flexibility to sit down and negotiate unfettered by red tape. This is simply a euphemism for eliminating checks and balances. The reality is starkly different. There was no mutual chatting, when the 150-odd cleaners at Westfield Doncaster were handed their individual agreements. Jackie was punished for daring to refuse, as should have been her right, what was being offered. These laws are part of a concerted attack, aided and abetted by right-wing free market ideologues and some in the business lobby, to strip away penalty rates and shift allowances, and to undermine collective bargaining and access to union representation. This sort of stuff is Work Choices by stealth. As the former Labor Prime Minister Paul Keating said:

When John Howard decided to go after workers with his WorkChoices legislation, he did so not out of any economic necessity, as the economic record for wages and inflation attests. He did it simply to break the back of the unions. His motivations were ideological and spiteful, telling us he had learned nothing from the fact that there had been no wages breakout in Australia for 26 years …

The same is true again today. We hear Liberal government ministers blaming workers for excessive wages and conditions. In a speech to the Sydney Institute, the Minister for Employment, Senator Eric Abetz, warned about employers being too ready to acquiesce to unions. He claimed that Australia risked seeing something akin to the wages explosion of the pre-accord era when unsustainable wage growth simply pushed thousands of Australians out of work.

The reality is very different. Recent Wage Price Index data revealed that 2013 had seen the lowest annual rise in wages since the ABS began calculating them back in 1997. In seasonally adjusted terms wages rose only 2.6 per cent in the 12 months to December. In trend terms it was even lower at just 2.5 per cent. As Greg Jericho, from The Guardian Australia, said in reference to this index:

If we’re about to see a wages explosion, then someone better hurry up and light the fuse.

Wages increased in 2013 by less than inflation did, which suggests that real wages actually fell last year. The last time this has happened was during the GFC.

The record low wages growth fairly destroys the arguments of the Liberal and National parties and certain sections of the media who, even before Kevin Rudd was elected in 2007 and well before the Fair Work Act was introduced in July 2009, have been predicting a wages boom, blowout or explosion.

Piers Akerman in the Daily Telegraph, for example, wrote in 2007 that the policies proposed by then opposition leader Kevin Rudd risked a “breakout in wages growth that would inevitably force the RBA to impose interest-rate hikes of a magnitude not seen since the Hawke-Keating era”.

Instead we have record low wages growth and record low interest rates.

When the overall wages data did not provide the wage-boom truthers with the picture they predicted, they moved onto federal enterprise agreements. These agreements are done through collective bargaining and thus involve unions. But here a similar picture emerges. Annual average wages growth of enterprise agreements is lower now than at any point since 2000 and
wages growth in public sector enterprise agreements is actually lower than that of the private sector. As for the Manufacturing Workers Union acting like it is boom time, that is equally fanciful. In the manufacturing sector the growth in wages under enterprise agreements is at its lowest since 1994. Any way you slice it, wages growth across the economy has fallen in line with the falling demand in the economy. That is how you would expect the system to work and that is how it has worked. People who look at the last four years and still utter the phrase 'wages boom' are the economic equivalent of climate change deniers.

In this House in 2009, I spoke about just how profound the impact of Work Choices had been on women. An article published in the *Journal of Industrial Relations*, titled 'The Impact of 'Work Choices' on Women in Low Paid Employment in Australia: A Quantitative Analysis', studied the experiences of 121 women across five Australian states who were affected by the changes arising from Work Choices. Contrary to the spin of the previous Liberal government that Work Choices would facilitate direct negotiation between an employer and an employee, the study revealed that low-paid women were vulnerable to a take-it-or-leave-it culture, and they were vulnerable to unilateral action. Most employees made it clear that they were not in a position to negotiate directly with their employers, and would not be able to unless they had some job protection. This scenario is the same as that encountered by Jackie Petts. It is likely that vulnerable people, such as those in casual work, people from non-English-speaking backgrounds and workers with family responsibilities, will be most at risk of being pressured into signing the Liberal government's version of individual contracts. In particular, the more than one million non-Australians who are in Australia on temporary visas, which have accompanying work rights, are vulnerable to precisely this kind of exploitation.

Too many Australian workers are already struggling to deal with the impact of insecure work, and amendments like this will only accentuate this problem. In the Centre for Policy Development's book, *Pushing Our Luck*, a chapter on Australian workplaces made the following point:

This insecurity creates first and second-class citizens, with temporary migrant workers relegated to an even lower rung on the ladder.

The real workplace relations issue we have in this country is not lack of workplace flexibility but lack of job security and poor work-life balance. Indeed, a recent survey conducted by the OECD reports that the No. 1 problem identified by Australians—not so much in other countries but certainly by Australians—was poor work-life balance.

Despite the repeal of WorkChoices the transformation of Australia's job market to more precarious employment means that many Australians are at risk of going through their working lives as if WorkChoices was never repealed. As further outlined in *Pushing Our Luck*:

It is sometimes argued that workers like casual jobs because they are more flexible. Submissions to the ACTU's Inquiry on insecure work detailed the experiences of many people who found that the opposite was the case. One such testimony highlighted the lack of flexibility available to casuals. The worker recounted being unable to take time off work because, as the breadwinner, she needed to make money while she could, and with no permanent position she couldn't be sure when she would have a job again.
The transformation of the labour market has created an underclass of workers who miss out on many of the protections offered by employment regulation. Their reality can include chronic uncertainty, inadequate income, lack of access to mortgage and credit facilities, inability to afford health care, no paid access to family, carer's or annual leave, limited savings and a general slide into debt and potentially poverty. They report being victimised if they raise their concerns and they are less likely to be unionised.

This is a stark reality for too many Australian workers today … as business owners sidestep regulation by entering into arrangements that limit the rights of workers and take them beyond the protection of Australia's employment standards.

Migrant workers, particularly those on 457 and student visas, are particularly vulnerable to exploitation through insecurity.

It is not just 457 visas workers who are exploited. In March the ABC's Matt Peacock reported that thousands of Taiwanese on working holiday visas, the 417 visas, were being ripped off in Australian abattoirs, working long hours for little pay. According to the Australian Meat Industry Employees Union, the Primo Meatworks in Scone, New South Wales has replaced local workers with international workers, who in many cases do not pay tax. Meatworkers union secretary Grant Courtney estimates there are over 10,000 temporary international workers working in the meat industry on backpacker visas. Many of these 417 visa workers are being paid cash.

The way to clean up this exploitation and tax avoidance is to require the principal employer, the owner of the business, to be the one who engages the workers. We need to get rid of the $2 labour hire companies who fold up and go into liquidation if they are ever investigated. Moreover, why do we allow backpackers to have access to an ABN? Applying for a tax file number should be part of the 417 visa application so that they pay tax in the same way that 457 visa workers pay tax. A real workplace problem is the issue of lack of secure or guaranteed work, with what I have heard referred to overseas as 'zero-hour contracts' replacing full-time or permanent-part-time positions.

I was very concerned to hear from Grant Courtney that, since Matt Peacock's 7.30 program investigation, some 13 of the 14 workers at the Primo Meatworks who had signed a petition in support of workers alleging sexual harassment by a Primo employee had been told that their services were no longer required, despite their generally having worked six days a week for the previous six months.

Rather than seek to blame workers and legislate to make their employment more insecure, the Liberal government would do better to ditch their discredited ideology on workplace relations, and look to enhancing protections for casuals, contractors and labour hire workers, who face insecurity at work with no end in sight.

Denmark, Norway and Sweden have achieved both a healthy economy and a healthy society, high wages and productivity, flexible working arrangements and the world's highest rate of workforce participation, especially among women. These three countries boast workforce participation rates of almost 80 per cent, and female participation of about 76 per cent, according to OECD figures. Female participation is a full six percentage points ahead of that which prevails in Australia, the US and Britain. We should follow and learn from those northern European countries, which have cooperative industrial relations models rather than adversarial ones, greater rights for workers and greater income equality. Also, they have
better workforce participation and employment outcomes as a consequence. I support the amendment to the motion moved by the member for Gorton.

Mr HUTCHINSON (Lyons) (11:58): I note the comments by the member for Wills. He has clearly articulated a view that is held by the unions of Australia, and he has articulated that case particularly well. But the reality is that the members of those unions, the individuals, are exactly that—they are individuals—and individuals have different circumstances. Not always are the measures by which an employee judges job satisfaction financial ones. The notion of flexibility in ultimately getting that balance between life and, dare I suggest it, work as a second priority should be the ideal we all aspire to. Let us be quite clear that no employee is being forced to do anything.

The Fair Work Amendment Bill 2014 will deliver on key aspects of our election policy and not go any further. Indeed, on union workplace access, individual flexibility arrangements and the removal of the ability to strike first and talk later, we are delivering on specific policy promises made by the Labor Party prior to the 2007 election, which were later not delivered.

Through our Fair Work Amendment Bill 2014 we are giving effect to a number of commitments in our policy, and further restoring balance within the system. We will do this by a number of measures. Firstly, we will improve the process for negotiation of greenfields agreements to ensure that unions can no longer frustrate bargaining for these agreements through unsubstantive claims and delays, which can threaten investment and delay the commencement of major new projects. In my state of Tasmania, goodness knows sovereign risk and the ability to get big and major projects up is something that is dearly needed. Secondly, we will restore union workplace access rules, reflecting those in place prior to Labor's unbalanced amendments in dealing with the excessive right-of-entry visits by union officials. Thirdly, we will improve workplace productivity and flexibility by enhancing the scope for employees to make individual flexibility agreements that meet their genuine needs as determined by those employees. Fourthly, we will close the 'strike first, talk later' loophole in the good faith bargaining rules, which unfortunately the previous government refused to address. And, finally, we will maintain the value of unclaimed wages recovered for workers by the Commonwealth. The bill also enacts a number of recommendations from the fair work review panel in its 2012 report commissioned by the now Leader of the Opposition, Mr Bill Shorten.

Why is the government proposing these changes? The changes in this bill will implement a number of commitments that the government made in the coalition's policy to improve the fair work laws, which was released four months prior to the 2013 federal election. The amendments in this bill will ensure that the fair work laws maintain a strong and enforceable safety net for workers while helping businesses expand, create new jobs and deliver, importantly and critically, perhaps the hallmark of the former Howard government—that is, higher real wage growth. The changes will restore certainty to the workplace relations system and make the laws more balanced and effective, helping to make Australian workplaces better.

But my focus today in terms of my electorate and the things that I hear from the employers and the employees is on individual flexibility agreements. This bill introduces amendments to provide clarity and certainty for employees around the use of individual flexibility arrangements. I will call them IFAs. IFAs are an important tool introduced by the previous
government with the intent of enabling workers and their employers to mutually agree on conditions that suit their needs while ensuring that employees are better off overall compared to their underpinning employment instrument. It is pretty basic stuff. Work-life balance is not measured in just one respect. IFAs ought to be an important option to enable employees to, for instance, manage their child care or other caring arrangements, to spend time with family or for other commitments that they have. They are specific to individuals and not designed as a management tool for business, because we are, after all, individuals with different emphases and different interests. It is about a practical life-work balance, and nothing is more valuable to an employer than a capable, happy and satisfied employee. It is often about the union boss's perspective, not the employee's.

These amendments about IFAs are based on the fair work review panel recommendations. They also include further safeguards to ensure that employees are better off. Ironically, and something that is very often lost from a union perspective, this is also in the best interests of the employer. To be clear, the current IFA framework in the Fair Work Act will stay, with additional protections put in place. This essentially means an employer cannot force an employee to sign an IFA or make it a condition of employment, and the employee must be better off overall than they would have been under the applicable award or enterprise agreement. This is often quite arbitrary and not necessarily measured in financial terms in respect of the employee. It is a point that we must understand. A worker must provide a statement to the employer saying that the IFA meets their genuine needs and that they are better off overall. The onus is ultimately on the employee. And, as strange as it might seem, beauty is often in the eye of the beholder: we are all different, we are all individuals, we all have our own aspirations and priorities.

Under the current system, unions can restrict the scope of flexibility terms under enterprise agreements through the bargaining process to only cover a single matter—for instance, the taking of leave. With all due respect, while speaking in favour of these amendments—and in this instance by virtue of union negotiated positions—it would appear quite possible that these conditions could potentially be discriminating against the employee—a little ironic. This means that workers may be denied the chance to have IFAs on other matters even if they or their employer want to agree to more mutually suitable arrangements. The amendments will deliver on the promises made by Labor in 2007 and provide that IFAs may be made in relation to all of the matters currently prescribed in the model flexibility term, to the extent that those matters are covered in the agreement. This will ensure that workers have access to fair flexibility without a veto by union bosses. And ultimately we are all individuals with different passions and different perspectives and this, sadly, is the failing, quite often, of negotiations by a collective.

The bill also implements the fair work review panel's recommendation that employers should, in limited circumstances, have a legal defence if they enter into an IFA in good faith believing it meets all the requirements of the legislation when it turns out later it does not. The defence will only apply where the employer believed on reasonable grounds that all statutory requirements had been met in relation to the IFA. And a reality is that our circumstances change. It is as true for employees as it is for employers. The bill will also strengthen protections for employees by requiring a statement setting out that the arrangement meets their genuine needs and results in them being better off overall. This will make the position
absolutely clear. Employees will only make IFAs that provide for non-monetary benefits when the employees themselves make a clear statement in writing why they are better off overall. In a practical sense, what a powerful position that is for an employee to be in, in respect of choice. That employee will be the master of his own destiny.

By way of an example in respect of overtime rates, take an employee. Let's call him Bill. Bill works full time as a mechanic. His employment is covered by an enterprise agreement which has penalty rates. Bill's mum lives interstate in a rural area and unfortunately is unwell. Bill wishes to work Monday to Thursday so that he can travel on Fridays to his mum and stay with her until Sunday. This will allow Bill to help his mum with domestic tasks.

Bill still wishes to receive his normal weekly wage and so does not wish to work part time. Bill approaches his employer to discuss different working arrangements and they agree to make an IFA allowing Bill still to work 38 hours per week by working later Mondays to Thursdays without the penalty and overtime rates that would usually apply to extended working hours. Bill is better off overall because he is able to work all of his hours and help his mum on Fridays—something he values as a significant benefit—and will still receive his normal weekly wages.

Two further amendments recommended by the Fair Work Act Review Panel will be made to provide clarity and certainty to both employers and employees. First, the unilateral termination period for IFAs made under enterprise agreements will be extended from 28 days to 13 weeks, consistent with the position for awards. In addition, the 13-week unilateral termination period for both modern awards and enterprise agreements will be placed in the legislation.

This comes to the heart of this aspect of the bill and the word 'flexibility'—what it means to have a flexible agreement if circumstances change. Goodness knows, life throws things up at us, and this provides the individual flexibility that allows the process of transition for both employees and employers as their circumstances change.

The second amendment will confirm the existing position that the 'better off overall' test for IFAs can be satisfied by exchanging monetary benefits for benefits that are not monetary. This is already the case under the legislation as introduced by the Labor Party while the Leader of the Opposition was the workplace relations minister. This position has been confirmed by the independent Fair Work Ombudsman. The amendment, combined with the government's new requirement for a statement in writing from the employee, will provide greater protection and certainty for all parties.

All other rules relating to an IFA will be retained, including that they cannot be made a condition of employment, must leave the employee better off overall, and must be genuinely agreed to. Anyone who opposes these amendments needs to explain to the Australian workers why they should not have the opportunity to be better off overall if the arrangement genuinely meets their own needs as assessed by—guess who?—themselves. We are, after all, all individuals.

The fact is that this is part of a greater plan for our nation, to allow every Australian the opportunity to be their best. This legislation complements the jobs growth we have seen since the coalition took government and the measures announced within the budget. Since the election the number of jobs has increased by 107,000. The economic outlook in the budget is
consistent with the government meeting its commitments to create one million jobs over five years, and two million jobs over 10 years.

We are committed to providing an environment where young people with a work capacity will be required to be earning, learning or participating in work for the dole. We will be removing loan fees for FEE-HELP and VET FEE-HELP from 1 January 2016 to create a level playing field across higher education institutions. Not everyone wants to be lawyer. I can tell you that over summertime the biggest boats in St Helens are owned by plumbers and electricians—and more power to them.

We will be providing businesses with up to $10,000 for employing workers older than 50 who have been on income support for six months or more, meaning there will be a real incentive to engage with and hire older Australians. This is about getting the work-life balance right, and we are a government committed to removing the barriers that prevent a person's entry into the workforce. These measures enhance that message for the nation, for the local community and for the individual, that having a job is the best form of welfare.

The government is strongly committed to these measures. They are necessary to help build a more stable, fair and prosperous future for Australia's workers, businesses and the economy. We therefore call on the Labor Party, and all members of this parliament, to support the sensible and measured reforms included in this bill.

Mr LAURIE FERGUSON (Werriwa) (12:12): In his contribution, the member for Eden-Monaro, as well as outlining a bit of history, claimed credit to the Liberal Party for Australia's industrial relations system insofar as Sir George Reid, Liberal Prime Minister of this country, was instrumental in that period.

Having been a previous member for Reid, I hazard to guess that I know slightly more about his history and nature than the member for Eden-Monaro. In fact, I have great confidence that if Reid were around in this period of history he would not be supporting these measures. We have had a very fundamental change in the power relativities in this country over the last few decades. If, for the sake of argument, the opposition were correct—in their analogy of a hugely powerful trade union movement, massive wage increases throughout the economy and high levels of unionisation—there might, intellectually, be some defence for these changes.

The member for Eden-Monaro talked about a rebalance. He said that things had gone too far under the previous government. In fact, the previous government in no way fundamentally reclaimed large areas of industrial relations change that had been engineered by the previous Howard government. They made some gestures to move in the other direction, but there has been a fundamental shift of power in this country occasioned by casualisation, the smaller average unit of employment, the import of overseas labour, deski
ing, and contraction of manufacturing industry. All these realities are what is occurring in Australian industrial relations.

So there is no real picture as presented by the government. It is a very different industrial climate in this country. The reality, perhaps, was driven home yesterday by the decision in the Fair Work Commission to strip 25 per cent off weekend penalties for people in the catering industry. It was spoken of as being 'labour cost relief' and they held out the hopeful dream that it may 'consider the reopening of some venues'. This came after complaints that passengers on luxury liners in Sydney could not get breakfast when they got off the boat.
It was also preceded by comments by the New South Wales Business Chamber:

… spiralling upwards at a rate that makes opening on weekends simply unaffordable for many small businesses.

That was a contention of the chamber, and they said:

The lure of penalty rates is meaningless for staff …

Well, I doubt that in actual fact. I think it is fairly fundamental, with the low wages in that structure. You just have to look at the actual payments out there. Many of those people need those penalty rates very much. It is probably what attracts a few of them to the industry.

This was occasioned by a _Herald Sun_ editorial under the headline 'War declared on penalty rates' back on 5 February. Mike Smith, ANZ Bank chief executive noted:

Within political parties we see diminishing numbers of reform minded individuals and even more worrying, we have seen the emergence of political parties and politicians whose views no longer describe the reality we face.

John Hart, of course, who is a very big operator in the restaurant and catering sector, was out there yesterday and very much supporting this decision. He had said earlier that it was disgraceful that people got $27 an hour on weekends. I want to stress: that is what they get on weekends. That is not what they get for most of the week. And that should be borne in mind in light of what we think about people's wage rates.

At that time the Australian Industry Group put on the agenda, through its chief, Innes Willox, the long-term aims of business in this country. He said that they want to control workers' annual leave taking, they want to cash out annual leave—which people are allowed to accumulate; quite frankly, I think people should take their annual leave as early as possible, that is why we have it—and they want to change time off in lieu and part-time operations.

Of course John Hart, who is so vocal in this sector, recently gained some notoriety, not only as a failed preselection candidate for the Liberal Party for Parramatta a few years ago but as the driving force behind the operation of the member for North Sydney, the North Sydney Forum. This, of course, is where keen business sector partygoers are encouraged to pay as much as $22,000 to be at the table with the Treasurer. Some people were giving as low as $3,000.

So that is very much the reality of industrial relations in this country. That stripping of people's conditions yesterday is what is occurring, and what I have said of the words of the Australian Industry Group is what the agenda is in this country. It is not an era of trade union rampant power in this country. It is not only what we are seeing in this legislation but it is also in relation to the question of immigration that we are seeing the government's real agenda. In the bid to get rid of this 'ever-present' red tape, we saw the recent decision with regard to 457 skilled migrant entry to this country. In 2013 Labor closed what I think is a loophole that should be destroyed, described by an article in _The Age_:

Before the loophole was closed in 2013 by the Labor government, companies in the mining, construction or IT industries were hiring hundreds more workers than they had applied for. In one example, an employer was granted approval for 100 visas over three years yet in 18 months had brought in 800 workers on 457 visas.

Before the cap was introduced in 2013, the number of 457 visas was rising quickly. In the financial year 2009-10 there were 68,000 granted. By 2012-13 it was 126,000, and that is why
the previous government—belatedly, as far as I am concerned—did something about making sure that there were restrictions on this.

AWU assistant national secretary Scott McDine is quoted in the article:

These secretive changes come on the back of the government's announced review which has been stacked to deliver a predetermined outcome that will hurt Australian workers.

Basically, this gets rid of the requirement that there be advertising, and it liberalises it so that you can have far more visas.

I was interested that the member for Eden-Monaro said that this legislation was the government 'starting to do things'. We know from the elections that there was no intimation that in this legislation they would go beyond the actual inquiry in this sector. But they have done this in the legislation. He said that this was 'only the start'. He also pontificated about a correlation between industrial relations regulation and employment. On both sides of politics the evidence for this is pretty poor—it is pretty non-existent. I remember in the previous parliament people on this side of the parliament were able to bring forth statistics that indicated that levels of productivity in this country, for instance, were not in correlation or connected with a loosening up of the industrial relations system.

The member for Eden-Monaro went on to talk about the unemployment rates at this time being in some way connected with the previous government and industrial relations. We know what happened internationally at that time: there was the US housing crisis and the global financial crisis. We know that it is also related to contractions in mining demand from China and India. These are the factors that dominate with regard to employment levels. He said today that this legislation is going to lead to some massive job creation and will totally liberalise employers' willingness to hire people—he described it as 'job creating'. I was interested to note that he said that the government did want workers' conditions to 'improve over time'. So the message is: intense suffering through changes such as this and the hope that things will eventually improve.

He spoke of Labor unwinding bipartisan workplace changes. I think that clearly this is a significant change away from the middle ground. It is in the context of a decisive downgrading of the industrial relations power of the union movement. He talked about a correlation between unemployment and liberalised marketplaces in regard to labour. We see at the moment, in the United States, Obama struggling to try to lift the minimum wage from $7.25 to $10.10 by 2016. Its level now is lower than in 1978. That is the reality of deregulated labour markets, an ineffective union force and campaigns to make sure that unions cannot get membership and that people are intimidated into not joining.

If we look at unemployment levels in the United States and Australia, if I were going to be a total mutton-head on this whole issue, I would argue that there is a direct correlation between the United States' low unionisation and high unemployment in the country over a long period of time. That has not been the case. It is not connected. We know that there are intrinsic reasons in many economies as to why there are particular levels of unemployment.

The member for Eden-Monaro talked about being concerned about unemployment. I have more respect for senior economist Brian Redican, from the Macquarie Bank, a former Reserve Bank economist, about the possibilities of where unemployment is really going to come from. In an article on 17 January this year in the Australian Financial Review, he said:
Clearly the direct effect of spending cuts is less spending in the economy and there will be less employment as a result … … The question is whether the potential benefits of that less spending, lower interest rates for example, provide a bit of an offset. While they might provide an offset, usually the benefit is further out. Whereas the spending cuts start affecting employment negatively immediately.

So the reality is that this budget is going to have a lot more impact on employment and the possible retraction of spending, with the sacking of public servants, than a liberalisation of workplace conditions.

Amongst the aspects of this bill that cause concern are the way in which these agreements can be entered into between an employee and an employer to provide a more flexible workplace. That is intelligent. Everyone supports that concept. If both sides of the industrial relations barrier decide individually that it is better to sacrifice a few penalty rates to facilitate something that affects the family—to let the bloke go and train the football team once a week or to help the woman to help at a canteen on the weekend et cetera—forsaking some kinds of conditions for that is a sensible way of operating, and there should not be interference from the trade unions in that. That is already a distinct possibility in the current operation.

But we see here that they are setting up a defence for employers who intimidate individuals to give up conditions by having them sign these agreements. It is supposedly a defence for the employee, but what it really becomes is a form of evidence for the employer later that the employee really knew what they were doing at the time. In some cases, it is going to be by coercion because it is more advantageous to the employer for the employee to agree to that. Also, we know that certain conditions in the existing measures in regard to how much that financial loss is and whether it is comparable or in some ways commensurate with what is sacrificed are being abandoned here. As well as that, there was previously a condition that there would have to be prior information to the ombudsman in relation to these changes. All of those things are scrapped. So we see, effectively, not a change that will facilitate the employee’s right to give up a few conditions in return for something that is important to him but a situation where power shifts very massively to the employer so that they can get what they want.

I am also concerned about these greenfield site provisions. To me, they are essentially a recipe for getting in the unions that are more compliant, regardless of how much support they have from the workers on the site. If there is a union that is not desired by the employer, one can be certain that the deal will be reached with one that is seen as more willing to toe the line—the typical HSU that we have seen in the last few years with its national officials. That is the kind of body that is going to be called in and will be preferred over other unions that basically are not as inclined to go along with things.

I think this measure is not defensible. It is not about helping employees. It is not about trying to have a middle ground or to have a sensible compromise. In regard to these new greenfield sites, we are also going to see a method for employers to essentially negotiate with themselves. It will be a fait accompli for the employees, regardless of their intentions about which unions they want to have there. Finally, of course—under some kind of rhetoric about employee representatives flying around in luxury aircraft—the question about right of entry will involve severe restrictions. It is now very much the employer's argument as to how much
they think their place is violated or interfered with by the workers' representatives' attendance that is going to predominate when people get entry.

Mr BROADBENT (McMillan) (12:28): It is always a pleasure to follow the member for Werriwa, who is from an iconic Labor family, who is clearly knowledgeable on the subject he just spoke on and who does his research. It was also interesting to hear the member for Moreton in his address. He is obviously passionate about occupational health and safety because of his experience with his family in workplace situations. All of us, every one of us who comes into this place, bring what I would call our own baggage. It is the baggage of our past, our experience, our experience with the union, our experience with business—wherever we have come through.

My desire to have more flexible workplaces in this country is because in my business activity we had a flexible workplace, just as the member for Werriwa described. He even said that there is a place for flexibility in the workplace. In my years in business, many of the people who worked for me wanted to work between nine and three. They did not want to work from nine till 5.30. They wanted to be home when the kids came home from school, so we allowed in our business for that to happen. I do not know whether it was lawful at the time under the award—it probably was not—but that is the way they wanted to work. We were quite prepared to be flexible in that approach and bring in other staff when needed.

Innes Willox was mentioned by the member for Werriwa. As the head of an industry body, he was asking for more flexibility in the workplace. In this place, we have flexibility in the workplace. I cannot say it is an even workplace, for members elected after 2004, but I can say we have some flexibility in what we do here. The dividing line between the Liberal and National parties and the Labor Party, which is born out of the union movement, seems to be our position on industrial relations. But at least in this great south land we can have a discussion. We can hear from the member for Werriwa—and I believe we will shortly hear from the member for Charlton a passionate address in defence of the current legislation as it stands. But that current legislation as it stands is harder on the workplace than even that put in by Hawke and Keating in previous governments. It goes further on behalf of the worker and reduces the flexibility and the opportunity for the workplace to be a driving force of economic uplifting for the participants—for the employer and for the employee.

I know in this country right now that every employee is not perfect and every employer is not perfect and we do need industrial relations laws that say, 'Here are the things you cannot do.' We do not want workers in this country treated poorly by their employers—and there will always be rogue employers. But we need flexibility in regional areas. You heard the member for Werriwa talk about how a 25 per cent reduction in penalty rates was supported by the hospitality industry. I have had delegations of employers come to me and say, 'We can't open on the weekend because we can't pay the penalty rates.' You have heard me say this before, Mr Deputy Speaker Kelly. The only businesses that are open on the weekend are those family-run organisations where it is mum and dad and the kids behind the counter, running the show. A mayor came to me and said, 'In my tourist town on the highway, which we have encouraged to grow by having tourists stop, the businesses are all closed on the Sunday and Monday of a long weekend because they can't pay the penalty rates that are needed.' He was pleading with his own businesses to stay open. These are the sorts of issues that we will grapple with.
The member for Eden-Monaro was mentioned. He is a passionate advocate for more flexibility in the workplace, as I have been in the past. I have never walked away from the position that John Howard put to the Australian people, where we opened up the opportunities for better workplace activity and greater opportunity. I have been described sometimes as a Liberal leftie, and there have been all sorts of angry other notions about my position in life—

Mr Robert: That's appalling!

Mr BROADBENT: Absolutely appalling! But, every time rates go up, every time the minimum wage goes up, somebody at the lower end loses their job, and I have always been annoyed that the union movement did not care about that. Do I want to support low-paid workers? Absolutely, I do. But I also do not want them taken out of the market because the employer cannot justify the minimum wage in their case. I believe, if the minimum wage were lower, the government could top it up with benefits for families, for employers and for low-paid employees, as we already do through family tax benefits and other payments for what I call the working poor. It is more important for me that they have a job.

I am not against a nurse who chooses to work on the weekends—Friday, Saturday and Sunday nights—and gets a very heavy penalty rate for that. I am totally supportive of that because it is the choice of that person and the employer for them work on those difficult nights—probably their busiest nights sometimes, as far as casualty goes. They get more money for doing that, and they choose to do that, rather than working through the week, because it suits them to work on the weekends, when their husband or partner—or whatever you have got to call it these days—is at home. They choose to work on the weekends and they choose to work nights. They provide a magnificent, amazing, valuable service for every one of us that needs their services, and they provide it 24/7. Because of my own experience with ageing parents and other issues, I know that, yes, we do need them in the middle of the night sometimes—and, yes, we have received, as a family, magnificent support from Casey Hospital and the services around Casey Hospital when in need. And the private hospital of St John of God at Berwick does magnificent work.

I dare say they have rules and regulations. I noted the importance of occupational health and safety when I went and visited the Bonlac—or Fonterra, it is called now—milk factory at Darnum. In our visit, they explained to us the occupational health and safety rules that we would have to adhere to, just on a visit in a suit—we were not gearing up and going into wet areas. Even to walk down the stairs from the office, we were told, 'You will hold the rail on the way down the stairs.' I was thinking, 'They're taking this occupational health and safety to extremes here.' No. They have had experience whereby they know they need these standards of occupational health and safety in that factory. Who is it for? It is for the benefit of the workers in that factory—no other reason. It is not for the health and wellbeing of the factory and its operators or Fonterra, the international operator; it is for the health and wellbeing of the workers in that factory.

Mr Thistlethwaite: It's for the health and wellbeing of everybody.

Mr BROADBENT: Well, the health and wellbeing of everyone, including those of us who visit. It was a real eye-opener how much time is taken, how many meetings are held and how much work they put into occupational health and safety in that factory, and their record since the introduction of these things has been magnificent.
This legislation I support because our party and this government are putting forward some worthwhile changes. It is not about the money; it is about the families that work in industry right across this country. If we can do a little bit to make it easier to grow the opportunity for work and young people especially—I am passionate about them getting into work in the first place. There have been some budgetary measures—we will talk about them when we come to the appropriations bill—that make some changes to the way we encourage young people into the workforce. Some see them as harsh; I see them as a philosophical change of how we look at getting young people into the workplace. The greatest gift we can give a child is an education, but after that the greatest gift we can give anybody in the community is an opportunity to work. Their self-esteem is enhanced. They do not go onto a benefit straight away; they go into a job. They go into a place of opportunity. They go into socialisation. They go into a workplace where they have other people who will encourage them to do better as we chase excellence in this country in every area of our workplaces.

It is a changed community, as the member for Werriwa said, and a lot of the changes are happening regardless of what governments legislate. It has been put to me that the very high-unionised areas are diminishing in their place in our economy and the more flexible areas are a place of growth in our economy. I dare say there will be those members who present arguments to show me that is wrong. I look forward to those arguments. But I cite our car industry and say—not our car industry but international companies' car industry—they could choose when, where and how they come and go, to the detriment of this nation. No-one was more passionate about football, meat pies and Holden cars than me. I loved the life that I lived near the Lang Lang Proving Ground, having friends working at the Lang Lang Proving Ground—a Holden proving ground—and noting that General Motors-Holden are going to continue with the Lang Lang Proving Ground for the work that they need to do with the cars they are going to import into this country. We went through the best of times with strong manufacturing supported by government. I am afraid we have run out of money, and the downside for all of us is to not have Holden or Ford produce here. I think that is an absolute tragedy, but you cannot continue propping up organisations forever at any cost. I am not an at-any-cost person.

I hope that when this legislation is passed there will be people who get real opportunities in the workplace that they would not otherwise get. I hope that we can have in this House a very strong debate, a good debate. There might be an opportunity out of this debate or out of all the debates that go on for business and the workforce to begin to set some parameters in Australia that we can both agree with. I am not talking about an accord; I am just talking about some basic tenets of where we are coming from in this nation with regard to industrial relations. That is a cooperative event between unions and business.

They should not need to have the government legislate to have the workplace be the workplace we want it to be in this nation. We will all have different views about that workplace; but, if we can just give that flexibility and opportunity for employees and employers to come together, I have no problem with union involvement in that. I think there is a place for the union movement in this country—I have never walked away from that—but it should be a matter of choice, it should be a matter of opportunity for people and, if you are going to have access to the workplace, it should be genuine access to the workplace for all the right reasons. I am probably talking about a perfect world. So be it. What is it—shoot for the
Mr CONROY (Charlton) (12:43): It is always a pleasure to follow the member for McMillan. I might disagree with what he says, but he always raises good points in a reasoned manner and in a genuine attempt to put forward his points of view. I am sure the member for McMillan was a good and decent employer in the private sector when he was there just as he is a good and decent MP now. My concern and the concern on this side is that not every employer is good and decent. We are worried that flexibility sometimes is a one-way street; flexibility is code for the employer making decisions and imposing those on the employees with little regard to the quality of life of those families. I start this by completely acknowledging the very legitimate point of view from the member for McMillan and the points he raised. Some of them I will address before I go into my substantive contribution.

The reason we have industrial relations legislation—in fact, the reason we have trade unions—is a recognition of the fundamental imbalance in the power relationship between employees and employers at the workplace. While there are good employers, and I am sure the member for McMillan was one and still is one as an MP, there are employers who have greater power than their employees and use that power to exploit them for their own advantage. That needs to be regulated so that the workers of this country do not suffer and have the right to earn a decent wage, the right to have legitimate time off with their family, the right to raise their kids and the right to live a good-quality life.

I will touch on penalty rates, because that was touched on before, as well. The member for McMillan talked about penalty rates preventing people from opening up on Sundays, and it is a legitimate concern. But I took my mother-in-law and my wife, who recently became a mother, out for lunch on Mother's Day, and we went to a café that was not a family café. They employed predominantly young women who were uni students and were being paid penalty rates, and that helped them to get through uni. We were happy to pay an extra 10 per cent on the bill in recognition of the fact that these people were giving up their Mother's Day to work to earn a living. So penalty rates are very important.

I was interested in the comments by the member for McMillan about a hospital. My wife is a nurse, and I spend a lot of time socialising with nurses. A lot of them work outside standard hours to get penalty rates by choice. It often helps family arrangements in that the husband or the wife might able to mind the kids on weekends. But often these families work those hours because penalty rates are the difference between them paying their bills and not paying them. They do not make a choice; they are forced to work these hours to attract the penalty rates to pay the family bills. So any attack on penalty rates is an attack on families' abilities to manage their budget, and that is something we are very worried about.

I was also interested in the previous member's contribution about the auto industry. It is a great tragedy that the auto industry went. It was entirely avoidable. It was entirely due to the current government making a decision to cut funding to that industry—$500 million was cut. Before the last election, Holden said, 'If you cut assistance, we will go'. Anything else is complete rubbish. The member for McMillan makes a very good point that his personal view was that he was not prepared to keep on paying that bill. I understand that point of view. At least it was an honest approach, rather than the fraud conducted by some of his frontbench
colleagues. But the auto industry provides a classic example of how the Fair Work Act worked to provide flexibility for workers in the industry.

During the global financial crisis we had a very significant downturn in demand for automotive vehicles; we had all three manufacturers facing constrained demand and the need to take drastic action. They could have simply slashed their workforce, but they worked with their workers and the unions and agreed to use up annual leave, have training days, and work four days instead of five days a week, and they got through the crisis without having to lay off significant numbers of staff. So there was flexibility in the industrial arrangements that allowed that to happen when workers, industry and the unions came together to work in a cooperative manner, and that flexibility exists in the current legislation.

As an aside, the wages in the auto industry were competitive with the rest of the world. They were certainly less than the automotive wages being paid in Japan and Germany and comparable to those in significant parts of the United States automotive industry. Productivity was healthy; we were making great cars. It was a government choice to remove assistance and condemn 50,000 workers to the scrap heap with a huge impact on another 200,000 jobs. That is an aside, and now I will return to the substance of the bill.

As I said, Labor is the party that supports fair workplaces and supports working together with businesses to get the best outcome. We have a proud legacy of industrial relations policies that have strengthened the nation's economy. We have supported workers through fair and equitable social wage systems and have delivered important improvements to pay and conditions that benefit all workers. This is in contrast to those opposite, who have a sordid record of divisive IR policies and a history of stripping away rights from workers. And we are right to be sceptical of their motives regarding this bill.

With the scale of reform represented in the original Fair Work Act, Labor recognised as best practice a review of the operation of the legislation within two years of implementation. The post-implementation review panel consulted widely with unions and employer organisations. The panel also conducted extensive round tables with key stakeholders. Labor has respect for the process, and whilst in government we responded to some of the recommendations eventuating from this review. Before the election, the Prime Minister promised he would not go further than directly implementing the recommendations from this review. However, at first glance it appears that the government is breaking that promise with this bill. The only appropriate course of action with this bill is to refer it to a Senate committee, where the details of the changes can be reviewed properly, because we are right to suspect the Liberals' motives when it comes to industrial relations. Their record is appalling. It is a record of attacks on workers, attacks on workers' rights to organise, attacks on the rights of families to have a decent wage and to raise their kids.

Significant changes to the Fair Work Act are proposed under this bill, including changes to individual flexibility agreements, greenfield arrangements and right-of-entry proposals, and the government has clearly overstepped its election promise by using tricky language to tilt the playing field. Let's take the amendments to the individual flexibility arrangements as an example. IFAs enable an employee to swap a relatively insignificant monetary benefit for a non-financial benefit that suits both the employer and employee. Labor has always supported genuine flexibility in the workplace, and we introduced IFAs because we agree that flexible work practices can deliver benefits to both employees and employers if applied appropriately.
At the same time, however, we made sure low-paid and vulnerable workers were protected by ensuring sufficient safeguards in the legislation so that IFAs could not be a means of ripping away conditions such as penalty rates. The government is now seeking to insert the model flexibility term into all enterprise agreements, but what they are actually doing is abandoning a key safeguard when it comes to what can be traded away through an IFA. The panel recommendation states that if a non-monetary benefit is being traded for a monetary benefit then the value of the non-monetary benefit forgone must be 'relatively insignificant', and the value of the benefit must be 'proportionate'. But these important terms—'relative insignificance' and 'proportion'—are absent from the government's amended bill. That the full recommendation is missing is alarming and is a reflection of what we know the government means when they talk about flexibility. It only heads one way—against the workers.

We only have to look at the WorkChoices experience to get an understanding of that. With WorkChoices the Howard government stripped away crucial support and protection for workers. They stripped away unfair dismissal protections for huge numbers of workers—millions of workers. They stripped away the safety net, and they introduced flexibility. What that flexibility in Australian workplace agreements meant was that employers were able to present on a table to an employee an individual contract—a template not developed in consultation with that worker to say, 'You need these days off because you have family carer requirements', or 'Let's look at this so you will work a shorter day so you can pick up your kids'. It was a boilerplate template of an individual contract and the message was, 'You sign this or you'll get the sack', and you have no unfair dismissal protection. As a former union organiser, I saw this too often. I saw the most vulnerable workers in the community presented with not flexibility agreements but agreements that drove down their wages and stripped away leave entitlements, and they had no rights. I fear that the changes in this bill are the thin end of the wedge, the start of a process where we will get to where we were with WorkChoices.

Another change is the creation of the 'genuine needs' statement, which asks employees to testify that they believe their arrangement meets the needs and leaves them better off overall. Despite being yet another policy position, the Liberal's failed to declare before the election that this appears to do nothing more than set up a legal defence for employers who find themselves prosecuted for breaching the act by leaving workers short-changed.

The Fair Work Act Review panel did recommend the act be amended to provide a defence to alleged contravention of flexibility, but the proposed amendment is not in that spirit. So, while we acknowledge that the Fair Work Act should be, and has been, subject to a review of its operation, the mechanism on the whole is working well. Indeed, the post-implementation review states that in their view:

The current laws are working well and the system of enterprise bargaining underpinned by the national employment standards and modern awards is delivering fairness to employers and employees.

Let us look at the evidence. Over the last five years, Australia's average Labor productivity growth has been twice that of the OECD average. Contrast this to the two periods of sharpest decline in productivity growth, one which occurred under the Fraser government and the second which occurred under the Howard government's very decentralised wages system that attacked workers. Likewise, as noted by the review panel, the number of days lost to industrial action under the Fair Work Act remains within the band of historically low levels.
Under the previous Labor government, almost one million jobs were created at a time when the world faced the greatest economic crisis since the Great Depression.

So let us look at the evidence. Under the Fair Work Act, Labor productivity was twice as high as the OECD. Contrast that with the appalling Labor productivity under the Howard years. We had a million jobs created and we had a record low number days of industrial action. Those on the other side are heavy on rhetoric. When you look at the data: the Fair Work Act is working, industrial disputation is low, Labor productivity is high relative to the rest of the world and there is no need to change it except to attack workers.

We are proud of our record in industrial relations. The Labor government in the Hawke-Keating era introduced the prices and income accord. Labor also introduced enterprise bargaining and protected workers' entitlements. The only time those on the other side cared about workers entitlements was when John Howard's brother was involved in corporate collapses and National Textiles.

It was a Labor government that set up a strong and independent umpire in the Fair Work Commission. It was a Labor government that introduced Australia's first ever paid parental leave scheme that was not an entitlement in terms of national welfare; it was a welfare measure which meant that everyone was paid exactly the same wage, not dependent on their income. And Labor fought and broke WorkChoices. On the other hand, we saw the divisive industrial relations system under the Fraser government. We saw WorkChoices under the Howard government. We saw the single most appalling act of industrial relations in 1998 under the Liberal government, the attack on the waterfront, where the government of the day conspired with the employers to illegally sack a mass workforce for no other reason than to break a union.

Everything else is pure mischief—that is the base fact. They conspired with workers to destroy a workforce to break a union. Everything else is rubbish. Since taking office this time, the Liberals have sat idle while more than 63,000 full-time jobs have been lost across the economy. Now they have laid the ground work for a full-blown attack on penalty rates of the hundreds of thousands of casual and part-time shift workers.

As I alluded to before, as a husband of a nurse, I know the importance of penalty rates—not just for manual workers but for white-collar workers in hospitals, for police and for other emergency service workers. Penalty rates are the difference between family budgets keeping families' heads above water or going to the wall. It is sad to say that this is a part of their broader attack on working families through the budget where we see cuts to family benefits and cuts to the pension driving up the price of petrol through more broken promises, attacks on the safety net, a GP tax, a tax on bulk billing and workers paying more for medicines. This is a government that does nothing for workers except attack them and amendments to the Fair Work Act are a part of that process.

Labor is opposed to these amendments because they are not good policy. It is not even good politics to attack workers. It just reveals again the ideological bent of those opposite. Unfortunately, for every member for McMillan, there are 10 on the other side who just do not care about workers.

Dr GILLESPIE (Lyne) (12:58): I rise to speak on the Fair Work Amendment Bill 2014, which is all about implementing our key election commitments and injecting common sense
back into Australia's workplace relations system. We campaigned in 2013 over improving the fair work laws and that is what this amendment is doing. With broad consultation from employees and employers, the government is implementing many of the common-sense suggestions that we have received, regarding right of entry, individual flexibility agreements and greenfield site agreements.

In my electorate there have been an enormous number of people concerned about the rigid and the very complex arrangements with regards to the current industrial relations policy that we have inherited from Labor. They have gone way beyond what Labor promised at the 2007 election. In my electorate in particular, we do not have huge greenfield projects but we have an awful lot of small businesses, which depend on flexibility. Without our small business sector, most people will be unemployed in our region. This constant one-size-fits-all approach by the Labor Party to workplace relations has crippled many of our two million small businesses. Many small businesses over the last six years have downsized, put staff off and closed. As well, the red tape and the cost of red tape have impacted on the ability of small businesses to retain staff, let alone their confidence to generate more jobs.

As far as this bill is concerned, we will only be implementing our election policy and enacting a number of the recommendations from the Fair Work Act Review panel from 2012, which was commissioned by none other than our current Leader of the Opposition, Mr Shorten.

As I mentioned, small business is the engine room in our part of the world. If small business is doing it tough, people looking for employment are doing it even tougher. But also in industries like building and construction, retail and tourism, some of the industrial inflexibility is putting major limitations on the growth those businesses. Our federal income tax receipts from company taxes are down when small businesses are struggling. The Howard, Keating and Hawke governments recognised this and that is why the reforms they put through then delivered greater flexibility into Australia's industrial relations system. In the 1980s, 1990s and early 2000s, the changing nature of the industrial relations schemes developed huge productivity gains for the nation. We saw expansion that we had not seen since the 1950s and 1960s. Unfortunately, the Rudd and Gillard governments ended this through a range of decisions which pushed the pendulum way back in the other direction, taking industrial relations backwards and not improving them. They delivered much more power to the unions. Employees and employers lost the flexibility in their workplace arrangements. There was a lack of regard for the important flexibility that small businesses need to remain nimble, cost-effective and to get the huge productivity gains they require, and these depend on flexibility. That is why so many of my small businesses have had to resist putting on new staff or have actually downsized.

Some may criticise us for not going far enough, but the reality is—as the Prime Minister has said on many occasions—that we will do what we said we will do and we will work with the existing Fair Work Commission. These amendments will stick to that principle. Through the Fair Work Amendment Bill, we are first of all addressing these greenfield site agreements, where the unions can and have been frustrating the bargaining process for way too long. They are making these agreements and the projects that they underpin incredibly costly and unproductive. You have only got to see what has happened in some of the major energy and mining projects that have gone by the wayside. Ten or 15 years ago Australia used to be a
low-cost country for the development of mining and large industrial projects but, with all these rigidities and ridiculously unrealistic and unsustainable greenfield agreements, a lot of the huge investment has walked out the door and gone to other parts of the world. People need to start connecting the dots: if our costs are too high, the capital that is invested in Australian projects will come to an end, because there are places in the world where costs are lower.

That aside, I will return to the topic. Restoring union workplace access rules—reflecting those in place prior to Labor's unbalanced arrangements—is our priority. Good-faith bargaining should commence with a formal notification and then a three-month period of good faith negotiation by both parties, rather than what we have seen where—instead of good faith bargaining—we have the strike first and talk later scenario. That is what is employed in a lot of these greenfield arrangements. We need to address this.

The other thing that I have spoken about is the individual flexibility agreements. They are an important tool within the existing legislation, but we need to make them bear fruit with these amendments. As long as the principle of better off overall is applied, which is envisaged in this legislation, things should work. There should be a monetary value capability that could be used to offset non-monetary values in an agreement. As long as the employee and the employer see the benefit of that, it will be of benefit to everyone—that is, the employee and, most importantly, the business. These sort of flexibilities are very relevant to small businesses. It might be prohibitive, but affordable, if you are doing a $2 billion or $3 billion project that you must get off the ground, but if you are a small business operating a convenience store, a coffee shop, a milk bar or a light industrial business in Taree or Port Macquarie, that lack of flexibility can sink your business. That is why this is so important.

With the agreements parties should engage in negotiations and payments that are consistent with the prevailing standards and conditions. We should not have inordinate delays and costs, and we should not have strike action as a reflex action to intimidate employers. Under these amendments, employers as well as unions and employees are compelled to negotiate in and complete the bargaining process. It does not sound ridiculous. It is just basic common sense that we are applying here.

The other issue is protections for workers. Protections for workers do remain amongst these amendments. Unions have to be involved, and those that are involved must be recognised in these agreements. We need consensus across both parties. These amendments are not displacing the union; they are just applying common-sense principles so that the ability to veto an agreement is no longer the trump card in any negotiation. It has to be a two-way street to get a good outcome.

If we had had sensible agreements in place in some of these major sites in South Australia, Western Australia and Queensland, some of these larger projects would have gone ahead, I am sure, because, when you are investing billions, the costs ratchet up so quickly if you have unrealistic and unsustainable conditions. I can think of three businesses that are no longer with us in the Lyne electorate. I have spoken to the business owners. They are not new start-ups that have failed; they are businesses that have been around for 15 or 20 years and, one of them, for 25 years. Over the last three years, they have gone—not because they did not know how to run the business; things just got too hard for them. It was too hard for them to sell their business because new people did not want to take on this rigid system.
The other issue that these amendments address is right of entry. One only has to have read the dailies for the last couple of years to know the stories of unrealistic rights of entry being manipulated by the unions. What business can cope with two visits a day, unannounced, by union representatives to the workplace or the meal room? That is more intimidation than negotiation. These amendments will address that issue so that that behaviour, which is not reasonable, is no longer allowed.

Another aspect of right of entry is that the cost of travel to remote sites was being forced onto the employer or the business, rather than being paid for by the union. One could have union negotiators—with the right of veto, with the threat of striking first and negotiating later—visiting these sites at remote locations without any negotiation with the employer. Clearly, that is unrealistic and unreasonable. We are not trying to get rid of unions in the negotiations. We are just trying to apply common sense and common business practices. The bill will allow for a convenient site to be nominated for negotiations and it will stop the abuse of right of entry.

If there are other issues that come up in the good-faith bargaining process, a reasonable period of time needs to be set aside so that the negotiation process can continue. Now, three months is a reasonable amount of time to achieve that. But, if, after three months, it is not achieved, obviously it has to go to arbitration. If there is a flexibility issue that needs to be negotiated, there are provisions so that the employer notifies the employee and vice versa. If the employee agrees that they are no worse off, I cannot see why that should not go ahead. That is why we need these amendments—to allow that to occur.

If the situation changes, there are provisions under these amendments to give formal notice to cease the individual flexibility arrangement and to renegotiate it, or to revert to the broader agreement. There are also provisions so that individual flexibility cannot be limited to some microsection of the agreement. If the employer and the employee want a very wide ranging individual flexibility agreement, they should have the right to do that, because that delivers productivity and it delivers profits for the company, which then means they are happy to employ people. I commend the bill to the House. (Time expired)

Mr GILES (Scullin) (13:13): I rise in opposition to the Fair Work Amendment Bill 2014 and in support of the amendment that has been moved by the member for Gorton. It is a pleasure to follow the member for Lyne, who made a typically thoughtful contribution and a very sincere one, no doubt. While I disagree with almost every component of it, I say at the outset that the one matter that the House's attention must be directed to is the assertion that this bill implements the government's election policy. That is simply not the case, and I will turn to that in the course of my contribution.

On a very similar note, before the election, the then Leader of the Opposition and now Prime Minister stated that the coalition wanted to 'protect workers' pay and conditions' and promised—I think this might have been a 'solemn promise', but I am not sure what standing solemn promises have in the lexicon this week—that he would be the best friend of Australian workers. That was before the election. With this week's budget, we know how much such a promise is worth from Australia's Prime Minister. In the budget, alongside cuts to health, cuts to education and real cuts to pensions—all broken promises—we have seen further attacks on workers and those seeking work in a continuation of this government's desire to see a race to the bottom.
In particular, I draw the House's attention to the $1 billion stripped away from apprentices and the nearly $2 billion stripped away from skills programs. These are attacks on young workers. I think of the cuts to Youth Connections, Partnership Brokers and National Career Development. The government are ending programs that have been effectively preventing young people from slipping through the cracks and providing them with pathways to attain education and enter the workforce. A small investment continued in this area would have kept 100,000 young people on track. There are also savage cuts to income support for those under 30. They are being asked to wait six months to receive income support from this cruel government. All of this is from a government without a plan for jobs, save a plan for 16,500 hardworking public servants to lose their jobs.

Half an hour or so ago I read a report on the budget from the Grattan Institute, a body far more disposed towards this government's economic policy settings than I am. What really interested me in this review, which was broadly complimentary of the government's budget, was that the Grattan Institute CEO, John Daley, sees the budget as likely to discourage further workforce participation and thinks that it will in all likelihood hinder people in finding what he described as 'proper long-term jobs' and so reduce workforce productivity in the long term. So much for the rhetorical flourishes around this legislation and from the government more generally.

Turning back to our Prime Minister, I do not think Australian workers were looking for a best friend in this Prime Minister, but they want and, indeed, deserve a government that is on their side, a government that will fight for jobs and stand up for fairness and rights at work. This is the context in which we are taking part in this debate. This is a debate that mysteriously started before various state and Senate re-elections but has only now been brought back.

When the member for Sturt introduced this legislation, he claimed that it delivers on key aspects of the coalition's election policy and does not go any further and that the coalition would implement specific recommendations directly from the 2012 Fair Work review. However, the government is going further than its pre-election promises in a number of places and clearly beyond the review's recommendations, which recognise, document and provide evidence for the present arrangements. These matters deserve detailed scrutiny.

In my contribution I want to focus particularly on the proposed changes to the enterprise individual flexibility arrangements and then briefly consider changes concerning right of entry and greenfields. In terms of individual flexibility arrangements, Labor supports flexibility where it genuinely provides flexibility for workers and not simply convenience to employers. In 2009, the then Minister for Workplace Relations Julia Gillard said of the enterprise flexibility agreements clause in the Fair Work Act:

That clause gets the balance between fairness and flexibility right. It provides very, very strong protections for working people, as it should, but enables limited flexibility arrangements for work and family life matters, for example, to be entered into.

I emphasise the mention of 'very, very strong protections'. Very, very strong protections are warranted.

IFAs were not designed to be imposed from above on unsuspecting employees as a means of ripping away conditions such as penalty rates. Getting the balance right is vital due to what seems to people on this side of the House the very obvious power imbalances at hand. And
yet, post the election, we see exactly this in recent coverage of the government's true intentions in this regard.

In an article titled 'Coalition MPs plot to strip penalties' in *The Saturday Age*, the Minister for Employment conceded:

... the terms of reference for the Productivity Commission's review of workplace laws were deliberately broad enough to cover "a full and thorough analysis of all aspects of the Fair Work Act". And the draft terms of reference explicitly mention "pay and conditions" and "industrial conflict" - which is widely understood to include penalty rates ...

Penalty rates, as the member for Charlton set out so persuasively a few moments ago, are so important for the living standards and the way of life of so many Australian families.

I note that there is such a large rollcall of MPs and senators openly agitating against penalty rates, including the member for Leichhardt, the member for Wannon, the member for McMillan, the member for Longman, the member for Mitchell, the member for Reid, the member for Dawson, the member for Tangney, Senator Edwards and Senator Seselja, who were described as seeking to 'liberate' small businesses from having to pay their employees for losing their weekends and public holidays. There is not much freedom there. There is not much liberation for affected workers or meaningful flexibility for those people to manage their work-life balance on their terms.

In keeping with the government's refusal to discuss its plans to smash penalty rates, the Treasurer stated:

'I'm not going to get into a debate about penalty rates. That's what I did for 12 months of my life when I was workplace relations minister and I've expunged it from my memory.'

The Treasurer may wish to forget about WorkChoices, but the people of Australia have not and the Labor Party will not. The people of Australia deserve a real explanation about what this government is planning to do in relation to Fair Work.

We have heard ominous remarks by the Prime Minister about wanting to place his stamp on economic policy, and we have certainly seen that with announcements by Holden, Toyota, Qantas—and many other companies who have made similar decisions—costing over 60,000 jobs. The Treasurer, aped by others in the coalition, has stated that it is apparently up to the business lobby to make the case for workplace relations reform. In other words, the coalition has outsourced IR policy to the big end of town, as with its policy settings more generally. We have seen this with the Commission of Audit, which contributed so powerfully to the cruel budget this week. The Faustian pact here seems to be as follows: big business lobby groups simply have to make demands, maybe confect an emergency and perhaps run some ads and the coalition in government will give them whatever they ask for.

This is a government that simply will not tolerate dissenting views about its agenda. In everything from the arts to workplace relations we are seeing an enactment of the Prime Minister's sinister injunction that, 'We expect everyone in the system to be working enthusiastically with us as we reshape our country.' The Treasurer's language of a 'shared burden' is telling in this regard. We are all in this together, but some must do more lifting: those least able to do so. We see Robin Hood in reverse in this race to the bottom.

It seems that the lesson the coalition learnt from the 2007 WorkChoices election was not about the Australian notion of a fair go and fair remuneration or a sense of egalitarianism and
how Australians see fairness in the workplace and in workplace laws as fundamental to their sense of a decent society. Instead, the coalition was spooked by a grassroots campaign of ordinary working people, organising with their unions, and saw it as a threat that they would need to distract, disable and destroy before future attempts to strip workers of their rights and entitlements could proceed. And what is the end game? We need only look at the United States to see the inspiration: a country where wage growth is stagnant, where inequality is stark—a land of gated communities—and, most relevant to this debate, a country with a permanent pool of low-skill, low-pay and insecure workers, the working poor.

The Victorian secretary of the United Voice union, Jess Walsh, has outlined what was at stake for her members in respect of these arrangements and also for so many others in Australia. I quote Jess:

Members of United Voice rely on overnight and weekend pay rates. Nationally, more than 4.5 million Australians are in industries where these rates apply. For many of our members, these soon-to-be-tradeable pay rates make up one-quarter of their income. Their work is essential to our community but they are paid relatively poorly, often with a base pay of less than $40,000 a year. So let us be clear: these are not affluent people. They work around the clock, and the very night and weekend shift loadings that they rely on to pay the mortgage and buy groceries and other staples of life are up for grabs.

Flexibility can be a win-win for employers and employees. Indeed, the fair work review expert panel cited data that demonstrates the majority of present enterprise arrangements already provide as much, if not more, flexibility than provided by the 'model flexibility term'—a term that government is seeking now to legislate to insert into all agreements. The amendments proposed by this government in relation to IFAs reinforce why, when it comes to the Liberal Party and workplace relations, the devil is always in the detail. The government is unreasonably proposing that key safeguards be abandoned when it comes to what can be traded away in an IFA. While the relevant expert panel recommendation says that if a non-monetary benefit is being traded for a monetary benefit, the value of the monetary forgone must be relatively insignificant and the value of the non-monetary benefit proportionate. Despite this clear prescription, 'relative insignificance' and 'proportion' are concepts which are missing from the bill which is before us. That the full recommendation is missing is an alarming reflection of this government's approach to workplace relations and probably reveals the genuine intention behind the construction of this important and troublesome provision.

The government has also included a requirement for employees to provide their employers with what it has misleadingly labelled a 'genuine needs' statement. This statement is intended to capture an employee's state of mind at the time the IFA is agreed to. The government has tried to pass this off as an employee safeguard, but what it really does is provide employers with a deferred defence to any future claim to the effect that it has contravened a flexibility term. The Fair Work Act Review panel did recommend the act be amended to provide a defence to alleged contravention of flexibility, but the proposed amendment is not in the spirit of that recommendation. This bill goes beyond the panel's recommendations and much, much further than the coalition's disingenuous election policy. It is a breach of faith with the Australian people at large and particularly for those working families who depend on penalty rates.

The member for Charlton in his contribution talked a bit about flexibility—a contribution that took us through the evidence in this regard and made clear that the case for change, as set
out in this bill, has not been made. Before the election, the coalition flagged a requirement for the Fair Work Commission to be satisfied that parties had considered ways to improve productivity before approving an enterprise agreement. The coalition's policy document said it would task the Productivity Commission with undertaking a thorough analysis of the laws and the impact they have. Given this interest in productivity, I read with interest a recent speech by Phillip Lowe, Deputy Governor at the Reserve Bank, at the Sydney Institute—a hotbed of socialism—about demographics, productivity and innovation. Productivity growth is something that I would like to think all of us in this place support. It is how we can collectively increase living standards in Australia. In his speech, Mr Lowe described the challenges and opportunities for Australia in this area. He stated:

Improvements in productivity require existing resources to be used more efficiently … So if we are to improve efficiency and advance technology then innovation is required …

This means there is likely to be more of a premium on getting policies right in some key areas … These measures include:

- The way in which we finance innovation …
- The incentives for innovation …
- The way we support human capital accumulation and research.
- Our business culture and the way we promote and support entrepreneurship.
- The way in which we promote competition in our markets, for it is often competition, or the threat of it, that is the driver of innovation.

Noticeably, one supposed threat to, or solution for, increasing productivity that Mr Lowe did not observe was penalty rates or employees' rights at work. It gives the lie to the coalition's grand claim that things like penalty rates somehow impede productivity in Australia. The Howard government made the same untruthful claim when it introduced Work Choices. It was claimed that it would increase productivity; of course, it did no such thing. There is a role for government in enacting a productivity agenda, just as there is in protecting people's rights at work, but it is a positive role that supports people; it does not undermine them.

I turn very briefly to the provisions in relation to greenfield sites and simply observe that this bill goes beyond the review in two important respects. The three-month termination period provided for is inconsistent with recommendation 30 of the expert panel and clearly tilts the balance too far in favour of employers. Further, there are simply no incentives for employers to bargain under the provisions as set out. This is effectively attempting to exclude unions—diminishing rights in deference to ideology.

Lastly, there is right of entry. As the member for Gorton has already stated, Labor's view is that employees should be free to join or not join a union, if they so wish. The right for employees to organise and be represented is a basic freedom that should be respected. The provisions here do not do that. They go beyond the expert panel's recommendations and are clearly intended to exclude unions and restrict industrial rights. I am committed to opposing the bill in this place and in the community.

Mr FLETCHER (Bradfield—Parliamentary Secretary to the Minister for Communications) (13:28): I am very pleased to rise to speak on the Fair Work Amendment Bill 2014. This is an important bill, which will restore certainty in the workplace relations
system and balance the needs of employers and employees. It is a bill which amends the Fair Work Act 2009 and gives effect to a number of the government's commitments made in the coalition's policy to improve the fair work laws. It includes a range of measures which are vital to ensuring that Australian workplaces can operate as productively and effectively as possible in the immediate term.

I wish to cover three points in the time that is available to me today. The first point is that Labor took the workplace relations environment back to the 1970s. This was a payback by the Rudd-Gillard-Rudd governments to their union mates. The second point is that this is a productivity and efficiency issue for our nation. Indeed, as the previous speaker observed, the importance of productivity is something that those of us on all sides of the House can agree on and that is one of the reasons why we are so committed to these measures; it is with a view to improving Australia's productivity. The third point is that the coalition made clear and explicit promises in our policy in this area before the election, and we are now acting, consistent with our policy, to implement our promises.

**The DEPUTY SPEAKER (Hon. BC Scott):** Order! The debate is interrupted in accordance with standing order 43. The debate may be resumed at a later hour, and the parliamentary secretary will have leave to continue his remarks when the debate is resumed.

**STATEMENTS BY MEMBERS**

**Petition: Citizenship**

Mr PERRETT (Moreton) (13:30): I table a petition that has been through the Standing Committee on Petitions regarding the permanent residency of Ms Eunsil, or Chloe, Park. The principal petitioner is Mark Illingworth.

The petition read as follows—

To The Honourable The Speaker and Members of the House of Representatives

This petition is from persons who reside in the Federal Electorates of Moreton and Forde and surrounding areas.

Draws to the attention of the House: That a Korean mother, Ms Eunsil (Chloe) Park and five year old Australian citizen daughter, Ari Illingworth, are being forced to separate because the Department of Immigration and Border Protection is deporting the Mother on 5th June 2014. It is not in the interest of the child to remain here in Australia without her mother, nor for the child to be made live in a strange country (Korea) as a non-citizen.

The mother has been in Australia for eight years and has been gainfully employed for three years, paying taxes and bills, while integrating into Australian society. The interests of the child are not served unless the mother and child remain together in Australia as a family.

The undersigned, therefore ask the House of Representatives to: Support granting permanent Australian residency to Ari's Korean Mother, thus keeping the family together here in Australia and giving this five year old the opportunity she is entitled to as an Australian citizen.

Further: If the House is serious about its commitment of caring for its people and in the interest of the people and in this case a loving Mother and Australian born child, then it must support this petition to grant permanent Australian residency. We have until the 30th May 2014 for commonsense to prevail.

from 1,684 citizens

Petition received.
Mr PERRETT: The story here is one that has been covered in *The Courier Mail* and also on the front page of my local *Quest* papers. This is a joint ticket petition put forward by me and the member for Forde. The member for Forde's constituent is Mark Illingworth, the grandfather of Ari. Ari and her mother, Chloe, live in my electorate of Moreton. Chloe is a Korean mother who had a relationship with Mark Illingworth's son. Unfortunately that relationship ended. Ari is their child. They are not married. Chloe was going to be deported and obviously Ari would go to Korea even though she is an Australian citizen. We are asking the immigration minister Scott Morrison to consider their request to let Ari's mother stay in Australia and be granted permanent Australian residency.

**Corangamite Electorate: Belmont Lions Sports Club**

Ms HENDERSON (Corangamite) (13:31): I rise to pay tribute to the Belmont Lions football and netball club, one of the many wonderful sporting clubs in my electorate of Corangamite. Last weekend it was my honour to officially open the new competition netball court and a second half court at Winter Reserve in Belmont. After a long battle, the netballers have finally got the court they deserve. Our government provided $130,000 of funding through the Community Infrastructure Grants Program. I also wish to acknowledge the contribution of other key stakeholders—$41,000 from the Geelong and District Football League and $55,000 from the City of Greater Geelong. The facilities also include fencing, a coach and scorers' shelter, and landscaping. Importantly, players now have a top-class facility and will no longer have to cross the road to Oberon High School, which was less than ideal. As a former netballer myself, I am very keen to ensure that netballers have the facilities they need. Belmont Lions still needs a women's change room. That is something I am fighting for and something which the Geelong Liberal candidate, Paula Kontelj, is fighting very hard for as well.

I wish to acknowledge the work of President Mal Smith and his committee, as well as netball manager, Madge Anderton, who have worked so hard to realise their dream. We are investing in many important projects and I am very proud to be supporting the Belmont Lions football and netball club.

**Budget**

Mr GILES (Scullin) (13:33): Last week in my electorate I was approached by a number of constituents who were incredulous at the prospect of a GP tax being imposed by this government. I was unable to offer them any reassurance, despite the promise made before the election of no cuts to health. Sadly, my scepticism of this government's true intentions in relation to health were founded.

Today the electorate of Scullin has the highest bulk-billing rate in Victoria. I am very proud of that. The people in Scullin are getting the primary health care they deserve. But what about tomorrow? This from a government that talks of intergenerational equity. When it comes to the budgetary decision of this government relating to health, I think of the impact on The Northern Hospital—a 'flick pass' to the states—and I think about the dismantling of our Medicare local that is doing so much to improve primary healthcare outcomes.

The Treasurer has spoken about values being more important than figures in this budget. The values message here is all too clear—if you are poor, do not get sick. Everyone should think before seeking health care. This is a cruel budget in the area of health, as elsewhere—a
triumph of ideology that is contemptuous of the health and wellbeing of the people of Scullin. The broken promise is only part of this problem. The cost to our community of ending universal health care will be vast.

**Deakin Electorate: Croydon RSL**

**Mr SUKKAR** (Deakin) (13:34): I rise today to acknowledge a significant milestone for an important community group in my electorate of Deakin. The Croydon RSL Sub-branch yesterday celebrated 90 years of operation. The RSL has about 170 members and is ably led by President Sam Berrie and his committee, including Vice-President Jim Lamb, Secretary Frank Bibby and Treasurer John Woolhouse.

I had the great honour in taking part in Croydon RSL’s Anzac Sunday march and memorial service earlier this year. The RSL does an extraordinary job of involving the community on important occasions such as Anzac Day and Remembrance Day, where the sacrifices of our local servicemen in the Deakin electorate are recognised and remembered. The RSL also plays an invaluable role every day in our community. It provides pastoral care to our veterans, including those from recent conflicts in Iraq and Afghanistan. It fundraises for charities and other community groups and has raised more than $1 million over the past decade—a really outstanding effort. It also opens its club rooms to anyone who drops in for a chat, including me, on a regular basis. I congratulate the Croydon RSL members on this special anniversary and sincerely thank them for their immense contribution to the Deakin electorate.

**Budget**

**Mr CONROY** (Charlton) (13:36): This budget is brutal for the Hunter region. It will have a significant and far-reaching impact on the delivery of health services across the whole of the Hunter. In February this year we celebrated the 30th anniversary of the introduction of Medicare, Australia’s universal healthcare system. It is a damning indictment on this government that, as we mark this anniversary, in this budget they have demonstrated that they are intent on abolishing it. The universal provision of health care based on need—not ability to pay—is a hallmark of a decent and civilised society. The Liberal Party have never believed in universal health care and with the introduction of the GP tax, they will no longer see it in Australia.

Before the last election the Prime Minister promised there would be no new taxes and no cuts to health. On Tuesday night the government broke these promises and introduced a $7 visit GP tax.

In my electorate of Charlton, 82 per cent of medical services are bulk-billed. This means that Mr Abbott and Mr Hockey are costing the residents of Charlton nearly $6 million a year because of their broken promise. We also have the John Hunter Hospital, which is the largest hospital between Sydney and Brisbane and the only trauma hospital. The John will be severely impacted by the shift of people who cannot afford to go to GPs and will now clog up its emergency wards. What is even worse, we have seen $3 billion of cuts to hospitals in the budget, and possibly even more as part of the $80 billion cuts. This is a government that does not care about health and does not care about sick people. The residents of Charlton will suffer because of that.
Mr VARVARIS (Barton) (13:37): I rise to inform the House of my recent opening of Wesley Hospital's Kogarah clinical education facility with the Wesley Mission CEO, the Reverend Dr Keith Garner. Wesley Mission has been an integral part of Sydney's southern suburbs for more than 50 years. It provides crucial amenities, such as counselling, mental health services and a private psychiatric hospital at Kogarah, in the electorate of Barton.

The issue of mental health is one of medical and community concern. Unfortunately, the number of mental health sufferers is on the rise and, despite concerted efforts for community awareness and service provisions, demand is not always met with supply. Wesley Mission is acutely aware of this and that the appetite for mental health service delivery can only be met with an increase in appropriate mental health professionals and allied health workers. I am immensely proud that Kogarah now has a dedicated education facility, purpose-built to facilitate the training and development of dedicated mental health workers. The funding was granted by the Commonwealth Department of Health and is an appropriate remedy to address foreseeable future health dilemmas—one of which our former Prime Minister the Hon. John Howard would have been proud, through his longstanding relationship with Wesley Mission.

Demand for training with adequate facilities can be difficult to access, so the opening of Wesley Mission's Kogarah clinical education facility provides an exciting opportunity for students to gain valuable insight in a practical environment. This is the necessary beginning in addressing expected growth in mental health needs as our population increases. (Time expired)

Budget

Ms MacTIERNAN (Perth) (13:39): It is pretty clear that the Treasurer just does not understand the financial reality of many Australian lives. Yesterday, he justified removing family tax benefit B once the youngest child turns six, saying it is not the role of government to support stay-at-home mothers. Yet, many recipients of family tax benefit B are single parents working full-time.

A young woman from my electorate contacted me this morning to explain the impact of this budget on her family. She says:

I am a single mother of three who is employed full-time, therefore not relying on benefits other than the Family Tax Benefit and child care concessions.

However my work is on rolling contracts and so I am only ever one step away from unemployment and poverty. This amount helps me, as a single parent on less than the average wage, to save money for emergencies or potential job loss.

Additionally, the increase in interest on HECS debt impacts on women unfairly. As the primary carer for my children I watched as my ex-partner repaid his HECS debt with salary earned whilst I raised our children. At 31, I have only just begun to pay mine and on an income of 60 thousand per annum, will be doing so for many years to come.

Treasurer, you need to understand that many people getting family tax benefit B are hardworking but need help to provide their families.

Dobell Electorate: Surf Lifesaving

Mrs McNAMARA (Dobell) (13:41): On Sunday, 27 April 2014, Surf Life Saving Central Coast volunteers lowered the flags, ending the 2013-14 patrol season. This season saw Surf
Life Saving Central Coast celebrate its 75th anniversary with record-breaking achievements. Over 95,000 hours were amassed by volunteers as they patrolled the Central Coast's magnificent beaches. Across the Central Coast, 582 lives were saved, 33,816 beachgoers were prevented from getting into trouble and no lives were lost at our patrolled beaches. This is an incredible achievement well worth acknowledgement.

This week, as we acknowledge National Volunteer Week, the red and yellow army of volunteers has demonstrated through its commitment and dedication why surf-lifesaving is regarded as Australia's pre-eminent volunteer association. Thank you to the numerous volunteers who have given their time over this past summer. Without their commitment on Saturday and Sunday mornings, the face of the Australian summer and the joy of beachgoers could be drastically different. I would like to give particular thanks to Surf Life Saving Central Coast president Stuart Harvey and his board, along with CEO Chris Parker and his team for their tireless work and dedication. Surf Life Saving Central Coast will now prepare for the 2014-15 season, reminding beachgoers that whilst the flags are down we all need to remain vigilant and safe during the winter season.

Budget

Ms BRODTMANN (Canberra) (13:42): 'We want to end the funding uncertainty for schools.' This was the promise of those opposite prior to the election. 'You can vote Liberal or Labor and you will get exactly the same amount of funding for your school.' Those were the words of the now Minister for Education. 'No cuts to education,' they said. Now, those opposite are trying to tell Australians that they only ever meant to end the funding uncertainty on a temporary basis. They only meant to guarantee schools would get exactly the same amount of funding in the short term. Well, Australians are not buying it.

Prior to the election, the coalition wilfully deceived Australians by saying they were on an 'absolute unity ticket' with Labor when it came to Gonski. But, in Tuesday night's budget of broken promises, we saw that at the very first opportunity they have walked away from that promise. The Gonski reforms were the most comprehensive education review in 40 years. They came about after years of lobbying, advocacy and research by the education sector. They had the support of teachers, principals, parents, students, states and territories. They were supported by the Catholic sector, the independent sector and the public sector. Australians will not stand idly by and watch them get thrown on the scrap heap.

From the conversations that I have had with Canberrans in the last few days, I know that they are absolutely outraged by this betrayal and will not stand for it. Australians want Gonski reforms not just for four years but permanently. (Time expired)

Robertson Electorate: Employment

Mrs WICKS (Robertson) (13:44): The coalition government is investing in my electorate of Robertson in a significant way, with 600 Commonwealth jobs to be located in the Gosford CBD. This is a game changer for the Central Coast. We are doubling the number of Commonwealth jobs that we said we would relocate to Gosford in our growth plan from 300 to 600. These 600 jobs, with the Australian Taxation Office making up around half of this number, will, in turn, help to drive even more activities for local cafes, local restaurants and local businesses. In a region with tens of thousands of commuters who leave early in the morning and return home late at night to their families, this is welcome news. Local graduates
will also be able to benefit from the opportunities that ATO graduate programs provide. Planning for the purpose-built facility in the Gosford CBD has already started. We want this to happen as soon as possible. Having a Commonwealth agency as a tenant in Gosford boosts investment and provides secondary employment through increased economic activity. It could also help create jobs in its construction phase.

I am proud of this budget and I am proud of this government. We are addressing one of the biggest issues we face on the Central Coast—the need for more jobs. Six hundred new jobs is a game-changer. It will help build a strong, prosperous future for a region I am passionate about and will continue fighting for.

**Education Funding**

Ms RYAN (Lalor—Opposition Whip) (13:45): At this time last year, in the staff room of the school where I was principal and in staffroom conversations across sectors and across the country, Gonski funding was on the horizon and the optimism was palpable. We were excited the education debate had been so deep. The national partnerships had made a difference. Student outcomes were improving. The focus was on every student in every school achieving their potential and we hoped this great work would continue. During the election campaign we were reassured by the member for Sturt when he said there was a unity ticket for school funding. This morning the picture is different, especially for Victorian schools. Today, I feel for every school principal and every school council president. I suspect the conversations are now very different: what does it mean for stage II of the building program; what will the future hold for the school budget; are we going to be able to keep the literacy specialist; will there be funding for students with a learning disability; will we need to axe programs; can the parents contribute more; how many fundraisers can we have?

The Gonski funding review was undertaken in a deep and measured way. It was sector-blind and student-focused. It showed a way forward. Last week's Victorian budget was silent on Gonski and this week's federal budget just rips money away. It is all bad news and, worse still, there is no certainty. This is a budget of broken promises and twisted priorities. For Victorian schools this is a budget of broken dreams. *(Time expired)*

**Turkey: Mining Tragedy**

Mr LAUNDY (Reid) (13:47): I rise to add my voice to the chorus of voices around the world talking about the tragedy that is unfolding in the Soma mine in western Turkey. I note that the member for Kingsford-Smith spoke on this yesterday. At least 274 people are dead in Turkey's worst-ever industrial disaster. My thoughts and prayers are with the families and friends of those people, Turkey's 77 million people, my Turkish community in Reid and all Australians of Turkish descent. As we turn our minds to next year's Anzac celebrations, we know we have a wonderful relationship with this wonderful country, forged originally in warfare. I would ask everyone in this chamber and around the world to turn their minds to the families and friends of those caught up in this disaster at this most horrible time of their need.

**University of Newcastle**

Ms CLAYDON (Newcastle) (13:48): I rise to pay tribute to the University of Newcastle and congratulate them on the recent announcement that they have become the No. 1 ranked university under 50 years of age in Australia. This represents a continuation of their recent trajectory up the rankings and they are now ranked 28th in the world. Equity of access to
higher education is a fundamental part of the University of Newcastle's DNA. It is reflected in their institutional values and demonstrated in their range of education programs based on students' ability, not on students' family history or the size of their wallets. The University of Newcastle rightly prides itself on its ability to deliver excellence in tandem with equity and not in spite of it. The university presently has the highest number of students enrolled in enabling programs of any Australian university. These are programs that support people into higher education through non-traditional pathways.

This government's $5 billion attack on higher education in the budget, including a $170 million cut to equity programs and the proposed deregulation of fees, will hit regional universities, like Newcastle, and their student body hard. Low-income, female and rural and regional students and their families will be hardest hit by these cuts, as they are made to shoulder a larger burden of university costs. These changes create obstacles. It is excellence and equity that we need in higher education. (Time expired)

Higher Education

Mrs PRENTICE (Ryan) (13:49): I am proud to rise on this side of the chamber in support of the biggest education reform in 30 years. The government's higher education reform will expand opportunities for all students, including those in the gallery this afternoon. In an increasingly competitive environment, Australia's universities cannot afford to stand still. We need to do more now to keep up with the rest of the world. Deregulating our universities will give them the opportunity to compete with the established universities of the United States and Europe.

The government is introducing a scheme where one dollar of every five dollars of additional revenue raised by higher education providers will fund the government's largest ever Commonwealth scholarships program in the nation's history. These reforms will allow students who usually would not have access to a university degree or an apprenticeship to study for a degree or to learn a trade, increasing their earning capabilities and their potential for long-term employment. Students who achieve a lower tertiary entry rank will have the opportunity to access higher education through alternative pathways, such as diplomas or associate degrees, which are now uncapped. The best part is that, with the Higher Education Loan Program, students do not have to pay a single dollar up-front.

War on the Wharves Fundraising Event

Mr THISTLETHWAITE (Kingsford Smith) (13:51): I wish to congratulate the members and delegates of the Maritime Union of Australia for holding the third annual War on the Wharves on 9 April at Souths Juniors in my electorate. The War on the Wharves is an annual boxing tournament in which Aussie wharfies take on their New Zealand counterparts in 10 bouts over three rounds across various weight divisions, to raise money for the Sydney Children's Hospital. This year the event raised $40,000 for much-needed equipment at the hospital. This is the third time that the War on the Wharves event has been run and in total, over three years, the event has raised $140,000 for Sydney Children's Hospital.

I am happy to say our Aussie pugilists got the better of their Kiwi brothers, winning most of the bouts on the night—although the score was not kept. There was much goodwill and the bouts were well supervised by the doctor, under amateur rules. I congratulate the Maritime Union of New Zealand for supporting the event. Many of their members flew over to support
their comrades and raise money for a great organisation in our community. The event was completely organised and run by the rank-and-file members of the Maritime Union of Australia. They put in a lot of work. I congratulate the MUA and the Maritime Union of New Zealand.

Casey Electorate: Gladysdale Primary School

Mr TONY SMITH (Casey) (13:52): On Sunday, 4 May I had the pleasure of attending the Gladysdale Primary School annual festival. It was the 30th anniversary of their annual festival, a festival which raises money for the school. It was a great community event with many stalls run by local businesses, parents, past parents and teachers, who all combined to raise $12,000, which will be used for new play equipment and reversible basketball rings. I want to pay tribute to the principal, Mr John Shackleton, to all of the teachers and to the school council, who put in so much work in trying conditions—freezing cold weather in the heart of the Yarra Valley on that Sunday morning—to bring about a successful festival again this year.

It was also a great community-building event. There were a number of competitions. I make mention of the winners of the scarecrow competition, Amy Knight and Maddy Bennett, who took out first prize with their pink-themed scarecrow. This was part of their ongoing campaign to raise money for breast cancer research and they donated their $100 prize to that cause as they continue their fundraising throughout the course of the year.

Bendigo Electorate: Hospitals

Ms CHESTERS (Bendigo) (13:54): Earlier the member for Corangamite mentioned in her speech the Liberal-National candidate for the state election. I am glad that she has brought up the coming Victoria state election, because the question today is: how will the Victorian government make up the $80 billion shortfall that this government has created in cuts to health and education? For the Liberal government of the state of Victoria, the question will now be: will they increase taxes or will they make further cuts to our hospital and education system? Fifty billion dollars worth of cuts have been made to the health system by this government in its budget, including $1 billion from Victorian hospitals. In my electorate of Bendigo that means at least half a million dollars in cuts from Bendigo Health right now. Next financial year, it will mean $3.2 million is cut from the Bendigo hospital.

The Prime Minister stood in front of the Bendigo hospital in September 2012 and did not mention once that when he was the Prime Minister he would cut funding from that hospital. That is what he has done. It is another broken promise to the people of Bendigo and a broken promise to the people of Victoria.

Australian War Memorial

Mr WYATT (Hasluck) (13:55): Last week a constituent of mine asked me to deliver a collection of war memorabilia to the Australian War Memorial to contribute to its extensive collection. These items from World War I provide a unique insight into just one life that contributed to the war effort. I am pleased to say that I will be taking these items to the Australian War Memorial during the next sitting week so that they can be preserved and can contribute to our collective national history of the service that so many Australians gave during wartime.
With the Centenary of ANZAC approaching, I urge all Australians to look into their ancestry and discover, learn and celebrate our collective national history. I also encourage all Australians to consider donating their war memorabilia to the Australian War Memorial. Now is the perfect time to learn about our history and teach our children and grandchildren about our shared successes and, of course, shared losses. Many families have wartime memorabilia that has been passed down from generation to generation. This is important.

During the lead-up to the Centenary of ANZAC I will be highlighting local stories of relatives in Hasluck who have contributed to the war effort. I will be doing this through the local media in Hasluck and through my social networks, with the aim of compiling a collection of stories that can commemorate the centenary in a very small but local and personal way.

**Landcare**

Mr FITZGIBBON (Hunter) (13:57): There was so much unnecessary bad news in the Abbott government's first budget that it has not been possible for the media to cover every detail. One of the less-publicised details was the $480 million cut to Landcare. This cut is a very bad mistake. As members know, Landcare is made up of thousands of community based groups who care for the natural resources of our country. More than 40 per cent of our farmers are formally involved in Landcare and many more practise Landcare farming techniques. Together they battle soil salinity and erosion, deploying sound land management practices. Each year they plant millions of native trees, shrubs and grasses for a range of benefits, including improved soil and water quality.

To capitalise on the Asia-led dining boom and to lift farm-gate profitability, we will need to significantly lift productivity and output in the farm sector. Better managing our natural resources is a key to achieving that objective. That is why I cannot understand why the minister has left natural resource sustainability out of the terms of reference for his white paper. This ill-conceived budget decision is a bad mistake and, for the sake of our farmers, our economy and the environment, it should be reversed. I do not want to hear, 'We will use the green army to do this very complex resource security work.' A happy 25th anniversary to Landcare this week it is not, Prime Minister.

**Bass Electorate: Mountain Bike Trails**

Mr NIKOLIC (Bass) (13:58): Mountain biking is an increasingly popular sport in Australia and around the world. Over 25,000 tourists each year come to Tasmania and partake in some form of cycling. This demonstrates the potential of a world-class mountain bike trail in attracting this willing tourist audience. I can inform the House that a government commitment of $2.5 million has enabled construction to commence on just such a world-class track in my electorate. I thank the Dorset Council for working with me in recent years to ensure this exciting project is realised.

This venture will see nearly 80 kilometres of mountain bike habitat established through a beautiful landscape near Derby and the Blue Tiers. It is a project designed to attract increased visitor numbers and to create local jobs in a region that has been hit too hard by the downsizing of the Tasmanian forestry industry.

I visited the site recently and can report construction has commenced. I walked a few kilometres of the first stage with the Mayor of Dorset, Barry Jarvis. I note that the company
building it has previously designed over 250 tracks in 18 countries, including Olympic, world championship and world cup tracks. Stage 1 is due for completion this October, and we hope the trails will be used for the prestigious annual Blue Dragon endurance event in early 2015.

So, for all those mountain bike enthusiasts out there, please put the mountain bike trails in North-East Tasmania on your must-do list.

The SPEAKER: It being 2pm, in accordance with standing order 43, the time for members statements has concluded.

MINISTERIAL ARRANGEMENTS

Mr ABBOTT (Warringah—Prime Minister) (14:00): I inform the House that the Assistant Minister For Defence will be absent from question time today, representing the government at a ceremony to present a Governor-General's Banner at RAAF Base Richmond. The Minister for Foreign Affairs will answer questions on his behalf.

QUESTIONS WITHOUT NOTICE

Budget

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:00): My question is to the Prime Minister. Now that both the Treasurer and former Prime Minister Howard have admitted that there are tax increases in the budget, will the Prime Minister show some spine and own up to the worst kept broken promises in Australian budget history? Will the Prime Minister apologise to the Australian people for breaking his promises on tax increases?

Mr ABBOTT (Warringah—Prime Minister) (14:01): This is a budget which is faithful to the commitments that this government made to the Australian people, at the election. As a result of decisions made by this government, the overall tax burden reduces by $5.7 billion dollars.

Mrs McNAMARA (Dobell) (14:01): My question is to the Prime Minister. How does the budget demonstrate that the government is delivering on its commitment in a fair and responsible way?

Mr ABBOTT (Warringah—Prime Minister) (14:02): I thank the member for Dobell for her question and for the way that she represents the decent, aspirational people of the Central Coast, who do understand that governments, like families and businesses, have to live within their means. This is why this country could not go on as it had under the Labor Party. This is why this government is refusing to put our nation's mortgage on the credit card, as the Labor Party had been doing for far too long.

Unaffordable payments with borrowed money necessarily have to be reined back. This is a tough budget. This is not a tough budget because this government wanted it to be tough; it is a tough budget because it needs to be tough to deal with Labor's debt and deficit disaster. The Treasurer has quite rightly described this as a 'contribute and build' budget. Everyone will contribute and will benefit from the stronger economy that this budget will create.

This budget is not about the political convenience of this government, it is about the long-term strength of the Australian economy. As I said, everyone will contribute. High-income earners will contribute through the deficit levy, members of parliament will contribute through the pay freeze and everyone will contribute through fuel excise indexation.
This is not just a budget for saving; this is a budget for building, a budget for nation building. There is the biggest infrastructure spend in the history of the Commonwealth. There is a world-leading medical research fund to give us the treatments and cures of the future and there are innovative trade support loans to ensure that the decent working people of this country get a good start in their working life. Back in 1996, an earlier coalition government brought in a budget that was tough but fair and would set up this country for a decade of prosperity, and this government's budget is a budget in that proud tradition.

Pensions and Benefits

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:05): My question is to the Prime Minister. Yesterday, the Deputy Prime Minister told The Conservative Breakfast Club that retirees were using their retirement savings to enjoy a few cruises and the luxuries of life for a few years until the money runs out, and then fall back on the age pension. Prime Minister, Australia's pensioners have worked hard and contributed their whole life. Does the Prime Minister agree that Australia's pensioners are living in luxury?

Mr ABBOTT (Warringah—Prime Minister) (14:06): I deeply respect all of the people who have built this nation. Today's elderly have built this nation, and they deserve the respect of our people and of this parliament. The best and most compassionate thing that we can do for the pensioners of Australia is make the pension sustainable for the long term, and that is exactly what this government has done.

Budget

Mr LAUNDY (Reid) (14:06): My question is to the Treasurer. Will the Treasurer outline the importance of reducing debt and deficits? How will making the budget sustainable help my constituents in Reid?

Mr HOCKEY (North Sydney—The Treasurer) (14:07): I know the member for Reid has been most concerned about the level of debt that has been handed to the Australian people by the Labor Party. He has often used the line that we are now borrowing to pay the interest on that debt, and he is absolutely right, because in their first five years in office Labor delivered $191 billion in deficits and they left a legacy going forward of $123 billion of deficits, but the budget was never getting to surplus. And they left debt of $667 billion. That is quite amazing.

In his budget reply speech last year the now Prime Minister identified $5 billion a year in savings to help repair the budget. He had the courage to stand up here in the budget in-reply speech, just as the Leader of the Opposition is going to do tonight, and he said, 'There is a budget emergency. Let's put $5 billion a year of savings on the table.' We said that before the election to prove we were so concerned about the legacy of Labor, involving debt and deficits. We were up-front with the Australian people right here. Now, tonight—

Opposition members interjecting—

The SPEAKER: The Treasurer has taken his seat for a very particular reason, which is that the level of noise was far out of control.

Mr Burke: I rise on a point of order. I appreciate the ruling you made when the noise was interjections, but when people are laughing at the Treasurer, because he has completely mischaracterised—

The SPEAKER: There is no point of order.
Mr HOCKEY: I am so pleased the member for Watson just interjected, because I was looking at his comments last night on TV, where he said, 'We had a spending growth cap of two per cent in place. We had actually observed better than that. We had a cap in spending.' I went back and I heard him say that in fact their spending cap was just over one per cent. I thought: hang on, that is not right. How did he get 1.35 per cent over four years? It was because he left out the fifth year, which had 12 per cent growth. How did that happen? So Labor had this artificial cap at two per cent, which in fact they never met.

Opposition members interjecting—

The SPEAKER: The member for Parramatta will desist.

Mr HOCKEY: They said, 'Going forward, don't worry Australia, it is a two per cent cap.' But, in fact, going forward they left a 3.7 per cent cap. That is a $220 billion mistake. I say to the Labor Party: we know you are walking away from reality, but tonight the Leader of the Opposition has to be frank with the Australian people not just about his legacy but about what he is going to do.

Pensions and Benefits

Ms PLIBERSEK (Sydney—Deputy Leader of the Opposition) (14:10): My question is to the Prime Minister. Before the election the Prime Minister promised there would be no change to pensions. Why is it fair for pensioners to have their pensions cut because of the Prime Minister's broken promise while at the same time wealthy families are paid $50,000 to have a baby?

Mr Hockey interjecting—

Mr Burke: I rise concerning the interjection from the Treasurer using words that you previously asked us to withdraw.

Mr Hockey: I withdraw 'untrue'.

Mr ABBOTT (Warringah—Prime Minister) (14:11): The Deputy Leader of the Opposition's question is simply false. There is a statement in her question that is simply false. We are not cutting pensions.

Opposition members interjecting—

The SPEAKER: The Prime Minister will resume his seat. This is question time and you have asked a serious question and you are expecting a serious answer. I would ask for silence so that the Prime Minister can give that answer.

Mr ABBOTT: We are not cutting pensions. But after the next election we are proposing to change the method of indexation for pensions. That is what we are proposing to do after the next election.

Mr Champion: Is the indexation going up or down?

The SPEAKER: The member for Wakefield is warned.

Mr ABBOTT: I will be absolutely candid with members opposite. What we did in this budget was demonstrate our plan to clean up Labor's mess. And, yes, it is a tough plan. A lot of people will not like it. But what people understand is that there is no easy way to fix Labor's debt and deficit disaster. Our budget is our plan to clean up Labor's debt and deficit disaster. What we want from the Leader of the Opposition tonight is his plan to clean up the
mess he created. If he cannot offer us that plan he just demonstrates the fact that he is simply unworthy of high office.

Ms Macklin: I seek leave to table page 203 of the budget papers to show—

The SPEAKER: That is not a point of order and the member will resume her seat.

Mr Burke: Madam Speaker, I rise on a point of order. The member for Jagajaga did not seek to raise a point of order. She sought leave to table a document, which is completely within the standing orders.

The SPEAKER: Not to seek the call.

Mr Burke: At the end of an answer you can seek the call to table a document.

The SPEAKER: As far as I was aware the question was still being answered.

Mr Pyne: The Manager of Opposition Business might like to review the rules surrounding the tabling of documents, because the usual practice in the past has been that the person who asks the question is entitled to ask at the end of that question to table a document. It is not usual for any member in the House to stand to seek leave to table a document unless they were the questioner. That is how Speaker Jenkins ruled in the parliament from 2007 to 2010, it is the rule that we stood by as an opposition, and that is how it should be applied in this parliament.

The SPEAKER: I thank the Leader of the House for his point. In relation to the member for Jagajaga, the Manager of Opposition Business was using an interpretation of the standing orders which—he is quite right—has not been used by former Speakers, but it is capable of that interpretation. But at the moment we will uphold the former rulings by former Speakers. However, I am not making a ruling on this point now.

Mr Albanese: Since I have been in this chamber, former Speakers have certainly not made that ruling; they have allowed people to attempt to seek leave. In fact, I used to have to respond all the time—including to the current Leader of the House.

The SPEAKER: We will have a look at the precedents. I said the standing order is capable of being interpreted either way. I will have a look at the precedents and I will make a decision one way or the other. At the moment we will proceed with question time.

Employment

Ms McGOWAN (Indi) (14:16): Lives of young people in the country are different from those in the city. For example, in Indi, on average, families earn 20 per cent less; there is poor public transport, mobile phone and internet coverage; access to higher education is limited; and youth unemployment is a high 17.5 per cent. How have these realities for young people aged under 30 living in rural and regional Australia been factored into the design of the changes to Newstart and Youth Allowance eligibility?

Mr HOCKEY (North Sydney—The Treasurer) (14:16): I thank the honourable member for Indi for her question. She is absolutely right, and that has weighed heavily on our deliberations. I would say to the member for Indi that what you have just said proves that the status quo is not working. The legacy environment provided by the previous government is not working, and that is why we have rising unemployment. In your electorate, that is why—as you say—you have very high youth unemployment. That is why we have put in place mechanisms that on a larger scale are going to stimulate job creation; and the starting point is
to reduce company tax for 800,000 businesses by 1.5 per cent. That is a big step forward. That will help a lot of small- and medium-sized enterprises in your electorate. Secondly, in relation to unemployment, we are giving businesses $10,000 to employ someone over the age of 50 who has been on Newstart or a Disability Support Pension—

Mr Brendan O’Connor interjecting—

The SPEAKER: The member for Gorton is warned.

Mr HOCKEY: for six months. That is about changing the culture of business. In relation to younger people, we are for the first time extending the concessional loans system that is available to university students to people for diploma courses or sub-bachelor degree courses. That is an important step forward, because it treats everyone the same. We are also giving anyone who undertakes an apprenticeship a $20,000 loan during the course of that apprenticeship to help them stay in that apprenticeship during the course of their work.

The fundamental point is that we need people under the age of 30 to earn or learn. What has not worked to date are the legacy policies of the previous government that saw youth unemployment rise and saw the overarching unemployment levels of Australia rise. We left them an unemployment rate of just over four per cent; we inherited an unemployment rate rising to 6¼ per cent. And all the shrieking from Labor cannot make up for the fact that someone has to fix the mess, and we stand ready to do it.

DISTINGUISHED VISITORS

The SPEAKER (14:20): I would like to advise the chamber that we have with us in the gallery today the former member for Hasluck, Mr Stuart Henry. And, more particularly, we have one of the greats of the opera world, Dame Kiri Te Kanawa, and we make her very welcome to this house.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Infrastructure

Mr SUKKAR (Deakin) (14:20): My question is to the Treasurer. Will the Treasurer outline the importance of contributing now to build the infrastructure of the future? And how the East West Link will help employment and opportunity in my electorate of Deakin?

Mr HOCKEY (North Sydney—The Treasurer) (14:20): I thank the member for Deakin for his question. I am going to endeavour to sing a wonderful tune for a brief moment, and that is about our infrastructure commitment in the last budget, which is going to contribute to $125 billion of new productive infrastructure in Australia. We are committing $3 billion to build the East West Link right across Melbourne—a hugely important project. It will reduce travel times by up to 20 minutes for commuters travelling from places such as Geelong and Ballarat to the city—the honourable member would welcome that—and remove 20,000 trucks each day from roads around residential streets. The eastern section is expected to allow around 100,000 vehicles each day to bypass 23 sets of traffic lights. And the western section—this is important, and the Leader of the Opposition might want to listen to this—will provide additional capacity for 100,000 vehicles per day and will provide cross-city alternatives to the already congested eastern Monash and West Gate freeways. The good news is that this actually starts before the end of this year. The work actually starts—the shovels
will start moving—before the end of this year. This is excellent news for Melbourne. It illustrates our commitment to get on with the job. Our political opponents talked a lot about infrastructure but they never actually delivered. We are getting on with it with a $3 billion commitment. I would think that the Leader of the Opposition would be enthusiastically embracing the East West Link project because once upon a time he said:

There are chronic problems in the western suburbs in terms of egress, and I'm keen to see it get better connected … there is a shortage of east-west links.

That was Leader of the Opposition. So I assume he supports our $3 billion commitment to the East West Link project. I assume he supports 6,000 jobs. I assume he supports getting on with the job before Christmas, but I will tell you what he does not support. He does not support people helping to pay for it. We are understandably bewildered at Labor's position on taxes because last week they were opposing the deficit levy; apparently tonight they are supporting it. Today they are opposing the increase in excise on fuel but still they want to have the East West Link. That is Labor on the never-never. Nothing changes.

Budget

Ms MACKLIN (Jagajaga) (14:24): My question is to the Prime Minister. Before the election the Prime Minister promised to reduce cost-of-living pressures on Australian families. A single income family earning $95,000 with two children will be up to $5,000 worse off each year, including cuts to family tax benefits. Does the Prime Minister agree with John Howard when he said, 'This is, in effect, a tax rise on people in certain income brackets'?

Mr ABBOTT (Warringah—Prime Minister) (14:24): If the shadow minister opposite has a look at tables in the budget documents, she will see that we are continuing to provide generous assistance to families with children. Obviously there are some changes to family tax benefit part B—I accept that. I also accept that former Prime Minister Howard was, as he said today, 'the father of family tax benefit part B'. There are some things that were absolutely right when we had surpluses of $20 billion a year and there are quite different things which are absolutely right when we have deficits of $50 billion a year, and that is what we are dealing with. We are dealing with the debt and deficit disaster that the members opposite created. We are dealing with Labor's debt and deficit disaster. There were some things that were affordable when we had a $20 billion surplus. Those things are now not affordable with the $50 billion deficits—the deficits that this Labor Party has given us.

I want to say that John Howard, to his great credit, made the decisions that were right for his time and this government will make the decisions that are right for our time.

Budget

Mr COULTON (Parkes—The Nationals Chief Whip) (14:26): My question is to the Deputy Prime Minister and Minister for Infrastructure and Regional Development. Will the minister outline how the budget will deliver a stronger and viable future for regional Australia?

Mr TRUSS (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (14:26): The honourable member for Parkes understands full well how important it is to have strong regional economies if we want to have a strong nation. When our country is strong, our regions are strong. Unfortunately, the regions have suffered from the last six years of Labor governments—Labor governments which cared little about
regional Australia. Promises were made, many funded by a mining tax were therefore essentially unfunded because the mining tax did not raise any money. But this budget sets a new path for Australia, a path to deliver a sustainable future for our nation. A significant part of delivering that sustainable future is the investment in infrastructure that the Treasurer has just referred to—a $50 billion Commonwealth contribution towards infrastructure expenditure of at least a $125 billion. This is a commitment that makes a difference everywhere in this country—significantly in our cities where a large number of major projects have been announced, and also in the regional communities.

There is a $2.5 billion commitment in this budget to the Roads to Recovery program, extending the program into the future. In 2015-16, there will be a double payment to local governments across Australia to help them with their road and streets works. In addition to that, there is a $565 million investment to fix dangerous spots on our roads—the accident spots, the black spots—many of which are in regional Australia and in country towns. There is a further $300 million for our new Bridges Renewal Program to fix some of those bridges which are falling apart and can no longer carry heavy loads, preventing the school bus from taking children to school. We will be fixing those projects in consultation with our communities.

We will also be delivering on specific projects in regional communities through our Community Grants program. This includes even picking up some of the projects announced by the previous government which they had not funded, they had not contracted. We are doing the right things for those communities to fix and deliver the projects that Labor had not properly funded. In addition to that, there will be our own $1 billion National Stronger Regions Fund. There is $100 million for mobile phones. We are grateful to the Minister for Communications for getting on with that task of filling in the gaps. We will make sure that regional Australia is back on the agenda and we will be listening tonight to see whether Labor has learned anything about regional Australia in the opposition's budget reply.

Budget

Mr BOWEN (McMahon) (14:30): My question is to the Treasurer. I refer the Treasurer to the Prime Minister's promise that there would be no new taxes under his government. I also refer the Treasurer to his comments this morning that he is astounded that Australians are upset by the $7 dollar GP tax and that this is two middies of beer to go to the doctor. Is it not the case that it is the Australian people who are entitled to be astounded at this government's deceit and arrogance?

Mr HOCKEY (North Sydney—The Treasurer) (14:30): That was not really a question about the policy. That was just a political assertion. I would say to the member for McMahon, if he wants to debate the issue, let us debate the issue. Let us debate the fact that Labor left us with $667 billion of debt—

The SPEAKER: The member for Charlton will desist.

Mr HOCKEY: and $123 billion of deficits. Something needs to be done about it. Let us debate the fact that they left us with rising unemployment and falling terms of trade, and we need to deal with those things. Let us also have a debate about the fact that Labor left locked-in increases in expenditure over the medium term of 3.7 per cent per year above inflation with an economy that is growing at less than three per cent. Let us have a debate about these
things, because they go directly to the quality of life that we are creating for the Australian people. They are the issues that do matter.

Labor has not yet said whether it supports the Medical Research Future Fund, because the only way the Medical Research Future Fund can be created is if there is a co-contribution when people go to visit the doctor. That is because every dollar of savings over the next six years in the health portfolio is going into the Medical Research Future Fund. It is the biggest medical research fund of its kind in the world.

Why we doing this? We are doing this because only through—

Opposition members interjecting—

Mr HOCKEY: cure and discovery are we going to ensure that the health system Australians want and deserve over the next 50 years is going to be delivered. That is, finding a cure for cancer, finding a cure for dementia and finding a cure for Alzheimer's, and the Labor Party does not support that.

Opposition members interjecting—

The SPEAKER: There is too much noise.

Mr HOCKEY: No, they do not. The member for Chifley says that they do not support the medical research that is going to find a cure for cancer, dementia or Alzheimer's. Why? That is because the Labor Party has never, ever paid it forward. They have never invested for the future. They have never understood that if you really want to build something that is going to improve the quality of life of everyday Australians—

The SPEAKER: The member for Rankin will remove himself from the House under the provisions of standing order 94(a).

The member for Rankin then left the chamber.

Mr HOCKEY: you have the start investing now. It is all about the politics. The entire contribution of the political opposition in response to the budget has been about politics—not about economics and not about building a stronger future. All they have to say is the political line. That has been their line for six years. Australians have had enough of it.

Higher Education

Mr HOGAN (Page) (14:33): My question is to the Minister for Education. I refer the minister to this media release by the Regional Universities Network, which:

welcomes the announcement in the Budget of an ambitious program of reform for higher education …

How will these reforms increase opportunity for young Australians in regional areas like my electorate of Page?

The SPEAKER: Before I would call the minister, I would point out to the member for Lalor and members who are sitting in that area of the chamber that it was difficult to hear the question because of the noise that was going on. I would have some silence while we hear the Minister for Education giving a reply. Hopefully he was able to hear the question!

Opposition members interjecting—
The SPEAKER: The member for Charlton will remove himself from the House under the provisions of standing order 94(a).

The member for Charlton then left the chamber.

Mr PYNE (Sturt—Leader of the House and Minister for Education) (14:34): I was fortunate to be able to hear the question from the member for Page. It was very much a better question than the questions that come from the opposition. I am pleased that he was able to refer to the press release from the Regional Universities Network. The chair of the Regional Universities Network, Professor Peter Lee, is the Vice-Chancellor of the Southern Cross University in Lismore, which is in the member for Page's electorate. He went on to say, in response the budget, in relation to higher education reforms:

We are particularly pleased that the Government has decided to keep the demand driven system for bachelor places and extended it to sub-bachelor places. This will assist in providing pathways and lift participation in higher education in regional Australia for less well prepared students.

He also said:

We recognise that, in a deregulated fee environment, the Government has chosen to ensure that scholarships are available for low SES and other students from backgrounds underrepresented in higher education.

I am very pleased that the Regional Universities Network has supported and endorsed the government's approach to this very far-reaching higher education reform.

They recognise that in this higher education reform there are real opportunities for rural and regional students that present themselves, because of the far-reaching reforms that we are bringing about at the university level. Firstly, we are expanding opportunities for students to access, through the demand-driven system, the diploma and associate degrees commonly called sub-bachelor courses. These are found in a higher propensity in regional and rural Australia. They are preparing students that otherwise would find it difficult to pass university degrees, preparing them for university and giving them the opportunity to earn 75 per cent more over a lifetime than they would otherwise earn if they did not go to university. We are removing that cap, giving more students in rural and regional areas the opportunity to go to university.

We are also introducing the biggest Commonwealth scholarship scheme in the history of Australia, which will allow our regional universities, should they wish to do so, to pay bursaries to regional students to pay for their living expenses or rent or whatever else they need to be able to go to university. So we are freeing up the system so there can be new, flexible ways for rural students to get to university. They will also be able to benefit from the Trade Support Loans Program, where $20,000 will be able to be borrowed by apprentices from the taxpayer, to be paid back later in life when they can afford to do so. Finally, we are giving them the freedom to become excellent in the areas that they do best so that they can compete with all universities in Australia and the Asian universities overseas that are getting better and better all the time.

Budget

Mr BOWEN (McMahon) (14:37): My question is to the Treasurer. I refer the Treasurer to his previous answer, in which he suggested a debate about his budget. Treasurer, I will be at
the National Press Club next Wednesday; will you join me for a debate about your budget of broken promises and deceit?

Mr HOCKEY (North Sydney—The Treasurer) (14:38): If I turned up at the National Press Club, it would double the audience! But the good news is: I would be listening.

Employment

Mr PASIN (Barker) (14:39): My question is to the Minister for Social Services. What is the government doing to encourage young Australians to enter the workforce?

Mr ANDREWS (Menzies—Minister for Social Services) (14:39): I thank the member for Barker for his question and I commend him for the great representation of people in south-east South Australia that he brings to this parliament and of their interests as his constituents.

This government believes that young people should be learning or earning—learning or earning. That is why we are going to tighten access to unemployment benefits, the Newstart benefit, for young people in Australia under the age of 30. We will be doing that by applying a waiting period of up to six months, depending on a person's work history, to become eligible for the Newstart or the unemployment benefit. The important point about this is that if a young person returns to school or takes up training or study they are exempt from these provisions—totally exempt from these provisions—and they will get the support that the Minister for Education was pointing out in his previous answer in this place.

But we also recognise that there are a range of circumstances in which people may be vulnerable and therefore they should be exempt from this provision as well. So single parents in receipt of the family tax benefit will be exempt. Principal carers will be exempt. People who are not able to work 30 hours a week—they too will be exempt. Part-time apprentices will be exempt. Participants in the Disability Employment Services scheme—they too will be exempt. And of course stream 3 and 4 job seekers will be exempt.

Mr Mitchell: Who's in it?

Mr ANDREWS: I am asked the question by the member opposite, 'Who's in it?' That is a good question, because the answer is: this scheme is targeted to work-ready young people; and, if they are not working, then we want them to be in training so that they can get a job in the future. That is what this scheme is clearly about.

Opposition members interjecting—

Mr ANDREWS: The comments coming from the other side of the chamber mark the contrast between the Labor opposition and this government, because we have a Labor opposition that wants young Australians to be welfare ready, and this is a government that wants them to be work ready.

Budget

Mr BRENDAN O'CONNOR (Gorton) (14:42): My question is to the Prime Minister. The Business Council of Australia's CEO, Jennifer Westacott, has described the government's decision to leave Australians under 30 who cannot find a job with nothing to live on for six months as too tough. Why is the Prime Minister forcing young people into a life of poverty to pay for his deceit?

Mr ABBOTT (Warringah—Prime Minister) (14:42): The budget that was brought down earlier this week is a very important budget for the future of our country. It is designed to
create a culture of enterprise. It is designed to ensure that we are not focusing on what people cannot do but on what people can do. Now, the shadow minister obviously was not listening to the very good answer on this very topic that has just been provided by the Minister for Social Services, but I want to say that the—

Mr Brendan O'Connor: On a point of order, Madam Speaker—

The SPEAKER: The Prime Minister will resume his seat. The member for Gorton has the call—on a point of order?

Mr Brendan O'Connor: Yes, on relevance. Don't those young people who will actually have nothing from this government—

The SPEAKER: This is not the time for argument.

Mr Brendan O'Connor: will be getting nothing from this government—

The SPEAKER: There is no point of order.

Mr Brendan O'Connor: who will give a relevant answer?

The SPEAKER: The Prime Minister has the call.

Mr ABBOTT: We believe that work-ready youngsters, work-capable youngsters, ought to be either learning or earning; and, as a result of this budget, those who are not working for a wage will have far more opportunity to learn a skill, to go to university, to go to TAFE, because this government is giving them far more opportunity to do so. I believe that this budget embodies the great aspirations of the Australian people, and at the very heart of our national character are two things: first of all, the desire to extend to the more vulnerable members of our community a fair go. This budget absolutely protects the fair-go principle which is so important in this country of ours that we love. Australians also expect the people who can to have a go. That is what this is all about. Those who are not capable of working will continue to be protected, but those who are capable of working will be expected to have a go. They will be expected to be either earning or learning—and that is the way it ought to be.

Budget

Ms GAMBARO (Brisbane) (14:45): My question is to the Minister for Health. Could the minister update the House on budget measures to improve Australia's research capacity?

Mr DUTTON (Dickson—Minister for Health and Minister for Sport) (14:45): I thank the member for Brisbane, who is the local member for some of the finest medical research institutes in the country. She is a passionate supporter at a personal level of many medical research causes, as many Australians are. We contribute to medical research because we have a mature model with the world's best researchers. We have amazing institutes. We have universities and other clinical settings that deserve the support of their government.

I believe that one of the proudest achievements of this budget is the creation of the $20 billion Medical Research Future Fund. There are a couple of important aspects to it. One is that we will protect the capital into perpetuity. We will stop any future Labor government from raiding that fund, which is incredibly important because we know that the Labor Party have never seen a dollar that they did not want to spend. We also want to make sure that as the capital is protected we can spend down the earnings, which will mean by 2015-16 we will increase the money that we are already spending in medical research by about $20 million and
by 2022 that figure will grow to over $1 billion. With that money we will help the best researchers in the world find the cures and discoveries that will be needed with the ageing of our population.

We know in our country already that treatment for diseases of the brain, rare cancers and coronary disease needs extra support. If we are to have a sustainable health system going forward we have to put extra money into research so that not only can we extend our life expectancy but we can improve our way of life in this country. This government is absolutely determined to make sure that we can grow that investment.

I want to turn to a couple of comments that have been made by people who know a lot about medical research. Professor Frank Gannon, who is the QIMR Berghofer director, said:

This is an extraordinary investment in our health, and an emphatic declaration about the importance of medical research to Australia’s future health and prosperity.

He went on to say:

It is a landmark initiative in the history of medical research in Australia.

We are going to fund this research capital fund in part by introducing a $7 co-payment which will allow $5 to go into the medical research fund and $2 to go towards a GP. Importantly, we will maintain bulk-billing in this country, but we will make the health system sustainable as we go forward. This Leader of the Opposition may be a former leader of the ACTU, just like Bob Hawke, but this bloke is no Bob Hawke.

**Budget**

*Mr SHORTEN* (Maribyrnong—Leader of the Opposition) (14:48): My question is to the Prime Minister. This morning John Howard admitted that there were tax rises in the Prime Minister’s budget. Just minutes ago, the Leader of the Government in the Senate described the difference between tax rises and levies as semantics. Will the Prime Minister now have the gumption, moral courage and honesty to admit that his budget contains tax rises? Will the Prime Minister now apologise to Australians for breaking the promises he made before the election?

*Mr ABBOTT* (Warringah—Prime Minister) (14:49): I am happy to respond to the confected indignation, based on selective memory, of the Leader of the Opposition. As I said in this chamber yesterday, yes, for three years there will be an increase in the top marginal rate of tax that will impact on three per cent of taxpayers. Yes, there is fuel excise indexation. In the first year that means about 40c a week for the average family. But, overall, the decisions made by this government reduce the tax burden by $5.7 billion.

If the Leader of the Opposition is as concerned as he says he is about commitments and getting tax down, there is a simple thing he can announce tonight—that he is going to help this parliament repeal the carbon tax. That is the challenge that I extend to this Leader of the Opposition: repeal the carbon tax. If you are fair dinkum about giving families a break, repeal the carbon tax tonight and give families of Australia a $550-a-year tax break.

This government have been honest and upfront with the Australian people with a budget that accepts that there are no soft options anymore. We have accepted that there are no soft options anymore, but we are going to hear from the Leader of the Opposition more soft options, more cop-outs and more borrow-and-spend policies. We have put before the people of Australia a comprehensive plan to clean up Labor’s debt and deficit disaster. We have put
forward our plan to clean up Labor’s mess. What we now need from the Leader of the Opposition is his plan to clean up the mess that he created.

**Apprenticeships**

**Mr CRAIG KELLY** (Hughes) (14:52): My question is to the Minister for Industry. Minister, how would apprentices be better supported under the government’s new trade support loans?

**Mr IAN MACFARLANE** (Groom—Minister for Industry) (14:52): I thank the member for Hughes for his question and I also congratulate him for his involvement in last week’s launch at ANSTO of a new nuclear medicine facility, which shows that Australia excels in a whole range of areas; in fact, it is a world leader in a whole range of areas. I know that the member for Hughes has a strong interest in what goes on at Lucas Heights, but he has an even stronger interest in what goes on in his electorate for small business, where he has some 10,000 small businesses. He fully understands the importance of a skilled workforce to those small businesses. That is why the government are introducing our trade support loans scheme; that is why we want to give apprentices more support during their time—to become the skilled Australians who will support the productivity growth that we need to see in Australia in the coming years.

As of 1 July, an apprentice will be able to apply for a loan, which will total $20,000 and which is interest free. Because we have seen, particularly in the Labor times, when Labor was in government, that the number of apprentices falling out of apprenticeship schemes grew by 9,000 between 2008 and 2012 and because we are concerned that apprentices are falling out of their apprenticeships and not completing their schemes, we want to make sure they are incentivised to finish. So, when they finish their four years or however long their apprenticeship takes, they get a 20 per cent deduction off their loan. That is worth $4,000. But that is only part of it. The real story to this is that, compared to a commercial loan, this is worth more than double, almost triple, that amount to an apprentice, and so an apprentice has a real incentive to finish. That is really what it is all about.

We want to support apprentices while they go through the time of training, which is not dissimilar to a university student. Times are tough when you are trying to make ends meet on an apprenticeship wage. We know that and we want to support them. We want to make sure they have the ability and the desire to finish their apprenticeship. This scheme is there to help them along the way. This scheme is to make sure that there are more skilled apprentices in our workforce, in the seat of Hughes, making sure that the small businesses in that seat have access to the skilled workers who will make their small businesses viable in the long term.

**Budget**

**Ms KING** (Ballarat) (14:55): My question is to the Prime Minister. I refer to the Prime Minister’s promise that there would be ‘no cuts to health’. This week the Prime Minister cut $80 billion out of schools and hospitals. Can the Prime Minister guarantee that no hospital wards will be shut, no doctors or nurses will be sacked and emergency department waiting times will not blow out as a result of your broken promises?

**Mr ABBOTT** (Warringah—Prime Minister) (14:56): The premise of the question is simply untrue. Every dollar of savings in health is being reinvested in the medical research fund that will give us the treatments and the cures that our country and our world needs in the
years and the decades to come. It is true that pie-in-the-sky promises that were made by the former government do not bind this government. We made that absolutely crystal clear before the last election. We all know that the former government tried to booby trap our fiscal future by making completely unsustainable promises for the out years. The first of those out years is now in the forward estimates period, and I have to say that, in that final year, spending will increase. Spending will continue to increase but it will do so at a sustainable rate, not the absolutely unsustainable rate contained in the pie-in-the-sky promises, the undeliverable pie-in-the-sky promises, that the Labor Party gave before the election.

Ms King: Madam Speaker, I seek leave to table the budget documents that show there is an $80 billion cut to health and education.

Leave not granted.

Budget

Mr TEHAN (Wannon) (14:58): My question is to the Minister for Foreign Affairs. I would like to commend her on the excellent job that she is doing. Minister, what steps has the government taken to deliver an effective and sustainable aid budget?

Ms JULIE BISHOP (Curtin—Minister for Foreign Affairs) (14:58): I do thank the member for Wannon for his question. And that is quite a career enhancing move, I must say. I appreciate his words of support. This government will deliver an aid program that the nation can responsibly afford in the context of Labor's legacy of record debt and deficit. We have stabilised the aid budget at $5 billion a year. It is projected to increase according to the consumer price index from 2016. This means that Australia remains one of the top 10 aid donors in the OECD world. In fact, we are second only to Japan in our region. Shortly, I will be announcing a new approach to the way we deliver aid. This new framework will comprise performance benchmarks and mutual obligation partnerships so that the Australian taxpayer can be confident that under this government aid will be delivered effectively and efficiently, and results driven with real outcomes.

Gone will be the days when Labor would make a big announcement about an increase in the aid budget and then, when no-one was watching, they would rip money out to plug holes in their blow-outs elsewhere. In the last 15 months of Labor, $5.7 billion was ripped out of the aid budget. They were misleading people into believing that they were going to meet a target of 0.5 per cent of gross national income. That was a deliberate deceit. They were never going to do it. Gone are the days when the Labor government—

Mr Dreyfus interjecting—

The SPEAKER: The member for Isaacs is warned!

Ms JULIE BISHOP: would take $375 million in 2012 and $375 million in 2013 and rip it out of the aid budget to plug the hole in the border protection budget—

Ms Plibersek interjecting—

The SPEAKER: The member for Sydney will desist!

Ms JULIE BISHOP: because they could not afford the onshore processing costs.

Ms Plibersek: You cut $7.6 billion!

The SPEAKER: The member for Sydney is warned!
Ms JULIE BISHOP: They made themselves the third largest donor of foreign aid under the Australian aid budget—the Labor government themselves.

What concerns me is that the shadow minister for foreign affairs is still in absolute denial. She is putting out a press release assuming that Labor is going to put $16 billion of additional funding into the aid budget. I would like the Leader of the Opposition to tell us tonight: where is that $16 billion coming from for the aid budget? What programs are you cutting, or is it just more borrowings?

I am not prone to quoting Labor's last foreign minister—you are not likely to hear me say it often—but I think the shadow foreign minister should well heed the words of Bob Carr when he said, 'The truth is you can't run aid on borrowings.' Only this government will deliver an affordable, sustainable, responsible aid program.

Budget

Ms KING (Ballarat) (15:02): Madam Speaker, my question is to the Prime Minister. As the budget papers show, this week the Prime Minister has cut $80 billion out of health and education. Today it has been reported that, as a result of this decision, 250 subacute beds will close in Victoria this year and the Victorian Minister for Health has said cuts will likely mean 'hundreds of millions and likely billions of dollars' being cut. Will the Prime Minister take responsibility for the consequences of his cuts and his broken promises?

Mr ABBOTT (Warringah—Prime Minister) (15:02): We said pre-election that we would not be bound by Labor's pie-in-the-sky promises for the out years. We absolutely said that. We made it absolutely crystal clear that borrowing to make unsustainable, unaffordable promises simply was not on. We have made it crystal clear in the budget that in 2017-18 there will be a lower rate of increase in health and hospital spending. We have made that absolutely crystal clear—

Ms Collins: A cut!

Ms King: A cut!

Mr ABBOTT: Not a cut; a lower rate of increase. We were absolutely upfront about this pre-election, and we have been absolutely upfront about this in the budget.

I appreciate that some of the state premiers are unhappy about this. I appreciate that. I should also point out that they are very happy about the infrastructure spending in the budget, and, yes, as far as the states are concerned there are swings and roundabouts. There are some things that they do not like; there are some things that they do like. But what we have done is given them at least three years to prepare, and I am looking forward, through the federation white paper process, to a constructive and collegial dialogue to improve our federation and to try to ensure that the states and territories are sovereign in their own spheres.

National Security

Mr VAN MANEN (Forde) (15:04): Madam Speaker, my question is to the Minister for Immigration and Border Protection. How will the creation of the Australian Border Force protect our borders and support a growing and more prosperous economy?

Mr MORRISON (Cook—Minister for Immigration and Border Protection) (15:04): I thank the member for Forde, who was re-elected to this place not only because he is an outstanding local member but also because he is part of a team that is now delivering a more
safe and secure Australia and a strong and prosperous economy. He will be pleased to know, as will his constituents, that it has been 147 days since the last successful people-smuggling venture. Over 147 days under the previous government, there were 136 successful ventures—almost one a day over that period. The government have demonstrated our backbone on our borders and this week we demonstrated our backbone in the budget. We ensured a safe and secure Australia and a stronger, prosperous economy for all Australians.

Border protection does not start and stop with stopping the boats, as we know. There are many threats and challenges and opportunities that are on our borders. We have rising demand: we have an 85 per cent forecast increase in air cargo shipments to Australia over the next few years; we have a 25 per cent increase in international traveller movements to Australia over that period. There is a global supply chain that is becoming more complex, which we must be part of. We are open to the threat of the increasingly interconnected way that global organised criminal gangs are operating and seeking to get through our borders. We also have the fantastic work by the minister for trade, who is opening up trade opportunities for Australia, and we need to be able to realise that by being facilitative and efficient and competitive at our border.

Operation Sovereign Borders has shown the way in how to harness the collective energies of our border agencies to get the job done. We will be establishing the Australian Border Force, which will bring together the collective energies of our Customs and immigration officials to ensure that we can address all the many threats and deliver on all the opportunities that are there for us to gain at our borders. We will be investing over $700 million over the next six years into the establishment of the Australian Border Force, and into the Customs and Border Protection Service over the next 12 months as well. That reverses the $700-plus million cuts to our border agencies that occurred over the previous six years under the previous government.

Stronger borders will ensure that we will realise the economic opportunities that a growing trade and traveller opportunity for Australia will present to us. But it will also ensure that we are able to counter the very real and serious threats that exist at our borders. We have demonstrated how we deliver on our borders and we are demonstrating that— (Time expired)

### Budget

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (15:08): My question is to the Prime Minister. In those weeks before the election the Prime Minister was everywhere, promising to help reduce cost-of-living pressures on Australian families. Australians will now pay a petrol tax every time they fill up their cars—in the city, in the country, every time. Why should Australian families pay for this Prime Minister's false and misleading conduct?

The SPEAKER: I give the call to the honourable Prime Minister. He will ignore the term 'misleading' as it can be dealt with in other forms of the House.

Mr ABBOTT (Warringah—Prime Minister) (15:08): I do not especially like some of the things that we have had to do to clean up Labor's debt and deficit disaster. I do not especially like that, and in a different world we would have been able to have a different budget. But in the real world—the world that we have inherited from the Labor Party—we have to clean up the debt and deficit disaster. We have to clean up the debt and deficit disaster. We have to
accept that fact that the soft options that were peddled for six years by the Labor Party are simply no longer available to the Australian people.

We were elected not to make the easy decisions but to make the hard ones. We were elected not to squib things but to embrace the difficult decisions that were needed to secure this country's future. That is what we were elected to do. We were elected to put the budget back under control. And on no fewer than 31 separate occasions during the election campaign that is exactly what I promised.

I promised that we would stop the boats, that we would scrap the carbon tax, that we would build the roads of the 21st century and that we would get the budget back under control. I am very proud to say that that is exactly what happened on Tuesday night. I am very pleased to say that this is a government with the intestinal fortitude to do the things that members opposite always lacked the guts to do. We did not create the debt and deficit disaster. We did not create it, but we take responsibility for fixing it. Fix it, we will. And we are fixing it in ways that are fair. We are fixing it in ways that are fair and I am very pleased to have this opportunity to wrap up question time on budget week by saying that we have risen to the challenge of these times. We have risen to the challenge of these times by delivering the budget that Australia needs to deal with the debt and deficit disaster that the Labor Party gave us. We have risen to that challenge.

On that note I ask that further questions be placed on the Notice Paper.

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Budget

Mr HOCKEY (North Sydney—The Treasurer) (15:11): I want to deal with a policy issue that was asked of me by the honourable member for Reid. The question was: why are we focusing on reducing the debt and deficit? I can inform the House that Fitch Rating's, the credit rating agency, have just released a statement to say, 'Aussie budget enhances long-term sovereign risk profile.' They say:

… it is positive for Australia's long-term sovereign risk profile that the planned fiscal consolidation will be driven primarily by structural reforms to spending.

Mr Burke: I rise on a point of order. In terms of the forms of the House, if the information was not available at the time that the answer was given it cannot be used to add to the answer later. This could properly be a ministerial statement, but this is not the form of the House to use.

The SPEAKER: There is no point of order.

Mr HOCKEY (North Sydney—The Treasurer) (15:12): I will just conclude the quote.

These include increasing the pension retirement age to 70 by 2035, indexing pensions to CPI as opposed to wage growth, increasing petrol excise taxes, introducing medical co-payments, and tightening the requirements for unemployment and family tax benefits.

I table that.

The SPEAKER: The Treasurer did stretch it somewhat.
QUESTIONS TO THE SPEAKER
Parliament House

Mr PERRETT (Moreton) (15:13): I noticed when I was walking up the corridor on level 1 today that several LNP members had put posters in the corridor rather than inside their rooms. I just wondered if the extent of ownership of a room extends beyond the wall to the corridor. It is certainly something that I would not be familiar with in my time in commercial law. I ask that you suggest that they take such posters down.

The SPEAKER: We will have some silence on my right. I cannot hear the question.

Mr PERRETT: The question is that you ask those members to take the offensive posters down from the corridors. Obviously, if they are in the windows, those are areas that they have some control over, but it is my workplace and I suggest that I have a right to walk down those corridors.

The SPEAKER: I will take the question on notice. I do not know that we will be looking at the offensiveness but we will certainly look at the safety of the issue.

DOCUMENTS
Presentation

Mr PYNE (Sturt—Leader of the House and Minister for Education) (15:14): A document is presented as listed in the schedule circulated to honourable members. 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 Ballarat proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The pain that Australians and their families will feel from the Prime Minister’s broken promises.

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

Ms KING (Ballarat) (15:15): We know that before the last election the Prime Minister had a fair bit to say. But some of the words that have come back to haunt him are that he made a very strong promise that there would be 'no cuts to health, no cuts to pensions, no cuts to education and no new taxes'. We know with this budget that he has not only broken those promises, he has absolutely smashed them.

We know, revealed in the budget, that there is $80 billion being taken out of health and education. That is $80 billion, $50 billion of which is being taken out of public hospitals in this country, ripping up the historic agreement that Labor reached with states and territories to improve our emergency departments, to put more beds into hospitals—both acute and subacute—to fix elective surgery waiting lists, to provide more staff in hospitals, to provide better infrastructure for hospitals and to make sure we were fixing a lot of the mess that had been left to us by a Liberal government that saw a declining Commonwealth share of public hospital funding.
Now, we have had a bit of mean and tricky stuff from the Minister for Health, where he has tried to argue—and he has been running this false argument around the sustainability of the health budget—that, in fact, part of the problem has been a blow-out in hospital spending. In fact, it was a deliberate decision of a Labor government to make sure that there were investments from the Commonwealth in public hospitals, to do our share of the heavy lifting to make sure that people continued to have access to a universal healthcare system, Medicare, that provides access to public hospitals. That was a deliberate decision that Labor made.

In this budget, this government has smashed that. It has ripped up those historic agreements with states and territories. I asked a question of the Prime Minister in question time, whether he would guarantee that no hospital beds would close, that no nurses or doctors would be sacked from our public hospitals, that no further beds would close and that we would not see a blow-out in our emergency department waiting times or in our elective surgery waiting times as a result of this direct cut to hospitals in every state and every territory, and in every community across this country. He has refused to give that commitment. But I say to the Prime Minister: every bed that closes, every emergency department waiting time that blows out and every patient that is denied access to a public hospital as a result of these cuts will be on your head. And we will make sure every day from now until the next election that the Australian public in communities right the way across the country understands that.

The other thing that we know—finally, after the months and months of speculation—is what the cuts to health more broadly are going to be. We saw in the budget the introduction of the $7 GP tax. Let me take you to some of the detail of what this is actually going to mean to people. This is about the substantive policy detail; this is what we will see. The government is trying to claim, 'Oh, no—it won't affect bulk-billing. It will be fine. We're going to let doctors continue to bulk-bill, if they want to. It's okay.' They have been mean and tricky about that. The way in which they have administered this measure and the way in which they have reduced the schedule item actually means that there is a disincentive for doctors to bulk-bill. Doctors will have reduced wages, reduced income, if they actually bulk-bill. So there is no incentive for doctors to bulk-bill. Currently there is an MBS item to provide incentives for doctors to bulk-bill. It is greater in the country than it is in the cities, where it is still a bit unclear about what is happening to that MBS item. But what is actually built into this budget is a disincentive to bulk-bill. Doctors will be punished if they bulk-bill.

So here we have, across the country, some of the highest rates of bulk-billing than we have ever had before. They were achieved under Labor—82 per cent of MBS GP visits were bulk-billed under Labor. We will be watching every single day to see what happens to bulk-billing rates in this country because we know the measure that has been introduced by this government is deliberately designed to get rid of bulk-billing in this country.

And why is that so important to this government? I fail absolutely to understand why they want to smash bulk-billing. But you have to go back to some of the history of this. This party that is now in government has never believed in universal access. It has never believed in Medicare, which is a system of insurance where everybody pays through the Medicare levy. Through the Medicare levy, we pay for our universal access system. Through the Medicare levy surcharge some people pay even higher for the universal system. That is in fact the system that ensures that people have access to general practice and that they have access to the public hospital system. That is what we voted for back some 30 years ago. We celebrated
the anniversary—this year it would have been 40 years had it not been for the Fraser government. What the Prime Minister and what this Minister for Health are trying to achieve in this budget is what Howard could never achieve: the end of Medicare. Be in no doubt: that is absolutely what they intend to do.

There are a whole lot of other budget hits within the budget that are hidden. They claim that they are reforming the Medicare safety net, but somehow making a $270 million saving from doing so. It is mean and tricky! What that actually means is that while some people may hit the extended Medicare safety threshold a little bit earlier, they in fact will actually have to pay more in out-of-pocket costs. That is really what this is, so look at the devil in the detail.

We know this budget is full of pain for ordinary Australians. Every time an Australian tries to access a general practitioner, whether it is because they feel unwell or because they are trying to manage a chronic disease like asthma or diabetes or because they have heart disease or cancer in their family and they are worried about how they keep well, about what the markers are or the things that they need to do to ensure that they can stay well in the course of their lifetime—every time someone tries to access a general practitioner because of that—they will be slugged $7.

The Australian Medical Association—you would think they would know. The Royal Australian College of General Practitioners—you would think they might know something about health. The Consumer Health Forum, representing some of the most vulnerable people in the health system in this country—no, they do not think it is a good idea. The Australian Council of Social Service also represent some of the most vulnerable people in this community. From right the way across the health spectrum, there is nobody saying that this is a good policy or a good idea except for the Abbott government, because they know that the design of this policy is to end bulk-billing. It is to impose substantial costs on patients so that they avoid going to the doctor. That is what it does. It is designed to make people avoid going to the doctor.

Somehow or other, the Abbott government thinks it is in a better place to decide when people should go to the doctor or not. This is putting a substantial barrier in the way of people accessing general practitioners. What a stupid policy. What a stupid thing to do. Apart from the enormous pain it will inflict on families and on families’ budgets, it is also stupid health policy. It is putting a barrier in the way of general practice, the part of the system which is in fact, as the minister will know, the cheapest part of the system. It is putting a barrier in the way of accessing primary care, where you want people to go to stay well, to manage their chronic conditions and to keep out of the more expensive part of the system—hospitals and specialists. Putting a barrier in the way of that system is just plain stupid health reform. It is not health reform; it is ideology.

What we have seen from this government is an absolute hit on the budget of every family as they go to the doctor. How on earth are people on fixed incomes, people who are on marginal incomes in this country, supposed to budget for when their family gets sick? How on earth are they supposed to do that? But somehow that is exactly what this government believes they should do. Factor into your family budget just how many times you are going to
need to go to the doctor a year and how many times your kids are going to get sick—how many of you are going to get sick at what time. You need to factor that into your budget.

Shame on this government, frankly. It is an appalling measure and certainly not something that Labor will support under any circumstances. I know the Prime Minister started to talk about horse-trading. You do not horse-trade when people are sick. Only the Prime Minister would make such a statement. The government now is obviously facing a substantial backlash from all of the states and territories. I do not know any state or territory telling you that this GP co-payment is a good idea. I do not know any state or territory saying that your slashing of $50 billion out of public hospitals is a good idea. And there are not many states and territories which think taxing people to go to emergency departments is a good idea. This is a stupid policy that will inflict pain on Australian families and pain on their budgets.

Mr DUTTON (Dickson—Minister for Health and Minister for Sport) (15:26): It is obvious that Labor still remain within some sort of parallel universe, denying the fact that they thrust our country into an enormous amount of debt. They are denying the fact that they are putting this country on a path to an unsustainable health system.

As usual, as history shows, Liberal governments are elected to clean up Labor messes, and clean them up we will. We will tidy up the economy because we cannot continue to borrow $1 billion a month just to pay the interest bill. We cannot continue to provide 263 million free services a year under Medicare for a population of 23 million people. It is absolutely essential that we provide support to those people who cannot provide for themselves, and in this budget we do that. It is absolutely essential that we address Labor's waste and inefficiency.

I saw former Minister Plibersek in the chamber before. She presided over the greatest wasteful spending in the health portfolio since Federation, spending money on programs like the GP Super Clinics, half of which remain as vacant paddocks, many of which just have not been able to deliver even the most basic of health services. If people knew anything about the Rudd and Gillard years, they knew that they were big on ideas but completely and utterly hopeless at management and implementing reforms and changes that were needed.

This is what we face when it comes to the health portfolio in this country. In the Medicare levy, we raise less than $10 billion a year, yet the Commonwealth spends $65 billion a year. We project over every year of the forward estimates and into the out years that health spending will grow. It will grow in public hospitals. It will grow in Medicare. It will grow in the overall expenditure within this portfolio. But it will grow at a sustainable rate.

Public hospital funding was not sustainable. If people just cast their minds back—and they are having a bit of a glimpse back to the Rudd days at the moment—to the period in which Julia Gillard was elected as Prime Minister by the Labor caucus, former Prime Minister Gillard came into office saying that she would fix up the boats disaster that Rudd had presided over, that she would fix up the climate change problem that Labor had created and that she would fix up the healthcare agreement that Kevin Rudd had spoken about since 2007 but was never able to put to bed. What happened was that, in an act of desperation that we saw quite regularly in the Gillard years, there was a heap of money put on the table—and I mean a heap of money.

The previous Labor government knew how to waste money. They put a heap of money on the table, and they signed the state premiers and health ministers up. Of course, why wouldn't...
the health ministers sign up? If they were being thrown money, not for additional services within hospitals and not for additional services across the health system, why wouldn't they take the money? Of course they would. But the problem was that the growth rate was 9½ per cent a year, and it was unsustainable. When the economy is growing at three per cent, who can say with hand on heart that spending increases of 10 per cent a year, year on year, are sustainable?

Nobody can, except the Labor Party, because the Labor Party have a history, since Federation, at a federal and state level, of thrusting this country into debt. People knew in New South Wales what the Labor Party did to the health system. They knew in Queensland, through Patel and the payroll debacle, what they did to the Queensland health system. And they knew over six years what federal Labor did to the health system in its best attempts to destroy it over that period.

This government will set up a world-leading medical research future fund. We will do that to protect the $20 billion capital amount. Why? Because we are worried that future Labor governments would seek to spend all of that money. Why would they do that? There are a couple of reasons. One is that they have not seen a dollar that they do not want to spend. The second is that people will remember back to 2011 and the fact that the member for Lilley, the former Treasurer, sought to rip out $400 million from medical research—but in the end was overturned by his caucus—so we know already that Labor has a track record for trying to rip money out of medical research.

Why is it important to put money into medical research? Again, for a couple of reasons. Firstly, we need to be able to find the discoveries about, and the cures for, the diseases that will confront an ageing population. We need to address the fact that we have diseases of the brain—Alzheimer’s, dementia. We need to make sure that we address those, particularly with an ageing population but as they present in younger patients as well. We need to make sure that, for the rare diseases, for the cancers, for the coronary diseases, we provide additional support to our medical researchers—world-class, world-leading medical researchers in the best institutes in the world. We will support those people, not just through the $900 million a year that we provide now to medical research but through the $1 billion that will be earned from the $20 billion medical research fund to supplement that money and to make sure that we can provide those discoveries and cures over the coming decades. That is how, in part, we will make our health system sustainable. That is how we will strengthen Medicare. That is what this government is determined to do.

The second point in relation to this area is that we need to spend money efficiently. We will do that. We will do it in part by saying to the Australian public that, for services previously bulk-billed in general practice, in pathology and in diagnostics, we will ask for a co-payment of $7, $5 of which will go into the medical research fund and $2 of which will flow to the doctor. That will mean, for doctors in this country, an additional $468 million that will provide support to rebuilding general practice. Remember that Labor, over the course of the last six years, tried to rip down general practice through their failed GP Super Clinics Program and their attacks on doctors otherwise. We will restore confidence into the health system.

Make no mistake about this: the only threat to the universality of the Medicare system in this country is the Labor Party. You cannot have a universal system by providing everything
for free. You must have a balanced system. Labor will waste money. They will propose programs but never deliver them. This coalition government was elected to clean up Labor's mess. Clean it up we will, and at the same time we will create the world's biggest medical research fund. But we will strengthen and modernise Medicare so that it can provide not just for today, not just for next year, but for decades to come. People will see this as the strongest contribution to Medicare in generations.

We cannot sustain a system of 263 million free services a year for a population of only 23 million. We retain bulk-billing for those people who cannot afford to contribute to their own health needs. We will provide increased funding every single year for our public hospitals around the country. We will provide more money for our Pharmaceutical Benefits Scheme, where the Labor Party support a co-payment already. This is an important point for the public to recognise. The Labor Party claim to be the friends of those who are most ill and most in need, but they support—in opposition and in government—a co-payment in the Pharmaceutical Benefits Scheme from day one. From the first script, the Labor Party ask sick people to pay over $6 for every single prescription up until the safety net that we put in place to support those patients. Why is that not a tax? Why do the Labor Party say that the co-payment going to the PBS to make the PBS sustainable is not a tax? Why do they describe that as a co-payment and yet, when you go to see the doctor, somehow—for political purposes, not because they are interested in the health of Australians—they, for their own political reasons, term that a tax?

The Australian public got it dead right at the last election. They knew the Labor Party would waste money. They did. They knew that the Labor Party would not be able to implement health reform, and they did not. They knew that the Labor Party would put this country on an unsustainable path in an economic sense but also in relation to the health system, and they did. The Australian public tossed out that dreadful government of Rudd and Gillard because they wanted us to fix up Labor's mess, and that is what we are doing in this budget. We are strengthening and modernising Medicare, a 40-year-old system, and we are protecting universality as an important principle. The Labor Party seek to destroy it through their waste and mismanagement. The Australian public know in their hearts and in their minds that it is only a Liberal government, only a coalition government, that will strengthen Medicare for all generations to come.

Ms MACKLIN (Jagajaga) (15:36): One thing is for sure: the Australian people know that this Liberal government is all about destroying Medicare, just like all the Liberal governments we have seen since it began 40 years ago. In the days leading up to the budget, we heard the Prime Minister saying that this budget would be about pain with a purpose. We are very clear now what that purpose was. The purpose was plainly to make it harder for Australian families to make ends meet. The purpose was plainly to destroy the fair go that Australian pensioners have seen for generations. The purpose was plainly to end the Australian way of life as we know it.

This Prime Minister is inflicting the pain of this budget following so many broken promises. We saw him come into question time again today and deny broken promise after broken promise. Many Australian families are going to be up to $5,000 a year worse off. Each and every one of those members opposite are going to have to go back to their electorates and
defend to their constituents that they are taking $5,000 out of the pockets of those families. That is what this Liberal government is doing.

They will also have to face up to each and every pensioner who was told before the last election there would be no change to pensions, that there would be no cuts to pensions. Of course, now pensioners know that, as a result of this budget, they will have their pensions cut. And, of course, young Australians know that, as a result of this budget, they have been deserted. They have been deserted by this government that will leave many vulnerable young Australians with absolutely nothing to live on for six months. That is exactly what this government is doing. It is a cruel government and it is a cruel budget.

So many of the promises were made before the last election. The member for Ballarat has outlined so clearly that each and every person who goes to the GP will have to pay $7. Seven dollars for a GP visit—how is that going to impact on the families of this country when they have two or three kids who all get sick at the same time? Seven dollars adds up, and add on the cost of the medicines that parents are going to have to pay for. Families on family tax benefit part B are going to lose family tax benefit part B when their youngest child turns six. It was called out by former Prime Minister Howard today, making it clear that those families are going to pay that as an increased tax. So many people are going to be affected by so many of the changes that have been made and that will affect the standard of living of Australians.

I hear people saying that pensioners are not going to face a cut. Let us once again look at what Mr Howard had to say. The former Prime Minister understood the need for the pension to actually keep up with the standard of living of other Australians. It was not only the former Prime Minister; it was also the current Minister for Social Services. He understood how important it was to have a wages benchmark so that the pension kept up with the standard of living of other Australians. But that is not going to happen with this budget. Every single pensioner is going to face a cut because of this budget.

But the worst thing in this budget is what this government is doing to young people. People under 30 who cannot find a job and who want to be on Newstart or youth allowance are going to face six months without anything to live on. That is what each of you are going to have to face up to in each and every one of your electorates as these young people face months of nothing. (Time expired)

Mr TUDGE (Aston—Parliamentary Secretary to the Prime Minister) (15:41): This opposition party is living in a parallel universe. Not only have they not realised that they created an absolute financial mess that we are trying to get control of; they also come in here and have been lecturing us all day about our election commitments and our supposed breaches of them when they are the party that made an art form of breaking promises. I would like to take this opportunity to remind this parliament and, through it, the Australian people of some of the broken promises which they made, because it was those broken promises that got us into so many financial troubles that we are now in and that we have the responsibility to fix up.

I only have four minutes remaining, so I cannot get through the entire list of broken promises, but let me at least give you some of the highlights. First of all there was the tax cut for small business. Do you remember that one? The former member for Deakin even wrote to his entire electorate, promising that tax cut and saying it had been delivered. Of course, it had not. There was a promise to spend only $4.7 billion on the NBN. It has ended up being about
$50 billion. There was a promise to build 2,650 trade training centres. How many of those were actually built? There was $2.1 billion for the Epping-Parramatta railway—that was an Albo special. I know the member for Bennelong is still waiting for that one. He will be waiting for a long time if Labor is back in power.

I love this one: the promise for one regulation out for every regulation in. How did they go on that one? They introduced 20,000 new regulations. How many did they take out? Two hundred. Missed by that much! What about their promises in relation to the private health insurance rebate? They said they would not touch it. What did they do? Ripped $4 billion out of it. What about the promise to take a meat axe to the Public Service? Twenty thousand more public servants. They promised no changes to union right of entry to businesses. We know the outcome there. They promised strong management of our borders, and Mr Rudd even promised to turn the boats around before the election. What a job they did on that one, $10 billion later with hundreds of people drowned at sea and 50,000 people arrived on our shores illegally.

They promised a 150-person-strong citizens assembly before introducing anything in relation to climate change. That was visionary! What about Fuel Watch and Grocery Watch? They were great promises. They actually did introduce those but only for a very short time and then scrapped them because they were so useless. They promised spending caps of only two per cent growth—a great promise that one too!

Perhaps I should focus on the two granddaddies of them all. The one which has been repeated time and time again in this parliament is: 'There shall be no carbon tax under a government I lead.' That was their solemn promise that got them through the 2010 election and into government. Had they not made that promise I doubt very much whether they would have scraped across the line.

The last promise mentioned 600 times by the Prime Minister, by the Treasurer at the time and by other members of the frontbench was: the Labor government will deliver a surplus. They mentioned 600 times that they were going to deliver a surplus. They promised the Australian people that 600 times. What did they actually deliver? The four biggest deficits in Australian political history and set up this government now, had we not taken further action, for the next five years of deficits constituting $123 billion of deficit and $660 billion of debt. Tonight the opposition leader will be giving his budget-in-reply response. He has the opportunity to say once and for all how he actually might deliver a surplus in the future and he has the opportunity to say, 'I will get rid of the carbon tax.' (Time expired)

Mr STEPHEN JONES (Throsby) (15:46): This year is the 33rd anniversary of the Fraser government's dismantling of Medibank. Next week we are going to witness another anniversary and that is the anniversary of the Fraser government tearing up the health and hospital agreement, the agreement they negotiated with the states to provide more funding for Australian hospitals. They are at it again this mob. The truth is: whatever they say, they just do not believe in Medicare. The Prime Minister nailed it himself in his book. He said the Liberal Party is made up of two camps. The first is the camp that accepts that Medicare is a part of the framework of this country, a part of the landscape. The second camp—

Mr Tudge: Where is Dr Leigh when you need him?
Mr STEPHEN JONES: I suspect the member for Aston is a member of this camp. They see Medibank and Medicare as nothing more than medical socialism. Those are the Prime Minister's own words.

There have been a few interjections. I heard the member for Dawson had a bit to say by way of interjection and a few National Party members had a bit to say by way of interjection, but none of them are on the speaking list because none of them have the guts to stand up here and defend their own government's policy. They are absolutely wetting themselves about going back to their electorates and telling them what their minister and their Prime Minister have proposed. There is a very good reason for it. The true evil in this proposal to introduce a GP tax is this—health and welfare in rural Australia drags the chain and falls behind the health outcomes when it comes to the rest of the country. Those members representing regional and rural seats know it and that is why they are so afraid to go back to their electorates and defend these proposals. They know there are fewer doctors. They know there is a higher incidence of chronic disease. They know there are lower incomes in regional Australia and that this GP tax is going to hit them hard.

I see that the member for Gilmore is in the chamber. She would have read in this morning's Illawarra Mercury a doctor from Milton sticking the boot into the government's proposal. He said:

We say to people here, 'oh you need to drive to Wollongong from Milton for a specialist appointment' and they say 'I can't afford the petrol. I can't go this week because I don't have petrol'.

We don't realise there are people living on the edge. They've said people who are under 30 and unemployed aren't going to get the dole for six months. If they're not eligible for the dole, how are they supposed to make a co-payment?

Dr Thomson also took issue with the co-payment being designed to limit people making too many visits to the doctor. He said:

I don't necessarily accept that premise, that limiting people coming to the doctor's is a good thing.

The member for Gilmore should be listening to her constituents and she should be listening to the GPs in her electorate. If she were listening and knew what was going on, she would know that the GP bulk-billing rate in her electorate was 84.9 per cent last year. If the $7 GP tax is applied to each and every one of those visits, it will be a $6.2 million hit to the hip pockets of patients in her electorate.

It is very good to stand in this place and say you stand for things, but actions speak louder than words. When the vote comes up on this proposal I expect the member for Gilmore, the member for Eden-Monaro, the member for Dawson and every single National Party member to be sitting on this side of the chamber because actions speak louder than words. There is a very clear message for Australians in this budget. The message from the coalition to Australia in this budget is: do not grow old, do not get the sack and do not get crook because if you do, you better have a credit card because your Medicare card is not going to get you in the door.

Ms MARINO (Forrest—Government Whip) (15:51): I can assure the member for Throsby that I am very confident in going back to my electorate and talking about affordable and sustainable health services, which is exactly what Labor did not provide. We saw costs in health explode under Labor by 46 per cent since 2007. The pressure on the budget from Medicare, the PBS and public hospitals has been unrelenting, driven by many reasons: chronic disease, continuous higher costs, an ageing population and the rising cost of medicine
as it becomes more advanced and complex. We can perform procedures today that a few short years ago would have looked like science fiction. We have a raft of new drugs that treat disease better and faster, but each costs a small fortune to develop and get onto the market. Chronic disease conditions that we once just lived with we now treat with surgical correction—for example, knee and hip replacement surgery has grown exponentially. Of course, we should develop new techniques and new medicines because this improves the quality and quantity of life for Australians. In many cases, our work benefits the entire world.

However, all of this improvement comes at a cost—and a cost that never goes down. Once we start fixing one disease state, another one takes prominence. Cardiothoracic treatment and surgery has made major inroads into the outcomes of heart attacks, as have preventative campaigns. But massive growth will still occur in new areas of growth, such as dementia, diabetes, degenerative diseases and mental health, which will take ever-increasing funding to address—something that is ignored by the other side.

This is why the government's $20 billion medical research future fund is so critical. It is a never-ending issue of cost that must be managed. There is no choice: we have to manage this. But it is Labor's failed management of expenditure growth that has left us where we are today. The coalition is spending more money on health but is doing so in a responsible manner by addressing the ever-growing costs. Developing a plan to manage spiralling health costs is a long-term job that requires tough decisions. Labor's plan was simply to spend and ask future generations to foot the bill. They were putting the health budget growth on the national credit card. This is extremely unfair because it asks our children and our grandchildren to pay for health outcomes after the fact—and, of course, that is true even of today's generation. When the former Treasurer, the member for Lilley, was asked about the debt limit, he responded by saying, 'Well, it will be someone else's problem.' An affordable and affordable health system is someone else's problem—it is certainly not Labor's. He would have passed on the current generation's health bill to the next generation.

However, the government recognises that the increasing demand that causes increasing costs is in part the responsibility of the recipient of those services as well as government, and should not simply be dumped on the never-never—on future generations. We need affordable and sustainable health services that Australians can access now and in the future. It is not just about today; it is about the future. It is what we, as a government, take responsibility for providing. Of course, all Australians have to invest in their health outcomes at every level that they can afford. That is our responsibility. It will take a responsible and disciplined government to make this happen. They are the two things that we never saw with the previous government—taking responsibility and discipline.

To not act as the Abbott government has outlined is simply to make future generations pay and pay and pay. The other side of this is: what happens in the instance where there are insufficient health services because it is not affordable and because it is not sustainable? What would we be doing to future generations? To top this, the investment fund to help drive outcomes that can help maintain some of these costs, maintain sustainability and maintain affordability is what we should be all aspiring to. But we could well see Labor actually vote against that—vote against better health outcomes for current and future generations. This would be the most dreadful outcome. What a legacy to leave for this nation. I am pleased to...
be part of a government that will take responsibility for current and future generations. That is what we are here for and that is what Labor could never do.

Mr CONROY (Charlton) (15:56): I am proud to be part of a party that will be voting against any attacks on Medicare and any measures that deter sick people from going to the doctor's. The truth is that this is a budget built on a lie. It is built on a confected budget emergency, and that has given those on the other side an excuse for a raft of broken promises. Remember the promises before the election: no changes to the pension, no increased taxes, no cuts to health. All lies; all untruths. They were all said to gain government. Now, in government they have found a confected budget emergency, and it is families that are feeling the pain. The GP tax is one of the greatest betrayals of all. People in the Hunter will pay an extra $25 million per year because of the GP tax. It will deter people from going to the doctor's. International studies have shown that it will deter people from going to the doctor's. What is even worse is they are reducing the incentive for doctors to bulk-bill and increasing the cost of medicine. This is all an attack on Medicare, as the member for Throsby mentioned before.

Fraser, when in government, killed Medibank; Howard lost an election in '87 trying to kill Medicare; Hewson in '93 lost an election trying to kill Medicare. I will give the current government some credit. They were a bit smarter this time. They knew that they had to slowly strangle it. So they are doing it inch by inch, cut by cut, and this is the start of the process. They are going to be deterring sick people from going to the doctor's, and that will place further pressure on emergency departments and hospitals around the country.

I have the honour of having the biggest hospital between Sydney and Brisbane in my electorate. With the only trauma centre in the area, it has the busiest emergency department in the entire state—and that is the John Hunter Hospital. It will suffer increased pressure because of this. Sick people on low incomes will have no choice but to go to the emergency ward instead of seeing their GP. What makes this worse is that this budget also contains $1.2 billion in cuts to New South Wales hospitals—another broken promise by a government of broken promises. Further down the track we are seeing $80 billion in cuts to hospital and education funding by this government. No wonder Mike Baird said that this is a kick in the guts.

But I was wondering what the Prime Minister thought about this area in the past—and, luckily, I heard a journalist talk about this earlier. I do not trust anything the Prime Minister says because, clearly, we cannot trust it. He has always said that you have to get it in writing. So I went to his bible, Batteline—do not worry, I did not pay for it. I went to the library. I am not going to help the Prime Minister go to another wedding. On page 133 of this book, which he spent a year writing, or which someone else wrote for him, he said:

Commonwealth spending on health and education now approaches $90 billion a year, or about a quarter of its total spending.

And it goes on to say:

… any withdrawal of Commonwealth involvement or spending in these areas would rightly be seen as a cop out.

So this is the man of action—action man Abbott—in his own words copping out, hurting our public hospitals and condemning the sick and vulnerable to suffer second-rate health.
We should not expect anything better from this government because this government is all about pain for families and blaming everyone but themselves for their broken promises. We have also seen it in the pension—they are attacking almost 100,000 pensioners in the Hunter. Changing indexation is a cut by another name. Increasing the retirement age to the highest retirement age in the world is also an attack on pensions. I have got many workers in my electorate who have no confidence that they will ever get to 70 years of age in the workforce. They are the ones who are going to suffer because of these cuts. We have seen cuts to family benefits. This is a party that claimed to be the party dedicated to reducing the cost of living. How can you reduce the cost of living when you are slugging families with a $5,000 cut to their family tax benefit, with a petrol tax hike and with the abolition of the schoolkids bonus? How is that helping families with the cost of living?

This is a government that has betrayed the people. In my electorate of Charlton, my office has been inundated with phone calls opposed to these changes. This is a mean and sneaky budget that will hurt sick people, hurt pensioners and hurt families, and there is tremendous anger in the community. The government have been pretty quiet in question time over the last few days because they know that attacking Medicare is a political no-no. We will have to see the defence. As the member for Throsby mentioned earlier, let them go back to the electorate and defend these attacks on Medicare. They are the party that killed Medicare; they are the party that hates helping poor people go to public hospitals. It is incredible. They are the party that have breached the trust placed in them by the electorate. They are the party that said that they were the adults in government. How adult is it to lie to the people or to deter sick people from going to a doctor? I for one will not stand for it and will happily fight against it. (Time expired)

Dr GILLESPIE (Lyne) (16:02): The Treasury told us and told the nation that if the record deficits were not addressed and the debt was not brought under control, the outlook for the gross national debt was $667 billion, over half a trillion dollars, in 10 years time. We, in government, were left with this legacy after six years of Labor government. To fix that, things will have to change. People on the other side of this House are still living in denial. For things to change hard decisions have to be made, and we have made those hard decisions through this budget. The Prime Minister made many promises—stop the boats, cut the waste, build the roads of the 21st century and bring the budget back under control. Those opposite would all be familiar with those as they have time and time again complained about his making them.

The Medicare levy plays a small part in getting the budget back under control. People think the Medicare levy pays for Medicare. It does not—it pays for less than 20 per cent of Medicare. People have to face the reality that if they want everything paid for by the government the Medicare levy should be five times what it is. People do not want to pay this. I worked in England years ago where the NHS pays for everything but I had to pay almost 11 per cent on top of my tax as a NHS loading. At least they are honest with people over there and tell them how much their government-paid-for health system actually costs. We are living under a giant delusion that the Medicare levy pays for it all, but it is only paying for part of it. So we have to do things differently. It takes a wise and sound government to make the hard decisions.

The people on the other side have criticised us for breaking promises. I will run through a few of their achievements. Earlier, we heard claims of a long list of broken promises. Since
they decided to take on the issue of health, we might have to remind them of what they did to medical research. What about changing the accounting for the NHMRC—talk about doing mean and tricky things! In the last Labor budget, instead of accounting for funding on a quarterly basis in advance they changed it to monthly in arrears, effectively avoiding the payment of a quarter of a year of funding and striking $120 million out of the NHMRC. What about the medical bureaucracy that grew like mushrooms under the previous government? Look at the cost of that. The Rudd and Gillard Labor government established 10 new federal bureaucracies. Look at the human cost of those bureaucracies. When people walk into an accident and emergency department with their kids they do not want to be met by a bureaucrat with a clipboard, they want to see a doctor or a nurse or someone else who can help them. Bureaucracy abounded, and that could not continue in a system under such financial strain.

The Australian National Preventive Health Agency provides further examples of waste through bureaucracy. They spent the princely sum of $463,000 doing a study on the potential of a fat tax. The economists involved in the study discovered that a fat tax would prove to be a cumbersome chore, with undesirable side effects. It would mean higher prices for lean meat as well as for fatty burgers. Another bureaucratic financial waste was the use of $236,000 to build an advertisement for a fake music festival and place it on Facebook to get their messages out. After wasting their money on fat, they then spent their money supporting fat tyre burnouts at the Summernats—$130,000 was spent on grants to the Summernats so the participants could do fat tyre burnouts. (Time expired)

Mr LAURIE FERGUSON (Werriwa) (16:07): I rise to speak on the matter of public importance. It is no accident that on the front page of today's Sydney Morning Herald is a photograph of one of my constituents—one of the people that might once have been described as 'Howard's battlers', people that are socially conservative but have doubts that they are getting anything out of the Australian system. She was visiting a medical centre and the article was focusing on the question of this $7 impost. It is not surprising, because in Reid 96.2 per cent of doctor visits are bulk-billed. As earlier speakers have indicated, this change is created through a confected propaganda campaign about a crisis. It is worth noting that the total health expenditure in the United States—which those opposite want to emulate and where they think that there is something to learn—is 17.7 per cent of GDP and in Australia it is 9.5 per cent. So, while Clinton and Teddy Roosevelt and a whole lot of other people have been fighting for a system like Australia's for virtually a hundred years, those opposite want to destroy ours despite the fact that the health spending to GDP ratio is nearly two times higher over there.

If we just look at government expenditure on health we notice that, as a percentage of GDP, we are the 10th lowest of the 33 OECD countries and we are the lowest amongst the wealthy countries. I was here when Costello used to carry on, making comparisons between Australia and the Central African Republic and Botswana. I agree with him: the people we should be comparing ourselves to are the First World. We see from those kinds of figures that in actual fact the GDP expenditure by this country on health is very low, yet those opposite are using this contrived crisis to try and destroy this system.

In terms of general government expenditure, I am indebted to the member for Fairfax for photocopying documents showing that in 2013 Australia's government net debt as a percentage of GDP was 13.5 per cent compared to 73.5 per cent in the advanced economies.
So those opposite are manufacturing this so-called crisis to justify the destruction of Medicare. We have heard earlier that the issue is not just the $7; it is the fact that there are now financial disincentives for doctors to bulk-bill. This is also, of course, accompanied by an $80 billion attack on health and education in general—abandoning agreements that were made with the states. Is it any wonder that state conservative governments are now denouncing those opposite for what has occurred, because their systems are going to be under very real pressure?

Another indication of the way in which those opposite have manufactured statistics to justify this comes from our old friend in the Commission of Audit Mr Shepherd, who alleged that there were 11 doctor visits per Australian per year. When that was actually looked at, a variety of statistics indicated otherwise. The figures from Medicare show that there were 128 million visits to GPs last year, giving a population average of 5.6 visits. The National Health Performance Authority, an independent agency, put average doctor visits at between 2.4 and 7.4. So in actual fact the statistics are wrong in regard to the level of visits. The allegations of abuse of the system and of people using doctors for social visits are not a reality.

I do not think we should necessarily restrict ourselves to the views of the opposition on these matters. I want to quote a few perhaps more independent and respected authorities on the impact of this policy. The Royal Australian College of General Practitioners said, 'The government has failed to meet its promised commitment to those in the community with the greatest health needs.' They further commented: 'The government is seriously compromising every point of access to the Australian healthcare system.'

Another eminent organisation known to the member in the chair, the Rural Doctors Association of Australia, has alleged that the real danger is that many of the poorest rural patients will choose not to see a doctor for preventative health care. That will be the outcome: people who have children with health problems are going to decide not to visit; people who have conditions that are not at the moment chronic will have those conditions become chronic as they are untreated. That is the intention of these people: to basically make sure that people do not use the system and to undermine it on all fronts.

Finally, I want to comment on the attacks on young people. I note two things that are going to be affected in my electorate: the massive cut when those opposite force young people to live without payments while at the same time attacking the rail system, which is so vital in my part of Sydney, because people buy houses cheaply there and sacrifice travel time. Those opposite are basically going to massively strip back rail expenditure in the country while at the same time making it harder for those that possess a car to get to work through increased petrol charges—basically impoverishing them as much as possible.

**Dr SOUTHCOTT** (Boothby) (16:12): In speaking on this matter of public importance I want to talk about one of the centrepieces of this year's budget—that is, the medical research future fund.

When we look at Australia's history in this area, we see a proud tradition in medical research: Howard Florey, Gus Nossal, Fiona Stanley and also, more recently, Peter Fraser. Australia has an excellent system of clinical trials. One of the areas where Australia has previously fallen down has been the commercialisation of medical research. As part of that, the Howard government commissioned Peter Wills to do a strategic review of our health and medical research. Going back 15 years, what that led to was a substantial increase in the
budget for health and medical research in the 1999 budget. I pay tribute to previous health ministers Wooldridge and Abbott, who were strong champions of the need for medical research, and I pay tribute to the current Minister for Health, the member for Dickson, who has continued in that vein.

We all remember the attempts that were made by the previous government to savagely cut the health and medical research budget. This future fund will have a transforming impact. It is visionary. What you will see is that the impact of this will be to make Australia a destination of choice for young medical research scientists and medical research scientists at the top of their careers from around the world. By 2020, it will lead to a $20 billion fund and will see the income from this fund reaching $1 billion per year.

Around Australia we have a number of excellent medical research institutes: the Walter and Eliza Hall Institute; the Garvan Institute; the Baker IDI; the George Institute; the QIMR; and, a newcomer, the SAHMRI in my home state of South Australia.

This is really consistent with what we said before the election in terms of our themes. One of those themes was to buck our strengths. Medical research is a strength for Australia but it can become even greater in the future. Previous speakers quoted a number of people's comments on the budget. I wanted to quote one from the Association of Australian Medical Research Institutes, which said that the 'Medical Research Future Fund is a visionary investment in Australia's future.' I quote from Professor Brendan Crabb, the President of the AAMRI:

Creation of this $20 billion fund into perpetuity is amongst the most significant initiatives in the history of medical research in Australia.

Like many members of this House, I have extensive ties in the medical research community, having close family members in it. I have seen this debate over the last 15 and 20 years, and I think we are now poised at a very exciting point. In the future, people will look back to the creation of this fund. It is very important that we make sure that it has a lock that cannot be picked by the Labor Party, because we saw what they have done with previous capital funds in higher education and in health and hospitals—they took the capital and spent it as income. This is a very exciting development for the future of Australia. It means that the next Australian Howard Florey—who made his career in Oxford in the UK, but was a product of Australia—will be able to make their career, do their research, and commercialise their innovations here in Australia.

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

BILLS

Amending Acts 1901 to 1969 Repeal Bill 2014
Statute Law Revision Bill (No. 1) 2014
Tax Bonus for Working Australians Repeal Bill 2013
Tax Laws Amendment (2014 Measures No. 1) Bill 2014
Telecommunications Legislation Amendment (Submarine Cable Protection) Bill 2013
Major Sporting Events (Indicia and Images) Protection Bill 2014  
Returned from Senate  
Message received from the Senate returning the bills without amendment or request.  
Fair Work Amendment Bill 2014  
Second Reading  
Debate resumed on the motion:  
That this bill be now read a second time,  
to which the following amendment was moved:  
That all the words after “That” be omitted with a view to substituting the following words:  
“the House declines to give the bill a second reading because of:  
(1) the need to provide sufficient protections in Individual Flexibility Arrangements and the impact that losing protections will have on employees;  
(2) the Greenfield agreement making process being heavily skewed in favour of employers;  
(3) the provisions of the Bill undermine the right for Australian employees to be represented at work including a requirement that an employee tell their employer if they want to speak with a union; and  
(4) the need for a full examination of all amendments within this Bill that may unfairly impact on employees.”  

Mr Fletcher (Bradfield—Parliamentary Secretary to the Minister for Communications) (16:18): When I was speaking previously, before I was interrupted by the inexorable procedural workings of this House, I was making the point that, in the brief time available to me, I intended to cover three matters: firstly, that the Labor Party took the workplace relations environment back to the 1970s, as the Rudd-Gillard-Rudd government engaged in a colossal act of payback to its union mates; secondly, that the reforms contained in this bill form part of the critically important policy agenda of increasing productivity and efficiency in the Australian economy, which is something that I would hope all members of this House agree is of vital importance; thirdly, that in the policy that the coalition took to the 2013 election to improve the fair work laws, we made specific and detailed promises, and the bill before the House this afternoon is about giving effect to those promises.  

Let me turn, firstly, therefore, to the proposition that under the Rudd-Gillard-Rudd government we saw a government which was determined to return the workplace relations environment back to the bad old days of the 1970s. We saw a government which was craven in its desire to advance the agenda of union officials in a way that we had not seen in Australia for many years. I want to speak specifically about the question of the right of entry, and I want to make it very clear that the coalition has a fundamentally different view about the question of the right of entry to that which was advanced by the previous Labor government. In the view of the coalition, the right of entry into a workplace for union officials is a specific privilege granted under statute to which appropriate conditions ought to apply. Unfortunately, union bosses and officials take a different view. It suits their convenience and their particular view of the world that they should have an untrammelled and automatic, very wide ranging right of entry. They are not interested in considerations of efficiency, productivity or the impact on the efficient operation of the workplace. Those are not their
agenda or concern. But as a national government, we are certainly interested in these considerations and think they are policy considerations of the highest order.

I am sorry to say that the previous Labor government and key figures within it said one thing in the lead-up to the 2007 election and did very different things in the area of the industrial relations when they came to government. In 2007 the Labor Party and some of its key figures promised on multiple occasions that if they came to government there would be no changes to the union right of entry laws. What did we hear from then Deputy Opposition Leader Julia Gillard on 28 August 2007? She said:

We will make sure that current right of entry provisions stay. We understand that entering on the premises of an employer needs to happen in an orderly way. We will keep the right of entry provisions. In other words, they would maintain the existing legal framework dealing with right of entry. These were reassuring words, words calculated to give the impression that she and her Labor Party colleagues were thinking about the broader policy perspective to do with this issue and not the narrow, self-interested agenda of the union bosses and the union officials.

But, of course, what did we see as soon as Ms Gillard and her colleagues got into government? We saw that the previous promises and assurances given in relation to the question of right of entry were abandoned. Under the Fair Work Act legislation that, as minister, the then member for Lalor, Ms Gillard, introduced, the unions—union bosses and union officials in particular—were given much easier access to workplaces than they had previously had. That is a very unfortunate demonstration of the fact that the previous Labor government evidently saw its highest policy priority as giving effect to the agenda and the desires of union bosses and union officials.

I am also sorry to note that the consequence of this change to the legislative framework was that a set of provisions was inserted into law that were then routinely exploited by many union officials. The consequences were extremely severe in many workplaces and businesses that were seeking to get on and improve production, operate efficiently, generate profits, generate returns for their owners, generate secure working conditions and employment for their employees, and meet their various stakeholder responsibilities. In seeking to do that they were routinely disrupted by militant union officials who were keen to use the new powers that had been handed to them by the Labor government acting to give effect to the agenda of union officials and union bosses. We saw many businesses facing an extraordinarily excessive number of workplace visits from union officials. This occurred even when employees at the workplace were not union members and even when the employees had not requested the union's presence. But, of course, the whole notion of workers having the right to choose whether or not they are represented, and in particular having the right to choose not to be a member of a union, is something that makes the blood of union officials boil, it makes their teeth grind, and of course they will do everything they can to resist that principle.

The Fair Work Act review panel—no biased set of people from one side or the other—noted a number of examples of precisely the phenomenon I have just spoken about. The Pluto LNG project received over 200 right-of-entry visits in just three months. BHP Billiton's Worsley alumina plant faced 676 right-of-entry visits in a single year, imposing an extraordinary burden on the efficient operation of these facilities.

But I am sorry to say it did not stop there, because by 2013 the responsible minister, the employment and workplace relations minister, was no longer the former member for Lalor. It
was by this time the notorious member for Maribyrnong, who had, prior to coming into the parliament, been a prominent union boss, and who by this time was in a position where he could to the maximum extent possible give effect to the agenda and policy objectives of union bosses and officials. And he wasted no time in doing that, adding to his sorry record across a whole range of portfolios. He introduced further objectionable amendments to the Fair Work Act, which gave statutory authorisation to lunch room invasions. Union bosses now have the right under the provisions introduced by the former Minister for Employment and Workplace Relations—and, I need hardly add, current Leader of the Opposition—to insist on addressing workers in their lunch room, even when the workers have not requested their presence and are not union members. This is entirely unfair to that very substantial majority of people who are not union members. I remind the House that approaching 90 per cent of people in the workforce in the private sector are not union members. Yet those workers are now exposed to the ever-present risk of having their desire to peacefully sit there and eat their sandwiches or soup disrupted at any time by an unwanted, unwelcome visiting union official insisting on haranguing them. We say that it is time to put an end to it.

The former Minister for Employment and Workplace Relations not only introduced this highly objectionable provision but also introduced another highly objectionable provision: a ludicrous obligation that employers would be required to pay for the cost of transport of union officials to remote work sites, such as offshore resources projects. This created an employer funded union boss joy-ride, a scheme that has been extensively abused.

But this is not the only objectionable provision the bill before the House seeks to correct. Another example of the 1970s style union practices that we saw under the previous government was the loophole in the law they were quite happy to leave in place that allowed employees to strike first and talk later. That is simply getting things the wrong way around.

Secondly, I want to make the point that this is an issue of productivity and of efficiency. The trends are very clear when you look at days lost due to industrial action. Under the previous Rudd-Gillard-Rudd Labor government, working days lost just in the building and construction sector—a sector that has been exposed for the notorious union militancy of the CFMEU, a union that shows a continual disregard for the rule of law—jumped from 24,000 in 2011-12 to an estimated 89,000 in 2012-13.

Lastly, I want to turn to the fact that in our policy in this area, coming up to the 2013 election, the coalition made very clear and specific promises. Nobody could have the slightest doubt about what we stood for and what we intended to do. But I might further add that the measures contained in this bill are not only those that were promised by the coalition before the 2013 election. They include measures that the Labor Party had committed to before the 2007 election but then took a different path once in government.

The measures in this bill are intended to restore certainty to the workplace relations systems. They will amend the right-of-entry provisions to address the imbalance introduced by Ms Gillard's Fair Work Act. This bill will fairly and sensibly balance the right of employees to be represented in the workplace, if they wish to be, with the right of employers to go about their business without unnecessary inconvenience and disruption. There will be no more lunchroom invasions and union boss joyrides. This bill will amend the act to extend good-faith bargaining rules to the negotiation of greenfield agreements to improve standards of bargaining conduct. This bill will also implement a number of recommendations from the
2012 Fair Work Review Act Panel that will improve the operation of the individual flexibility arrangements provision under that legislation. And, very importantly, this bill will remove the 'strike first, talk later' loophole under the Fair Work Act. This is a very important bill before the House. It implements measures that were contained in our policy, and it is about improving productivity and efficiency and striking the right balance when it comes to workplace relations.

I commend this bill to the House.

Ms CHESTERS (Bendigo) (16:32): Prior to entering this House I was an organiser for United Voice, a low-paid workers union that represents cleaners, security guards, early childhood educators and paramedics. In that role I would be at shopping centres and in workplaces very early in the morning talking to cleaners and workers coming off night shifts and starting day shifts. In that role, very early one morning I met Jackie, a cleaner in her 60s, who cleans not because it is a job of choice but because she needs to pay the bills. I can remember talking to Jackie one morning—she had just started work, and she and all of her colleagues had been handed a two-page paper, all of them identical. It was a Spotless Cleaning individual flexibility agreement. In this two-page paper were a number of boxes that had already been ticked. The paper talked about Jackie being paid in accordance with the award—that is good—but then it went on to say that she would forgo her overtime rates, that she would forgo her rostered days off and that she would forgo her penalty rates. And her employer, Spotless Cleaning, had been so kind as to pre-tick these boxes for her and for all of her employees. It really goes to the heart of how individual, how flexible, these agreements are. Jackie, being a little aware of her rights at work, said that she would not sign the agreement. Instantly, her supervisor said to her that she would lose her valuable Sunday shift, meaning that she would be $200 worse off in her pay each week. And that is exactly what happened to Jackie.

At the time, Jackie said that she just cannot survive—it means a lot to her, and she cannot afford to pay her mortgage and the bills that she has coming in time and time again. Jackie's husband passed away a few years before, and the only way she could survive in her changed circumstances was by having her daughter move in. This is the reality of IFAs: they undercut basic working conditions. If a full-time cleaner working five days a week works a sixth day they usually get penalty rates—double time. But under this flexibility contract, there were no overtime payments, so Jackie would have lost that extra money.

The fact is that the Spotless Cleaning workers who signed this agreement were disadvantaged by this IFA, which about 200 employees had signed. These IFAs did breach the Fair Work Act. However, what saved their penalty rates, what saved their overtime rates and their rostered days off, was a key reform in Labor's Fair Work Act—a key safeguard in relation to the individual flexibility agreements. It was part of the better-off-overall test to ensure that if somebody signed an IFA they would not be trading off basic conditions like penalty rates. Labor's Fair Work Act ensured that Jackie would not lose her penalty rates. And when it was tested in court, when Jackie stood up and said, 'I believe that I have been disadvantaged, and this IFA they have tried to make me sign would undercut my basic conditions', the Federal Court upheld and said that Jackie was right. The penalty rates not just for the cleaners like Jackie but for the entire Spotless Cleaning workforce were saved because of Labor's better-off-overall test.
That is what this bill today seeks to take away. It seeks to take away simple words that ensure that so many cleaners are not forced into IFAs. I single out Spotless because they were a company that tried to challenge the fair work laws. That is what some companies do—not all companies; some employers do the right thing. But then there are other companies that try to seek an advantage in an industry where labour costs are so important. They test the barriers of our industrial relations system and try to undercut their competitors. That is exactly what Spotless tried to do with their retail shopping centre cleaners, but Labor's Fair Work Act stopped them. What we are seeing now is this government is that they are trying to reintroduce one of the worst elements of WorkChoices: bringing back individual contracts. In many ways it is a backdoor attempt to reintroduce an element of WorkChoices that disadvantaged so many. This bill will enable employees to undercut the basic entitlements, a move that even John Howard admits was a mistake under WorkChoices. Due to the pressure and due to meeting people every day who had lost basic conditions, John Howard reinstated the no-disadvantage test in 2007. Even on the other side of politics, there was an acknowledgement that, if individual flexibility agreements go after penalty rates, businesses and companies will use them to cut take-home pay.

I do not believe that members of the government actually understand how this bill will reintroduce the worse aspect of WorkChoices in relation to individual contracts. It will allow employers once again to test the boundaries, to do what some of them have been calling out to do publicly and privately, and that is to cut basic conditions like penalty rates, night rates and overtime rates.

This bill goes much further than the coalition's pre-election policy and the Fair Work Act Review panel's recommendations. It is another example of a broken promise by this government to the Australian people. Penalty rates are important to so many people, and to the people in Bendigo, who rely on them. According to polling conducted by Essential Research, 80 per cent of Australians believe that people who work nights and weekends should be paid more. Nationally, 4.5 million Australians working in sectors where penalty rates apply need them to survive.

For Bendigo workers, weekend and overnight rates are more than just compensation for lost time with family. Penalty rates put food on the table, put petrol in the car and are vital to ensure that workers survive. In this debate, it is so important that we consider the workers who are at the frontline of these attacks and their words cannot be ignored. Take for example Alan Butler, who is an employee with Tip Top Bakery in Bendigo. He has been with the company for about 20 years and understands the importance of weekend and night overtime rates to employees he works with and their families. He states that he works on Saturdays and, if he lost his pay for Saturdays, he would be down about $160 a week. That is a significant amount for anybody—that is petrol and food money gone. If his company were to introduce a flexibility agreement, he could be trading off basic rights.

Everybody relies on this extra pay, especially those with families. Alan says some of the guys working on afternoon shift would lose twice that amount. In an average year for those blokes they could be up to $16,000 out of pocket. That is exactly what will happen if Tip Top Bakery try to introduce the flexibility agreement that Spotless tried to introduce to the cleaning side. The Spotless flexibility agreement, should the bill be passed, will be upheld. It
will be illegal to introduce the flexibility agreement that Spotless tried to work out for the cleaners in retail shopping centres. Therefore if Spotless could do it, Tip Top could do it.

Let us also take the case of Adam Foster, a Wilson Security guard who works at Puckapunyal army base. This is not a security guard in a minimum-security site; this is a security guard making sure that our defence bases are secure. Adam has had to step away from working weekends and nights because of changes in this family circumstances. He already knows what it is to live without penalty rates. His basic fortnightly pay has dropped from $1,800 to $1,475. He says it has made his household budget tough. Once you realise how much it costs losing penalty rates, you realise how tough life is for all of us who are destined to be on the minimum wage, how hard it would be for many working Australians.

Let us look at the paramedics. Brett is a paramedic working in Bendigo. He too relies on penalty rates. His base rate, if penalty rates were gone from his take-home pay, would be $56,000 a year. Penalty payments lift his penalty rate up to $71,000. That is a 26 per cent increase on the base rate. Brett argues that he believes that without penalty rates he would struggle to put food on the table. It is not for the luxuries; it is so you get by every week. You can pay the mortgage, you can pay for the kids' sport, you can make sure there is food on the table. He would argue that, if penalty rates were lost from his area, a number of people would exit the ambos very quickly. What crisis would our health system be in if ambos left and basic conditions like penalty rates were cut?

Australians need access to information and support at work. The previous speaker mentioned the importance of changing right of entry to keep those big bad union officials out of work places. But let me put another situation to the House by going back to the example of our Spotless cleaners. It was lucky that Jackie was a member of the union. As soon as she had the IFA in front of her she said, 'Hang on, this isn't right. I'm going to call my union to ask if it's okay'. If Jackie was not a member of a union or if she was a non-English speaker, if she was a Hindi-speaking cleaner—there are lots in the cleaning industry—who was not quite sure whether the agreements which were put in front of her were right, under this bill she would first have to know that a union existed. The union could not turn up and talk to people about what their rights were. Under this bill she would then be prepared to be identified as the employee who has invited the union out to the workplace. She would then have to be prepared to resist the employer's questions: 'So why did you ask the union out? Why do you need to speak to the union?' She would need to find the courage to answer these questions and then talk to the union representative when they arrived.

We all know in the real world that if a cleaner is placed in that situation—where they are not sure about an agreement that has been put in front of them and where they are told that if they do not sign it they will lose their shifts and they will lose their penalty rates—and if she does not have access or the opportunity to speak to somebody about her rights at work, then she will probably sign that agreement and lose her take-home pay. In the real world, there is such a thing in these cleaning rooms and in these tea rooms as take it or leave it.

Meanwhile, higher-paid Australians who are already on a collective agreement will have ongoing access to the union. All Australian workers deserve the same rights. They deserve the same access to the union, regardless of where they work, how much they get paid and whether they are on an enterprise agreement or not. Yes, Spotless did not like me talking to their cleaners. They did not like me talking to their cleaners because they knew that their individual
flexibility agreement was dodgy. I have always maintained that if employers and companies are doing the right thing, then they have nothing to fear. In the majority of my experience as a union official, there were no issues, because the majority of employers do do the right thing. But then you have got the one who tries to undercut their competitors, roll-out dodgy agreements and test the barriers. It is why it is so important that we have an IR system that is robust and ensures fairness in our workplaces.

This bill is also bad for business. For all the cleaning companies doing the right thing, they faced being undercut by Spotless who was doing the wrong thing. I am sure that if this bill gets up and passes through the Senate, we will see Spotless trying to undercut their competitors again. That will place their competitors—the cleaning companies doing the right thing by their employees—in a tough situation: either cut their own cleaners' pay or lose the contract. We will create a very insecure environment in the service sector. This bill is bad for Australian workers and it is bad for their families. This bill stands to be another broken promise by the Prime Minister. That is why I support the O'Connor amendments to this bill and encourage all members of the House to do exactly the same.

Mr IRONS (Swan) (16:47): The 2007 federal election, at which I was elected for the first time, had a big focus on industrial relations. If you listen to the Labor Party, it was the union campaign against Work Choices that won it for them. In the year of Kevin 07, a major part of the debate at that election was about industrial relations.

Deputy Speaker, you might not recall my maiden speech, because you were not here in the chamber at the time, but I did reveal at that particular time that I had a family history of union membership. I must admit, I had been a member of a union at one stage in my life. I had no choice. I was forced into it by the gas and fuel department in Victoria; as workers in that department, we had no choice; we had to be members of the union. As I said, I had a family history of union membership. My uncle was the secretary of the Federated Ship Painters and Dockers Union in Melbourne. It is a prime example of a good, operating union that worked in the interests of the union leaders and certainly not their workers. That is for sure, as we saw from the bottom-of-the-harbour royal commission many years ago. But these are some of the things you have to bear as family—you cannot choose your family, can you?

Industrial relations certainly did not win the election for Labor in the west, as the Liberals won two seats off Labor; one of them being my own seat of Swan and the other being the seat of Cowan. There are many reasons that the people of Western Australia have for a long period of time been concerned about the Labor Party's industrial relations policies in our state. Even this year, the WA Labor Party continues to give them these reasons and so we saw the Liberal Party once again come to the fore in the recent WA Senate election and dismal result of the Labor Party in Western Australia.

There are two things that help us understand why this is the case. The first is the history of union militancy in the state. It was interesting that the minister mentioned in his speech the recent case featuring CFMEU national president Joe McDonald and cited it as a need for these reforms. He forgot to leave Joe's old mate, Kevin Reynolds, out of the picture, but he should be included. Joe McDonald and Kevin Reynolds were like Siamese twins and they spent many years terrorising good, honest employers and businesses via the industrial relations platform in Western Australia. The minister told the House about a recent incident where the CFMEU was fined $193,600 after ignoring the request of an industrial relations
consultant to leave a site owned by CITIC Pacific's Sino Iron Ore in Western Australia. Mr Pyne said that when Mr McDonald was asked by a consultant to leave the site, because he did not have a right-of-entry permit, Mr McDonald replied: I haven’t had one for seven years and that hasn’t f***ing stopped me. That is typical of the attitude of unions in Western Australia.

Seven years ago, it was Mr McDonald, a unionist known in Western Australia for his militancy, who famously declared, ‘We are coming back. As the polls predicted, it's a Rudd victory.’ It was also Mr Kevin Reynolds, at a function I attended, who said that Kevin Rudd would sell his grandmother to win the election. Kevin Reynolds gave us a true picture of Mr Rudd at that particular time before the 2007 election.

Ms Butler: As if Tony Abbott would have said anything different!

Mr IRONS: It is true, Kevin Rudd would have sold his grandmother to win the election. But do not worry, in Western Australia we have got a good antenna for crap; we saw it and we stopped him at the border. Anyway, at the time Mr Rudd said that he was not coming back and made a whole series of commitments on industrial relations to prevent the sort of militancy that Mr McDonald and the unions in Western Australia have become notorious for.

But as we heard in the minister's speech, these undertakings were never honoured and never implemented. As the quote suggests, Mr McDonald, Mr Reynolds and their friends have been able to run amok for the last seven years in Western Australia. So it is now up to the coalition to implement these commitments made by the Labor Party in 2007 and get some control back over our industrial relations policy, returning it to the sensible centre.

That is what this bill, the Fair Work Amendment Bill 2014, seeks to achieve. In essence, it seeks to implement the commitments made by the Labor Party in 2007 that they never honoured. The second aspect we have to consider, when considering the view of the people Western Australia on this matter, is the fact that the Labor Party and the unions are the same thing. To be a member of the Labor Party, you have to be a member of a union. So, when the people of Western Australia see union militancy, they know that these unionists are members of the Labor Party and will ultimately do deals to parachute themselves into parliament.

The recent Senate election has shone a big light on these practices. Before the WA Senate election, I called the Labor Party out on this in the Federation Chamber, where I spoke about the reports of intricate deals between Labor unions in WA to decide who got the Labor Senate seats in that election. And I was not the only one to warn of this. According to The West Australian on 24 April, Senator Mark Bishop early last year produced a report entitled The Senate in WA—a worrying prospect. But, apparently, despite compiling this 10-page report, Senator Bishop never gave it to the Labor executive, so perhaps his warning did not get through either.

The result of these deals seems to have been the selection of United Voice's Senator Sue Lines, who, according to an article by Paul Murray in The West Australian on 16 March 2013, had not lived in WA for eight years, and of the shoppies' Senator-elect Joe Bullock, who was reported as saying Labor members were 'mad'. It is interesting that the new electoral laws proposed by the joint standing committee have made some points about potentially restricting candidates who do not reside in the state they are standing for election in. The key result of
the Western Australian Senate election in April was that Labor's vote collapsed to its lowest rate on record, 21 per cent—

Ms Bird: What bill are we debating!

Mr IRONS: with the return of only one out of six senators, Mr Bullock. I will have more to say on the WA Senate election result at a later date, when a fuller opportunity arises in the House. But I raise it to make the point that the people of Western Australia are sick of the industrial militancy of unions in Western Australia and the fact that unions control the candidates of the Western Australian Labor Party, who then of course do nothing to rein in the industrial militancy. It is a model that the WA people are sick of, and I suggest that members opposite go and read some of those writings of Senator Mark Bishop on this subject. WA's economy is held back and disrupted by the unions and the Labor Party.

Having set the scene with the views of the people of Western Australia on this subject, I now turn to the provisions in the bill.

Ms Bird: Yay!

Mr IRONS: I hear some cheering from the opposition. They do not like having the spotlight put on them, do they? Let us first consider the right-of-entry provisions that have got Mr McDonald into trouble so many times. We have heard a lot about promise-keeping this week, and let us remember that before the 2007 election—an election featuring debate about industrial relations—both Kevin Rudd and Julia Gillard promised that there would be no changes to union right-of-entry laws under a Labor government. These were commitments that eerily parallel the one made in the 2010 election campaign by Ms Gillard about the central issue of carbon taxation. Of course, the central assertions of Mr Rudd and Ms Gillard in 2007 did not come to fruition. The Fair Work Act was introduced by Ms Gillard and in fact greatly expanded the right-of-entry rules for discussion—expansions which have been exploited by the union bosses in WA. This exploitation has been further exacerbated by rival unions visiting the same sites multiple times as they compete for members.

It was the previous government's own Fair Work Act review panel, commissioned by the now opposition leader in 2012, that detailed how a number of Western Australia projects had become the target of right-of-entry abuse by unions. In particular, the panel noted the situation at the Pluto LNG project, which received over 200 right-of-entry visits in three months, and at BHP's Worsley Alumina plant, which received 676 right-of-entry visits in just one year—676. That is more than one a day. That is two a day, including weekends. Haven't they got anything else to do—just right of entry?

Ms Butler interjecting—

Mr IRONS: We hear the opposition again standing up and protecting the militant unions in Western Australia.

Ms Butler: Because right of entry saves lives.

Mr IRONS: This bill will remove the capacity for union officials to harass and disrupt businesses, by restricting eligibility for right of entry for discussion. As the minister stated:

A union will only be entitled to enter a workplace for discussion purposes if:

1. they are covered by an enterprise agreement, or
2. they have been invited by a member or employee they are entitled to represent.
The amendments in this bill allow for the Fair Work Commission to take into account the combined impact of visits by all unions to the workplace—a provision aimed at tackling the interruptions caused by excessive visits by multiple unions to a single workplace as they attempt to attract members.

More recent amendments to the Fair Work Act in 2013 by the previous government further increased the burden on employers by requiring them to pay the cost of transport and accommodation of union officials to remote sites, including to offshore projects. The bill will repeal this unnecessary burden and reinstate the previous approach, where union employees were responsible for travel and accommodation costs. That is particularly relevant in a big state like Western Australia, where travel to the north and to a lot of construction sites has an enormous cost. It is unfair that employers should have to pay for people to come to the site who are coming there not to assist the employer but to disrupt them.

Greenfields agreements can be vital to the commencement of major projects, and this bill will ensure that good-faith bargaining requirements are extended to the negotiation of greenfields agreements. The extension of good-faith bargaining requirements will curtail the ability of unions to demand inflated wages and end the effective veto power on agreements that unions have enjoyed since the introduction of the Fair Work Act in 2009. The previous government's fair work review panel noted that, under the current laws, union actions 'potentially threaten future investment in major projects in Australia'. Since 2009, the decline in standards of bargaining conduct and the disruptive tactics employed by unions have delayed the development of major resource projects. These actions deprive the Australian economy of investment and much-needed job creation. Amendments to the greenfields provisions will send a strong message to overseas investors that Australia is once again open for business.

This bill will also remedy the strike first, talk later loophole that emerged under the Fair Work Act—a loophole that Labor never sought to address, despite Kevin Rudd promising prior to the 2007 election that employees 'will not be able to strike unless there has been genuine good faith bargaining'. Working hours lost under the last six years of Labor government peaked in 2012 at 273,200 days, highlighting the militant approach to the bargaining process employed by unions which was shamefully ignored by Labor.

The effects of unnecessary industrial action are widespread. The recent teachers' strike in Western Australia, a pre-election stunt attended by the opposition leader, did nothing to advance the cause of teachers within the state. Instead, it closed 102 schools for the day, depriving thousands of students—a number of whom reside in my electorate—of an entire day of learning. The presence of the opposition leader at this strike only further demonstrated Labor's acceptance of militant unionism and unnecessary industrial action, despite their negative impact on productivity, the community and the economy. By closing the loophole, the coalition government is taking steps to ensure that a balanced, harmonious and respectful approach is taken to enterprise bargaining.

Further measures in this bill we are discussing will work to provide clarity and certainty to employees around the use of individual flexibility arrangements and implement a number of the recommendations made by the Fair Work review panel that were overlooked by the previous government and the Leader of the Opposition, who was the Minister for Employment and Workplace Relations at the time.
I am about to wrap up—and I am sure the new member for Griffith will be happy about that—but, first, I just want to go back to when I was working as an apprentice electrician and met a union shop steward on a building site in Bayswater, Victoria. He came in and asked to see my ticket. I did not have a ticket because apprentices do not have to have a ticket, but he insisted. He wanted to shut the site down. He was red-haired and Scottish, which is highly unusual for a shop steward in Victoria—or anywhere in Australia! He abused me for about 10 minutes because I was not a member of the union. He went to walk off after threatening to close the site down and I informed him that I was an apprentice. That took the wind out of his sails. He was very deflated because he was not able to shut the site down for having someone on the site without a union card. These were the types of tactics we saw back in the 1970s and they are still happening on sites in Western Australia. If you speak to any subcontractors or builders in Western Australia they will tell you that these threatening tactics of the unions are still operating. They are lawless. They are unfair to the people who actually provide the jobs for workers in Western Australia.

This bill will allow employees fair and equitable representation by a union without disadvantaging the employers who create jobs and strengthen our economy. Employers will be able to run their businesses without excessive and unnecessary union interruption. I commend the bill to the House.

Ms BUTLER (Griffith) (17:01): It is a pleasure to be here and to rise to oppose the bill today. I was very interested to hear the previous speaker refer to ‘inflated wages’ because that really betrayed, for everyone to hear, the coalition’s agenda when it comes to industrial relations laws. They have been after mechanisms to lower everyone's wages for a very, very long time.

I would like to the remind the House what happened back in 1993. It was a very important year for a range of reasons. Weezer's Blue album had been released. You might be too young to remember that, Deputy Speaker Vasta. It was a great album. Twenty years later Weezer did an anniversary tour of the Blue album. It was great. Unfortunately, 20 years later the coalition are still singing the same song about industrial relations laws. They have been after mechanisms to lower everyone's wages for a very, very long time.

Back in 1993 what was happening in industrial relations is that Paul Keating's visionary government was changing the way that industrial relations was conducted in this country. He brought about reforms where we could see workers and employers negotiating together on pay and conditions in the workplace. These enterprise bargaining reforms were important for our economy here in Australia.

At the same time, what was the coalition doing? John Howard and John Hewson were shopping around Fightback! What was part of the approach of Fightback! to the Australian economy? It was lowering wages. John Howard's agenda was to lower wages. I think it is uncontroversial to say that. Fightback! was so intent on lowering wages that it included a policy whereby young people would get $3 or $4 an hour for work. Clearly there was an agenda back then to lower wages.

I draw the House's attention to some comments made at the time by Professor John Buchanan, who talked about the move to lower paid jobs through the policy settings in Fightback! He said:
Low wages are often associated with low skill jobs. A vicious cycle can develop where low wages subsidise inefficient, low productivity jobs giving management no incentive to increase competition on the basis of quality and overall firm level productivity. Some of the most troubling analysis of the UK experience indicates that this could be one of the lasting legacies of the Conservatives' rule.

It is no less the case here in Australia.

Labor, on the other hand, do not share the coalition's low-wage agenda. We do not want to be in a race to the bottom. We want to have good jobs and decent wages here in Australia for all Australian workers. That is why the right balance was struck in 1993 with enterprise bargaining.

A few short years later as I left high school and voted for the first time in 1996 my vote was not enough to elect a Labor government. That was unfortunate for this country because instead we got a Howard coalition government. The Hon. John Howard, the former Prime Minister, had had an agenda for a very long time to lower wages in this country. He thought he finally had his opportunity. At that time the then Prime Minister wanted to introduce individual agreements that would allow for pay and conditions to be stripped away, undercutting of award conditions, undercutting of collective agreement conditions and lower wages for Australian workers. At the time, because he did not have control of the Senate, he was forced to make some compromises. So he did not get his full agenda up at that time. Instead, he introduced AWAs, Australian workplace agreements. It was a funny name for things that were basically imposed on working people. There was very little 'agreed' about them. But, nonetheless, that was the name they were given. AWAs were agreements in name but not in reality whereby employers could impose lower wages and conditions on working people. But there was what was called a no-disadvantage test. That was administered through an independent tribunal.

That did not quench the thirst of the former Prime Minister and the coalition for lower wages. You will recall that in 2005 the coalition gained control of the Senate. What did we see?

We saw Work Choices. Work Choices took effect in March 2006 and had a clear agenda of lowering wages. It was radical workplace law. I have with me an article from the time by Misha Schubert, a journalist, who described it as 'Howard's workplace revolution'. The lead was:

Millions of Australians will face new conditions of employment as the Prime Minister realises his vision for radical industrial relations reform.

And radical it was. We are talking about laws that changed the face of industrial relations here in this country to take away people's rights to bargain collectively for good, decent and fair wages and to allow the low-wage agenda to be imposed on people through the mechanism of individual agreements. Individual agreements were the most radical component of those Work Choices laws. There is an old saying—and I am sure you have heard of it, Mr Deputy Speaker—'divide and conquer'. That is what individual agreements are for. Those new individual agreements—which are still called AWAs, even though there was nothing really much about them that relied on agreement—did not have the no-disadvantage test, because Mr Howard had never wanted the no-disadvantage test. The coalition had never wanted the no-disadvantage test. They wanted an imaginary world where an employee had equal bargaining power with an employer and could freely negotiate his or her own conditions,
without having any safety nets, without having any award system or collective agreements behind them. But, unfortunately for the coalition and fortunately for the Australian people, people were not fooled by the Howard government agenda on Work Choices. People stood up and spoke out.

When we saw situations where people were offered 'take it or leave it' individual so-called agreements that lowered their pay, that lowered their conditions, people fought back—and it was a real fight back, not a John Hewson 1993 Fightback!—through the Your Rights at Work campaign, and it is easy to see why. Those AWAs made under Work Choices made people worse off. It is the same agenda today—the agenda to lower wages, to get rid of penalty rates, to strip away conditions. There was research done and analysis produced from documents released by the coalition government. This research showed that 63 per cent of those AWAs abolished penalty rates; 64 per cent axed leave loadings; 51 per cent cut overtime pay; 46 per cent cut holiday pay; 40 per cent reduced rest breaks; 52 per cent abolished shiftwork loadings; one in six dropped all award conditions, leaving only the five minimum; and one in five provided no pay increase for the life of the agreement, which could last up to five years. So you can see that Mr Howard had got his way. He got his radical industrial relations reforms that would push down wages for a lower wage economy. That is the low road; it is not the high road.

Labor believes in the high road. We want good jobs, with decent wages and conditions. That is why there was such a strong call from Labor at the time to get rid of Work Choices and that is why there was such a strong call from the working people of this nation to get rid of Work Choices. It forced Mr Abbott to refer to Work Choices as 'dead, buried and cremated' in subsequent years. Unfortunately, we are seeing in the bill that we are discussing today clear evidence that those words were inaccurate. Unfortunately, Work Choices is not dead, buried and cremated. What is happening here is that the coalition has learned not to be upfront with the Australian people about their low-wage agenda. The coalition is trying to do this by stealth, and so you are seeing the changes to what are known as individual flexibility agreements being brought about by this bill. This is part of the reason why I am opposing it.

The coalition has never really wanted employees to be able to bargain for their conditions. If you want proof of that, look at the employer greenfields agreements under Work Choices. Never has a document been so misnamed as an 'employer greenfields agreement'. Never before has the law recognised an agreement with oneself, which is what the employer greenfields agreement was. You were talking about a situation where, before a project started, the employer called a meeting with itself. The meeting went something like this: 'Hello, employer. I would like to make an agreement with myself. Certainly, employer. What are your terms? They are these. Let's sign it, then.' It is an agreement with oneself. It was effectively the employer being able to dictate to the new employees what the conditions would be. That was an employer greenfields agreement. This is the coalition's agenda. It is to allow employers to lower wages and place downward pressure on wages. This is not something that Labor will ever stand for, and this is why, as I say, I am so disappointed to see the changes to individual flexibility agreements that are being brought forward through this bill.

Individual flexibility agreements are something that were brought in for genuine flexibility—the flexibility needed to be able to make agreements to go and pick up your kids
from school or to discharge caring responsibilities towards an elderly parent or relative. But the changes that are being brought about in this bill will allow individual flexibility agreements to be used to change and alter pay and conditions. We are seeing an attempt to characterise this as the implementation of a recommendation from the Fair Work review panel. But, of course, as my colleague the shadow minister for employment and workplace relations said today in addressing this bill: 'Under the guise of implementing a recommendation of the Fair Work review expert panel, the government is unreasonably proposing that a key safeguard be abandoned when it comes to what can be traded away through an individual flexibility agreement.' The relevant recommendation was that you could trade away money benefits under an agreement for non-money benefits under an individual flexibility agreement. But what the expert panel recommended was that the money that you were trading away had to be relatively insignificant and that the benefit, the non-money benefit, had to be proportionate. Those words, unfortunately, do not appear in the bill. They are not included. Those safeguards are not included. So this is not the implementation of a recommendation from the review panel but something more sinister.

There is a no-disadvantage test in the bill. But what is included in this bill is an attempt to circumvent that no-disadvantage test, to make it basically meaningless by a couple of means. Firstly, there is the ability to trade off money and conditions for non-money benefits, without the safeguards that the money you are trading off has to be relatively insignificant and that the non-money benefit has to be proportionate. The second thing that is being done to help unscrupulous employers—most employers are not, but unfortunately some are in my experience—is imposing difficulties for employees to prove that the agreement is unfair. There is a new requirement that the employee will have to say in the individual flexibility agreement that they believe that it is fair and meets that test. Unfortunately, that assumes that the employee lives in a world where they have as much power as their boss. It is just not my experience. If you are a cleaner and your boss calls you in, hands you an agreement and says, 'If you want those extra shifts, this is the agreement you have to sign,' you may not have the English language skills to clearly understand the effect of what you are signing and, even if you do, you are not going to have any practical choice. You do not have the power to have any practical choice.

When they can circumvent no-disadvantage test and when there are no safeguards in place of the sort that ought to be included to implement the expert panel recommendation that is when people can, for practical purposes, be forced into these individual agreements. As we have already seen, they can cut money benefits and conditions in return for non-money benefits that do not have to be proportionate—and they can be significant money benefits that are cut and traded away in these agreements. I oppose this bill. I thank you, Mr Deputy Speaker, for the indulgence.

Mr TAYLOR (Hume) (17:16): I rise to speak in support of the Fair Work Amendment Bill 2014. In doing so I speak in support of our government making good on its election commitments with respect to industrial relations. Our election promises and, indeed, this bill are about returning the pendulum to the sensible centre. It will give flexibility and choice to employees wanting to depart from rigid employment conditions which do not suit them. It will encourage investment in our construction and resources sectors, not least the housing
construction sector, which will be critical to our economy in the coming years. The bill will promote better, more productive workplace bargaining.

More than ever Australian workplaces—and when I use that term I am referring to both employees and employers—need this parliament's assistance in meeting the challenges they face in the 21st century. This assistance cannot and must not come in the form of onerous new regulations and restrictions. It must come by liberating employers and employees from the things that hold them back. Employers need to be able to get on with doing what they do—in innovating, growing and making money. More than ever employees need and want flexibility and choice and they want to be in charge of their own destinies. Both sides of politics have been talking in these generic terms for some time now, but this is not flaky rhetoric. These amendments come at a time when our old industries are being torn apart by intensifying global competition and rapidly changing domestic markets.

In 2014 many of the businesses in the retail sector in my electorate and more broadly across Australia compete globally, even in our most remote towns. The internet is revolutionising media, professional services, the public sector and now retail through online competitors. This was absolutely unimaginable 20 or 30 years ago. A century ago, when our industrial relations system was first developed, retailers were not even competing with others in the town next door or on the other side of the city. As we look forward, more and more of our service sectors will become globally tradeable and they will have to win against ferocious global competition.

Many think that the hollowing out of the main streets in our country towns and our cities is a temporary phenomenon or driven by a shift to the bigger centres. Whilst this is partly true, many years ago I saw the extraordinary uptake of country people to catalogue purchasing and this has translated now to online purchasing in even greater numbers. You only need to talk to any employee or franchisee of Australia Post to understand the pace at which local retail is suffering as a result of online purchasing. Retailers in main streets desperately need to adapt, and fast.

In the resources sector the cost of building a tonne of capacity in the Pilbara has gone from about $50 to $200 in the last decade. This has been driven by the rapidly increasing cost of capital projects in this country—half of which comes from wages. Disturbingly these costs have not escalated to the same extent in our competitor countries. We now face a situation where the costs of building iron ore capacity are 25 per cent to 70 per cent lower in competitor countries than Australia—and we start to wonder why we might be seeing the end of the mining construction boom. Meanwhile project delays have exploded. Australia now faces typical delays of over three years to develop a coalmine, as compared with 1.8 years in other countries, including places we might think of as basket cases. As a result, we are losing our share of global resources production. In a report I wrote four years ago I calculated that mining investment would fall this year in a worst-case scenario by about $10 billion based on the assumption that we would simply hold our share of new projects. In fact, the fall will be far greater—closer to $40 billion. We are now losing share of global resource projects rapidly, and our economy is starting to pay the price.

Our regulatory environment is stifling. Our project application process is way too slow and our expansions are too slow and too expensive. This might seem remote to many of our electorates, but mining investment has been creating job opportunities directly and indirectly
across the whole country for many years. In the Quandialla pub I find workers who travel
daily to the Cadia mine near Orange. The owner of the famous Tarago pub, The Loaded Dog,
is a fly-in fly-out worker in the coal industry who uses his income from the mines to
supplement the huge costs that were imposed on his pub business by the Labor government.

It is in this context, in this economic setting, that this bill seeks to help businesses and
employees meet the challenges I have outlined. These amendments are not—I repeat, are
not—about cutting wages or reducing benefits. Not one bit. But they are about increasing
flexibility and enhancing productivity. It is worthwhile considering for a moment the political
context within which these changes are proposed. We all know that the serious moves
towards enhancing productivity in this country began in earnest—as we heard a moment
ago—in the Hawke and Keating era. Bob Hawke and Paul Keating, of course, ran largely
competent governments. They were both economically literate prime ministers and there was
a high level of economic and industry literacy in their leadership teams—a stark contrast to
the current Labor crop and their predecessors in the last six years.

Indeed in 1993, Paul Keating revealed his vision—as we heard a moment ago, as well—for
workplaces of the future. There was historic bipartisan acceptance that it was often better for
businesses and employees if they were free to bargain at the enterprise level. The Liberals'
1996 amendments went further, recognising that where there was a good safety net in place it
made sense for employers and employees to be free to negotiate terms and conditions of
employment without unions. In a stark departure from the past, collective contracts and
individual workplace agreements became available without unions if that was what the parties
wanted—more bipartisanship; more heading in the right direction. This was good stuff. It
recognised that collective bargaining with unions in control of every line item of a contract
for all employees across an industry did not make sense for many employment relationships.

Between 2005 and 2007, the coalition learned an important lesson—that in workplace
relations, the most effective and lasting reforms are those that are undertaken carefully where
solutions are addressing accepted problems. But then a truly, truly terrible thing happened.
From 2007 until 2013, during the Rudd-Gillard-Rudd governments, and particularly of the
last term of the Labor government, with 'Bolshevik Bill' directing the show as the relevant
minister, we lost many of the gains. These were hard-fought, sensible, cautious gains that had
been achieved largely by consensus for over a decade—consensus-driven gains for over a
decade. In the Hawke-Keating era, the 2007 union wish list would have been seen off as
ridiculous ambit claims. They would have been seen for what they were—harmful to
businesses, employees and, ultimately, all Australians.

Union officials cannot fathom the concept of individuals having a say in their conditions,
even in a collective framework, and even where the employee is better off. Prior to the 2007
election, employment minister Julia Gillard, incited by union officials, quite astonishingly
promised to sweep away all individual agreements. However, removing individual flexibility
was an unacceptable departure from the broader political consensus, so Labor changed tack
under pressure and promised that their new collective enterprise bargaining would require a
flexibility clause. In practice, that clause has failed. It has offered no real benefit to either
employees or employers. It is not a genuine flexibility clause at all.

I am pleased to support the individual flexibility amendments in this bill. They enable
employees and employers to genuinely agree on changes to awards or agreements so
conditions of employment will meet their mutual needs. That is what Labor eventually promised the Australian people prior to the 2007 election, and it is what the unions made sure they could never deliver. I am genuinely pleased that there are many safeguards in this legislation for employees. I am delighted that this will help employees and employers in my electorate, particularly in the retail and services sector, conduct their lives and businesses as they see fit.

Here is one man who is passionate about small business: bakery owner Grant Pearce at Boorowa. He employs 26 staff, many of them casuals. But some of those staff want flexibility to work at times that suit them. However, he cannot afford to pay penalty rates to deliver what they want. It costs him double and a half at Easter and Christmas, yet these are his busiest trading days. We want to allow good people like Grant Pearce, the young people he employs, students and families to work around their busy commitments. Under these amendments, they will be able to trade wages for valuable extra annual leave, which is precious time for working couples who both work full time. These amendments will allow university students to work on days and at times that suit them so that they can hold their jobs and pass their courses.

I am also delighted about the amendments which will remove union veto powers over greenfield agreements. I have already referred to the impediments to getting major projects started in Australia. I am personally very interested in getting any and all projects off the ground, but it is our big projects that have sustained this country through the global financial crisis and beyond. We need them to stay and we need more of them. Under these amendments, investors in these projects will know that if they meet recalcitrant unions in the process there is an end point in sight. After a three-month negotiation, there is an opt-out provision which will enable the employer to take the proposed agreement to the Fair Work Commission for approval, where, I might add, it would then be necessary to apply the 'better off overall' test. There is no downside here for anyone—other than, perhaps, the union officials. There is no decline in standards. It simply enables projects to get up and running so that they can start turning profit, employing more people and generating income tax and royalties to build better roads, hospitals and schools. That is how it works. It is that simple.

Prior to the 2007 election, deputy opposition leader and employment minister Julia Gillard promised to leave the coalition's sensible and workable right-of-entry laws in place. That did not happen. Labor's retrograde amendments in this space have been abused by union officials in a way that was entirely foreseeable. To those who say that right of entry by business is not a productivity issue, tell that to BHP's Worsley Alumina plant, which had 676 visits by unions in a single year—almost two per day. And tell that to the Pluto LNG project, which saw 200 visits in three months—more than two a day. These kinds of unacceptable intrusions will stop or, at least, they will have an end date under the new laws. This is a very good and necessary thing if we want to maintain our share of global resource projects.

The Fair Work Amendment Bill is about sensible and measured reforms—essential reforms. It comes at a pivotal time: when new industry needs liberating; when capital costs need to come down; and when employers and employees seek flexibility, choice and the freedom to get on with it.

Debate interrupted.
PERSONAL EXPLANATIONS

Mr GRAY (Brand) (17:30): Mr Deputy Speaker, I wish to make a personal explanation.

The DEPUTY SPEAKER (Mr Broadbent): Does the honourable member claim to have been misrepresented?

Mr GRAY: Yes.

The DEPUTY SPEAKER: Please proceed.

Mr GRAY: I have just been made aware of the publication of a parliamentary committee report to the parliament of Western Australia which apparently makes a number of observations about retention leases granted by me in 2013. I would like to take this opportunity to make a couple of points clear. Firstly, the retention leases that were provided by the Commonwealth at that time were done entirely properly. If I had been called before that committee of inquiry I would have provided that evidence to the committee. Should the parliament of Western Australia request that I place myself before the committee to explain the reasons for the decision and the integrity of the decision, I would be more than happy to do so. I thank you for your indulgence, Mr Deputy Speaker.

BILLS

Fair Work Amendment Bill 2014
Second Reading

Debate resumed on the motion:
That this bill be now read a second time.
to which the following amendment was moved:
That all the words after “That” be omitted with a view to substituting the following words:
“the House declines to give the bill a second reading because of:
(1) the need to provide sufficient protections in Individual Flexibility Arrangements and the impact that losing protections will have on employees;
(2) the Greenfield agreement making process being heavily skewed in favour of employers;
(3) the provisions of the Bill undermine the right for Australian employees to be represented at work including a requirement that an employee tell their employer if they want to speak with a union; and
(4) the need for a full examination of all amendments within this Bill that may unfairly impact on employees.”

Mr HAYES (Fowler—Chief Opposition Whip) (17:31): It may be of no surprise to the House that I rise to oppose the Fair Work Amendment Bill 2014 and support the amendment put forward by the shadow minister for workplace relations. This bill is a clear attempt to demonise the union movement and leave workers across this country alone in their desire to pursue better working conditions and standards. The bill proposes to limit workplace access in order to eliminate unnecessary disruption to workplaces. But, in restricting the right of entry, it also presents a barrier to an employer's ability to access unions with a view to pursuing genuine collective bargaining. I will come back to the issue of demonising but, as I say, the bill is creating barriers to entry by requiring union officials to obtain various entry permits from employers before they may enter the workplace, effectively giving employers power to control their employees' exposure to a union's influence. If someone calls a union official into
the workplace that person can be identified and that could lend itself to other forms of vilification—probably not from the trade union movement but maybe from the employer.

As my colleague has indicated, as has presumably occurred in the North West Shelf, if one union is found to enter the workplace too frequently all other unions can be excluded from the site. This is a clear attempt to banish the influence of unions from the workplace. This applies to all unions including unions registered under the Workplace Relations Act, who have a statutory responsibility imposed upon them under their registration. It is not simply targeted at consortiums of interested parties designed to promote a stronger bargaining influence for employees. There has been no let-up on this—members opposite continually tell us about the horror stories of how unions have allegedly interfered with various businesses in their electorates and how no employer that they know would never take undue advantage of these new laws; as a matter of fact, it is now considered the Holy Grail to have a greater degree of flexibility in the workplace.

The bill is a clear attempt to play dirty politics, particularly in targeting unions operating in the building and construction industry, principally the CFMEU, the Australian Workers' Union, the Transport Workers Union and the Electrical Trades Union. The members of these unions work in some of the most dangerous industries across Australia, with about 40 fatalities occurring each year on building sites alone. In the main, union representatives put in a pretty big effort and an honest effort to look after the genuine interests of the workers employed in the industry, and they deserve a little bit more than the contempt which has been dished up to them by this government.

I have a personal interest in this topic. I have two sons working in the building industry. I know of some of the risks that are taken on simply by operating on various industrial sites. I know of all the efforts, statutory or otherwise, designed to make the workplace as safe as possible. Regrettably accidents happen—and with a high degree of frequency on these industrial sites. Unfortunately my eldest son, Nicholas, happened to be working at a site at one of the plants referred to by the previous speaker, on the North West Shelf. While he was working there as an electrician the person working next to him was crushed to death. I am not saying that the death resulted from a shortfall in the safety regulations. I understand that accidents happen and I understand that there is a propensity for risk in heavy industries. I am simply saying that that is what occurred. I am sure that I am not the only one standing in this place who has children employed in the trades. For me, I would say it would be a good thing to have a third party looking out for the safety of employees. So, I make no apology when I oppose this bill. I do not do it simply for political gain, but I do it as a parent. I want to make sure that my kids are as safe as possible when they are working on their building and construction sites.

I must also admit that I do not come to this debate with no experience in industrial relations. The government often cites the fact that many of us in the opposition were once trade union officials. Prior to going into business, I too was a union official and proudly represented workers throughout the country, when I was engaged with the Australian Workers Union and, subsequent to that, when I was engaged with the Police Federation of Australia—after all, police officers too are workers and they are effectively covered by the legislation which is being debated tonight.
I appreciate both sides of the employment relationship; however, I know that when it comes to employee relations there is not a level playing field. It is not a matter of entering into negotiations one-on-one with everyone having equal freedom and flexibility when negotiating. It is not that bipartisan.

I clearly understand that business needs to be prosperous, competitive and efficient and that, through its efforts, it generates and provides jobs. On this side, we are all about jobs. We are about job creation. What we object to and, no doubt, what the trade union movement objects to is situations where employers utilise regulation simply for the purpose of exploiting their workers. The personal vendetta of those opposite against unions and the union movement is well known. I accept that. I understand that the Liberal Party are anti-union; it is in their DNA. Their unscrupulous agenda against working Australians is something that we should be more concerned about. They are simply disguising it as an attempt to make workplaces more flexible, when what they are doing is reducing the employee's ability to actually participate in genuine collective bargaining—actually reducing the unit price of labour when entering into a wage negotiation.

This bill has been pushed forward and is only being debated tonight, quite frankly, to ensure that this government looks tough when it comes to industrial relations, because it cannot do what it really wants to do. What this government wants to do and what the Liberal Party wants to do is recreate Work Choices. They would like to see that made possible once again. Despite it being 'dead, buried and created,' I think they are looking for a resurrection.

Mr Frydenberg: Cremated.

Mr HAYES: Cremated—I take the interjection. What they are looking for is a resurrection. They want to see that so-called flexibility reintroduced.

I would like to talk a little bit about that flexibility, because we heard a lot about that and a lot about what was good for businesses from the Howard government. You are right, Mr Deputy Speaker: in those days my electorate was another electorate, Werriwa. It was very much a working class area, with a lot of underprivileged people and a lot of Housing Commission homes. I spent a lot of time with people out there when this came through—the innovations of the new flexible agreements being entered into. I called at the various workers' homes, and they would tell me that they were given an agreement to sign. The agreement was not, 'Look, we are going to sit down and have this negotiation,' and, 'We want you to come back and discuss it'—not even as an ambit claim. This was, 'You either take it or leave it.' If you did not take the agreement then you opted out of being allocated the overtime shifts. Every agreement I saw, and I assure the House that I saw many, was struck on minimum wages. We are not talking about some inflated sort of wage structure and people running around in suits and ties; we are talking about people who were on bare minimum wages. They were being offered, 'You either sign the agreement or you don't pick up any of the overtime shifts and you don't get the shift allowance.' And those shifts were really what made it worthwhile being there.

As I say, I attended many of those houses and spoke to people—many of them were in tears. They felt that they had no other option than to sign the agreement. As one young bloke freely told me, 'I can't read the agreement; I can't read. But if I don't sign it, I don't have a job.' He actually asked for representation and that was denied him. I still see this young bloke
around after many years now. This was just something so profound to think that a person could not even read the agreement but was expected to sign it. That was part of this 'flexibility'.

I did have the opportunity to speak with a couple of people on the board of that company—a couple of them were very well-known figures in Olympic circles. I asked them, 'Why did you do this to your employees?' They thought about it and said quite honestly—they had no axe to grind, I suppose—'Because the law allows us to do it.' They thought: 'If the law says that we can do this and we can effectively pay people below the wage rate if they sign the contract—if that is what you in the parliament and the government agreed to—well, why can't we do it? It's good for our shareholders.' They did not mince words on that; they did it because they were allowed to do it.

If the government is putting this bill before us today in the hope of creating some form of mutual admiration society between individual workers and companies as a basis for negotiations for the future, then that is just disingenuous, because they know it is not going to be the case. In the changes they are making through this bill, they have removed many of the protections that would protect a worker from negotiating away remuneration for non-remunerative conditions. They have removed those protections. There is no disadvantage test to that extent. If people could be forced to sign a contract—and as night follows day, I witnessed this occur—why couldn't you force a person to give up conditions by saying, 'Unless you sign this you don't get your overtime shift and you don't get other forms of remunerative benefits'? Instead of having a protection built into the system, you simply need to get the employee to sign a statement that says, 'Trading-in these monetary conditions left me no worse off.' If you get them to sign the agreement in the first place, it would not be hard to force them to sign that statement either, I would have thought. At that point, I say that this is absolutely disingenuous.

This bill allows that no annual leave will accrue while employees are on workers compensation, and to that extent it is going a little further than Work Choices. But one of the big things are the requirements about a greenfield site. These requirements will allow employers to pick and choose who they want to negotiate with. It will allow employers not to negotiate, if they wish, for some reason or other, whether it is with a recalcitrant union or not. It also allows employers, after three months, unilaterally to go to the Fair Work Commission to have an agreement approved without the support of employees or the industrial parties.

This is something that breaks very new ground in that respect, and I am concerned there is such a lack of protection built in to ensure that the genuine interest of employees is being looked after. This is a cruel measure that should be expected from this government that has shown that it has a very significant dislike of trade unions, and that also is prepared to put as much pressure as it can on workers' wages and conditions to contain any wages growth, but all it is doing is trying to put the whip in the hands of employers.

Mrs MARKUS (Macquarie) (17:47): I acknowledge that the previous member's contribution is not completely accurate in its interpretation and reflection on what members on this side are concerned about. From the outset, can I say that many of us on this side consider that the choice to join a union needs to be just that: a choice. There is a role for unions, particularly for employees when they need representation; however, there are many
excellent employers that have an excellent relationship with their workforce and want to build an economy, a business and a future not only for the business but also for those that they seek to employ—many of whom are their neighbours living, working and contributing in their communities.

This bill is a clear indication that the government is on track to deliver on its election commitments for the workers and the families of this nation. We are determined to get the fundamentals right in order to create an environment for businesses and workplaces to thrive. There are a number of key elements to these amendments that I will be speaking about today. We are delivering on specific policy promises made by the Labor Party prior to the 2007 election, but which they failed to deliver on. When push came to shove, the former government could not deliver on what it had promised Australian employers and employees. The coalition government understands that it is absolutely critical to ensure that the economic settings are right to help business prosper, which will, in turn, build confidence for further employment of more Australians. We know that the workplace relations laws need to be attuned to the sensible centre and have the balance of protecting workers but creating flexibility not only for businesses to grow but also for workers to have greater opportunities.

The bill will put in place a number of key commitments from our policy to improve the Fair Work laws. The amendments in the bill will ensure that the Fair Work laws maintain a strong and enforceable safety net for workers, while helping businesses expand, create new jobs and deliver higher real wage growth. The changes will restore certainty to the workplace relations system and make the laws more balanced and effective, helping to make Australian workplaces even stronger. We believe in reward for effort and in protecting people's jobs.

In the electorate of Macquarie, there are many employers who work hard to create the right environment and economy for their workers to enjoy their jobs. These employers believe in good faith that employees want to work hard and earn a living without unnecessary interruptions and disturbances.

Integral to this bill are the adjustments to the right-of-entry laws. The right of entry refers to the part of Commonwealth workplace laws which regulate the rights of officials of an organisation, such as a trade union, to enter premises. The current laws have created an environment where a union official can go into a premise even when they have no actual members at that workplace. In 2007, the Labor Party promised on multiple occasions that there would be no changes to the union right-of-entry laws. In a press conference on 28 August 2007, the then Deputy Opposition Leader Julia Gillard said:

"We will make sure that current right of entry provisions stay. We understand that entering on the premises of an employer needs to happen in an orderly way. We will keep the right of entry provisions. These promises were not kept, and unions were given much easier access to workplaces under the Fair Work Act 2009. Can I reinforce and state again that this is about choice for the employer as well as for the employee. Unfortunately, these were routinely exploited by certain union bosses—in one case, up to 200 visits in three months. This has meant that many businesses face excessive workplace visits from unions, even when their employees are not union members and have not asked for the union's presence.

We are amending the right-of-entry provisions to address the imbalance introduced by the Fair Work Act. We will fairly and sensibly balance the right of employees to be represented in the workplace, if they wish to be, with the right of employers to go about their business
without unnecessary inconvenience and disruption. A union will only be entitled to enter a workplace for discussion purposes if, firstly, they are covered by an enterprise agreement, or, secondly, they have been invited by a member or employee they are entitled to represent. We recognise that workplaces need to be places of productivity and growth, a place where workers can get on with the job yet know there is opportunity to be represented, should they wish to. What the former government did was to neglect the 87 per cent of private sector workers who are not union members.

There are also changes to greenfield agreements that, again, deliver on our promise made during the election. We want to ensure that enterprise agreements for new projects can be negotiated quickly to ensure that infrastructure projects are not delayed and to encourage investment for everyone's benefit. Under Labor, the Fair Work laws effectively gave unions the power of veto over new projects by requiring an employer always to negotiate a greenfield agreement with a union. Some unions have exploited this veto power by deliberately causing delays and setbacks, while others have used it as a tool to demand exorbitant conditions. This bill will remove the effective union veto power over greenfield agreements. The bill will establish a new, optional three-month negotiation time frame. This time frame will apply where appropriate notice is provided by an employer to the relevant union or unions. If agreement cannot be reached within this time frame, the employer will be able to take its proposed agreement to the Fair Work Commission for approval.

This is about sending a clear message that Australia is open for business. We want to unlock new investment and ensure that unnecessary delays do not occur. We are about removing hindrances to productivity in the economy. We do not believe in getting in the way of good investment.

The coalition recognises that in the current economic climate there is a need for innovative and creative ways to allow flexibility to people's work structure. We recognise the importance of a balanced life—family, sport and leisure—and that there are workers who are happy to make trade-offs to achieve this balance. This bill introduces amendments that will provide clarity and certainty for employees around the utilisation of individual flexibility arrangements, or IFAs. IFAs were introduced as a tool to enable workers and their employees to agree mutually on conditions that suit their needs, while ensuring employees are better off overall. These amendments are again based on recommendations by the Fair Work review panel.

One part of the amendment is that it will strengthen protections for employees by requiring a statement setting out that the arrangements meet the genuine needs of an employee and result in them being better off overall. The unilateral termination period for IFAs made under enterprise agreements will be extended from 28 days to 13 weeks. This will ensure that the employer is not left in the lurch should the employee decide that the new arrangements are not suitable.

It is important to note here that all other rules relating to IFAs will be maintained. These include that they cannot be made a condition of employment, that they must leave the employee better off overall and that they must be genuinely agreed to. We believe that if a business and individual can mutually benefit, why should both parties not be able to use these negotiations and arrangements? There must be agility and flexibility in workplaces to engage employees and enable businesses to continue to grow and thrive.
Under the current Fair Work Act there is a loophole that enables 'strike first and talk later'. We will remove this loophole, which will mean that employees will not be able to strike unless there has been genuine good faith bargaining. The coalition is going where Labor promised to go but of course never got there. Workers being able to strike before bargaining or discussion ever occurred is not sensible and does not do justice to the Australia ethos. This amendment is consistent with the recommendations of the Fair Work review panel. Labor promised this prior to the 2007 election but during six years of governing never legislated this change. They have been all talk and of course have not been able to follow through.

The Abbott coalition government is getting on with the job of building a stronger economy. We recognise that it is the role of government to create the right framework for employers and employees to prosper. There were a number of recommendations made by the Fair Work review panel in 2012, but Labor failed to act upon these common-sense recommendations. We are doing the hard work where Labor has dropped the baton.

These amendments will ensure any barriers to productivity are removed and also ensure that flexibility is available to both employers and employees. This bill implements the coalition's publically stated election policy—nothing more and nothing less. The government is strongly committed to these measures.

Mr KATTER (Kennedy) (17:58): I will leave it to the discretion of the chair, but with only four minutes it would be fairly foolish of me to attempt to address the bill. Would the chair prefer me to speak now or defer my contribution to the next day of sitting?

The DEPUTY SPEAKER (Mr Broadbent): I am happy that you call on the chair to adjourn the debate and you would request in your adjournment motion that you resume at the next day of sitting.

Mr KATTER: I move:

That the debate be adjourned and that it be continued at the next date of sitting.

Question agreed to.

Appropriation Bill (No. 1) 2014-2015
Appropriation Bill (No. 2) 2014-2015
Appropriation (Parliamentary Departments) Bill (No. 1) 2014-2015
Appropriation Bill (No. 5) 2013-2014
Appropriation Bill (No. 6) 2013-2014

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Proceedings suspended from 17:59 to 19:30

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (19:31): Madam Speaker, tonight I rise to speak on behalf of millions of Australians who feel shocked and angry. Shocked by the brutality of this government's attack on their way of life. Angry at a Prime
Minister who pretended to be on their side. This budget divides our parliament. More importantly, it will divide our nation.

The government says this budget is just the beginning. And it is. The beginning of extreme policies with an extreme impact on the Australian people. This is just the beginning, turning Australia into a place that most of us will not recognise—colder, meaner, narrower. Losing our sense of fairness and our sense of community. I and Labor believe in a different Australia. A place where your destiny is not predetermined by your parents’ wealth or your postcode. A fair and prosperous nation populated by a creative and productive people.

But this is not the Australia we saw reflected in the budget on Tuesday night. On Tuesday night we saw the battlelines of Tony Abbott’s Australia—an Australia being divided into two societies. This was a ‘tax it or cut it’ budget. Millions of Australians now understand what Abbott’s Australia will look like: if you need a doctor, you will pay more; if you need to buy medicine, you will pay more; if you go to work and earn a good wage, you will pay more; if you have a family, your support will be cut; if you lose your job, your support will be cut; if you are a young person, you will be left behind; if you rely on a pension, you will be punished; and if you drive a car, even for that you will have to pay more. And if you relied on the Prime Minister’s promises—then you were betrayed.

This is a budget of broken promises built upon lies. And not just lies—systemic and wilful ones. A budget that goes out of its way to create an underclass. A brutal budget that confirms the worst fears Australians have always had about this Prime Minister. A budget with the wrong priorities for our Australia. This is a budget based upon a myth. And now on the basis of this myth, this manufactured crisis, the Australian people have been ambushed with unconscionable changes. Where is the decency? Where is the honesty? Where is the humanity in this government? Where is the trust? For a Prime Minister who staked so much of his reputation and who campaigned to restore trust in our public life, he has let this country down—and badly.

The budget papers reveal the economic truth. Australia is fundamentally strong and so is the legacy that Labor left behind—low inflation; low interest rates; net debt peaking at one-seventh of the level of other advanced major economies; a triple-A credit rating with a stable outlook from all three international credit reporting agencies, one of only eight nations in the world; superannuation savings larger than the size of our economy; and around a million new jobs created in the five years before the last election. That is what we left.

Let us call the Liberal budget 'emergency' for what it really is. It is an attempt to justify the Abbott government’s finally revealed blueprint for a radically different, less fair Australia, a government that do not see the Australian people as workers, as parents, as carers, as patients or commuters, but as economic units unentitled to respect.

**Broken promises**

The Australian people have now witnessed this Prime Minister repeatedly promising one thing before an election while doing something completely different afterwards. Say what you like, Prime Minister. Spin as hard as you can. Australians know a lie when they hear one. They can spot a phony when they see one. And they know when they have been deceived. This budget grievously underestimates the Australian people. Australians are up for hard decisions. But pay them respect, you sit down, you talk to them, you listen. No dancing past
the hard questions. No lectures. No surprises. No excuses. What the Australian public expect are consistent structural changes aimed at the medium and long term. A budget that invests in the future. That is, a budget which points the way to an achievable destination but by a process, anchored in reasonableness.

**Cost of living**

We know that a nation's economic confidence begins with the family budget. And this is a budget which shows no understanding or respect for around nine million family budgets. This is a budget that will push up the cost of living for every Australian family. A budget drawn up by people who have never had to live from pay cheque to pay cheque. Never sat at the kitchen table with a stack of bills to work out which ones they can put off and which ones have to be paid to avoid being cut off. People who don't understand that increasing petrol tax will make the school run, the commute and driving the kids to sport on the weekend much more expensive. So I say to this Prime Minister, do not presume to lecture the Australian people about hard choices. Instead, do something to help them make ends meet.

This morning I met with a young family from Queanbeyan. Karim and Radmilla have two daughters, Isabella aged four and Mary Therese aged eight—and another baby due next week. Karim is a high school teacher. Like many Australians, they aren't wealthy—they work hard to make ends meet. They balance their budget, but some fortnights can be harder than other fortnights. They worry about their washing machine breaking down out of warranty—or paying for the new tyres on the family car. No matter how hard they try, the weekly shop never seems to cost less. It always seems like less than one month has passed since the last bill landed in their letterbox. And—if the Prime Minister gets his way—these good people and hundreds of thousands of other Australians just like them will be worse off because of the Prime Minister's budget.

The government's GP tax, the hospital tax and the increased cost of medicines will cost this family more than $450 per year. Whenever they fill up their car—they will be slugged at the bowser. And when term 3 starts, there will be no schoolkids bonus to help them with the costs of new books and new uniforms and shoes for their growing children. This Prime Minister's budget will smash family budgets across the nation.

NATSEM modelling shows that a couple with a single income of $65,000 and two children at school will have over $1,700 cut from their family budget. Add in the health costs, and this Prime Minister is cutting nearly $40 from their weekly budget, every week. And under this budget, the cuts will get deeper and deeper. More than tripling to almost $120 by the time of the next election. In 2016, this family will suffer cuts of over $6,000 per year. That's around one in every 10 dollars of the family budget gone. This is not a budget shaped by the everyday life of real people.

**Medicare**

Medicare is universal access to health care. It is fundamental to our Australian way of life. Labor created Medicare because we believe the health of any one of us is important to all of us. We are all members of the Australian family and Medicare, at its core, is a family measure. And with it, we created a new standard—one that is now 40 years old and one that both major parties previously had supported.
Labor rejects a US style two-tiered system where your wealth determines your health. The Prime Minister once claimed that he was the best friend that Medicare ever had but this budget proves he is ideologically opposed to Medicare and its central principle of universality.

This government proposes to establish a $7 GP tax for visits to a general practitioner. The justification is that the Medicare system is too expensive and requires greater patient contribution. Yet the budget reveals that not one dollar of the GP tax will be returned to recurrent health spending. Not one dollar. The GP tax is being applied simply to break the universality of Medicare. The basis of its application is purely ideological, the kind of thing you might expect from the American Tea Party Republicans, not from a once great Liberal Party committed to Medicare.

And no hypothecation to a future fund, whether medical or otherwise, justifies the measure or the wilful breach of promise that it entails. Taxing the sick will not heal the sick. Making medicine more expensive won't make us healthier. Yes, investing in medical research is crucial. All research is crucial. But you don't fund the search for the cures of tomorrow by imposing a tax on the patients of today. Australians are smarter and more generous than this.

But the GP tax does another thing. It turns GPs into tax collectors. To dragoon them into the service of a completely ideological quest—to distract their time and attention from their immediate task of diagnosing and treating their patients. This government has forgotten the general practitioners are the front-line troops in our constant battle to keep Australians healthy. Only the government's general contempt and disregard of them could lead it to impose such a burden on our GPs.

This parliament has a clear choice in this budget. It is either for or against Medicare. I give you this commitment. Labor will never, never give up on Medicare. We shall fight this wicked and punitive measure to its ultimate end. That is a promise.

$80 billion

But, in some ways, the worst thing the Treasurer said on Tuesday night didn't actually come from his speech. It was concealed in the budget papers. Hidden in the papers was a capricious, unconscionable attack upon health and education services. The budget papers reveal an $80 billion cut to schools and hospitals—a cut for which there had been no consultation, not a shred of consultation, no forewarning and no discussion. Let me repeat the sum, in case some people might have missed the scale of it—80,000 million. In today's parlance, $80 billion. Gone, $50 billion from hospital funding to states. Gone, $30 billion from school funding. An attack on this scale is unprecedented.

This Treasurer promised to bring forth massive savings, fairly applied. Instead, in an incompetent and cowardly manner he has outsourced the main burden of his savings task to the states of Australia. How could a collection of states with limited revenue possibly cope with these cuts? The Treasurer and the Prime Minister have hinted at an answer: a broader and heavier GST. The Prime Minister and the Treasurer are blackmailing the states with unconscionable cuts to turn them into the Commonwealth's cat's paw, a Trojan horse to a bigger GST but absolving the Abbott government of fingerprints or blame. This is how low the budget formulations have taken us. Even John Howard was prepared to take his GST to the people, to proselytise for it. But not Tony Abbott or big, brave Joe Hockey. This Foghorn
Leghorn of treasurers is showing what he really is. He is a low-rent soft-cutter of Commonwealth outlays while a hard and unforgiving cutter of payments to the states. Never before in Commonwealth history has the scale of such an attack been so large as the one that has been mounted upon the states and never before so underhandedly. I make clear that we on this side of the House will have no truck with these brutal and cruel cuts to health and education funding.

Education

Labor is the party of education. We are the party that brought the dream of a university degree within reach of all Australians. We are the party that implemented the Gonski reforms for schools based funding based on need. A $14.7 billion additional investment in Australian schools. But after this budget, the Gonski reforms are, to quote a famous Australian: 'dead, buried and cremated.' Labor remains committed to making every Australian school a great school.

It was my mother who taught me about the power of education. The pathway that it can provide. My mother was a teacher. She won a teaching scholarship in the early 1950s. She taught in city and country government schools. She travelled the world, and taught in London. She raised a family. She then studied again in later life while working full-time. But Mum never stopped being a teacher. She taught my twin brother and me everything. She taught me the value of education. Like all parents, what Chloe and I want for our children is a quality education. What separates Labor from the Liberals is that Labor wants a quality education for every Australian child.

Labor knows that it is Australia’s productivity and competitiveness that will determine how we fare in the 21st century. When I was at school there were 7½ Australian taxpayers to support each Australian aged 65 years or over. When our younger daughter was born in 2009, that ratio was five to one. By 2050 it will be only 2½ to one. Labor knows that the only answer to this challenge is to make the right investments in skills and productivity. Only through education will Australia fully develop our economic potential, our scientific potential, our artistic potential—our people’s potential.

This is why the Prime Minister’s $5 billion worth of cuts to higher education are so wantonly destructive. These cuts mark the end of Australia’s fair and equitable higher education system. Cuts that bring down the curtain on the Whitlam university legacy. The legacy which has given great Australians like Dr Cathy Foley, astronomer Bryan Gaensler and author Tim Winton the chance to go to university. The legacy that gave Tony Abbott and at least 12 members of his cabinet the same opportunity. An opportunity they would now seek to deny the next generation of young Australians.

This Prime Minister’s cuts to higher education sell out Australian genius and they reject Australia’s potential. Labor will vote against these cuts to university funding, these cuts to student support. Labor will not support a system of higher fees, bigger student debt, reduced access and greater inequality. We will never tell Australians that the quality of their education depends on their capacity to pay.

Pensions and superannuation

Just as we will never tell pensioners to tighten their belts again and again. This Prime Minister sees pensioners as a burden to the budget. Labor rejects this. Labor believes that
Australians who have worked hard all their lives, who have paid taxes all their lives—if lucky, have a humble family home—have earned the right to a dignified and secure retirement.

Pensioners should not have to worry about whether or not they can afford to put on their heating, visit the doctor, buy the grandkids a treat or take the dog to the vet. Let’s be clear: the age pension is not a king’s ransom. It is a modest sum. Barely $20,000 a year. The reforms introduced by Labor guarantee the pension keeps pace with the cost of living. If the Prime Minister’s pension cuts had been in place for the last four years—today pensioners would be at least $1,700 worse off.

The Prime Minister’s breach of trust with pensioners isn’t just breaking a promise he made before the last election. He is breaking a promise that Australia made with our fellow citizens 40 and 50 years ago. At the start of their working life. A contract that if they worked hard and made a contribution the nation would help look after them in their old age. This Prime Minister’s cuts trespass against the nation’s covenants with pensioners.

This Prime Minister’s lies and broken promises hurt every generation of Australians. Why should the sons and daughters of pensioners, worried about their parents' quality of life, have to worry about this budget too? Tonight, I make this solemn pledge to Australia’s pensioners. Labor will not surrender the security of your retirement. We will fight for a fair pension. And we will prevail.

This government’s failure to plan for the needs of older Australians is not just a problem for those currently on the age pension. This Prime Minister and this Treasurer should stop haranguing Australians about working till they are 70, especially if their only plan for Australians is to work longer and harder and retire with less. I have spent my adult life representing the people who do the real heavy lifting: the tradespeople, the labourers, the cleaners, the nurses—the Australians who make a living with skilled hands and strong backs. Many of them started work at 15 and 16—don’t force them to work till 70.

Empowering Australian workers to save for their retirement is important. Labor wants Australia to have the world’s best retirement system, not the world's oldest retirement age. And in this budget, the government continues to target the retirement savings of all Australians. This Abbott government cut superannuation—another broken promise. More pensioners reliant on a pension in the future.

As a minister, I moved legislation in this parliament to raise superannuation from nine to 12 per cent. And reduced taxation on the modest superannuation contributions of Aussies who earn $37,000 or less. Yet one of the first acts of this government was to abolish Labor’s low-income superannuation contribution. What a cowardly raid on the retirement savings of 3½ million low-income earners. Two-thirds of these hurt were women who had moved in and out of the workforce to start and raise a family. How can this Prime Minister believe it is okay to pay multimillionaires $50,000 that they don’t need, yet rob the retirement savings of over two million women who earn less than that in a whole year? Prime Minister—can you not see how unfair your policies are?

Labor believes that every Australian should be able to find good and fulfilling jobs with decent pay and conditions in productive, profitable and competitive enterprises. But for
Australians under 30 who are looking for work, this budget offers no hope. It offers despair. It offers poverty. It offers no plan for jobs. Prime Minister—where is your plan for jobs?

Arguably, the changes to Newstart are perhaps the single most heartless measure in this brutal budget. They sentence young people to a potentially endless cycle of poverty when they should be getting a hand to find a job. This is a classic blame-shifting, cost-shifting measure that will put the price of unemployment on to Australian families. Prime Minister, how are people under 30 looking for work supposed to survive on absolutely nothing? These are purely ideological changes that go to the very core of this Prime Minister’s character. They contradict every piece of expert advice. This Prime Minister’s vicious, victim-blaming policy will create a lost generation of Australians—shut out of the workforce. And Labor will have no part of it.

Australia does not have a budget emergency, as the government claims, but it has a budget task. And that task, in the face of declining terms of trade and lower nominal income, is to change and reconfigure the budget’s trajectory. To, over time, make certain that the combination and influences of Commonwealth spending and Commonwealth revenue come together to reduce the government’s call on national savings. In short, to make our national budget sustainable. But make it sustainable in a fair and reasonable way.

And why is this so particularly important? Because the budget supports and needs to support large numbers of dependent people, as it does families on modest incomes, and as it must, on schools and health. The budget always needs a balance in its imposition on incomes, the contribution of companies and those expenditures which underpin us as a civil society. Indeed, I believe, as a great social democracy. Labor has always held to these precepts. This is the kind of thoughtful responsibility I subscribe to. Recognising what needs to be done. But this is not the framework this government has adopted. It is walking away from this kind of balance.

This budget is designed to change the essential compact of Australian society. It is conservatism taking it up to consensus—tugging away at the very struts that have held us together as a good and prosperous nation. This opposition will support reasonable and balanced remedial budgetary measures but we will never support the conscious development of an underclass.

This is a budget that would seek to demolish the pillars of Australian society: Medicare, education for all, a fair pension, full employment. The very things that this Prime Minister promised not to touch are the first casualties of his fabrications. New and higher taxes. This is the budget of a Prime Minister and a government who wish to tear down everything Australians have built up.

By contrast, Labor invests. Labor educates. Labor believes in an Australia writ large. We believe that economic growth comes from extending opportunity. We believe in a prosperous Australia: prosperity for everyone who works and prosperity which works for everyone. An Australia where your Medicare card—not your credit card—guarantees you access to quality health care. An Australia where the National Disability Insurance Scheme is a reality for people with disability and the people who love them—not a scapegoat for complaints about spending.
We believe that science and innovation should be at the heart of national policy—central to our prosperity. We believe in an Australia where small business can grow and thrive. We believe in an Australia that still makes things. An Australia with quality infrastructure—including the best digital infrastructure. An Australia that is closing the gap and extending opportunities to its First Australians.

Labor believes in an Australia that cares for its environment and takes the science of climate change seriously, where multiculturalism is celebrated as a social and economic good—not treated as sport for bigots and ideologues. An Australia that is a good global citizen, confident and engaged with the opportunities of the Asian Century. An Australia ready for the future and optimistic about the future and investing in the future.

This Prime Minister and this Treasurer talk a lot about the freedom of the market, deregulating and liberating. Of course, you can get rid of fairness and leave people to fend for themselves. That is a kind of freedom.

Tonight I say to Australians there is another freedom—the freedom of integrity and the freedom of respect. The freedom that gives every person dignity and the right to be treated equally. A freedom of compassion and respect that gives individuals the opportunity to fulfil their potential. That is the freedom that we believe in. This budget undermines that freedom. This budget weakens it. This budget tears at the fabric of our country.

Madam Speaker, on Tuesday, the Treasurer quoted from Robert Menzies' 'The Forgotten People.' But the government forgot a lot of people on budget night. They are the Australians I am speaking on behalf of tonight and the Australians that I am speaking to tonight. The government forgot you in their budget—and they have forgotten what makes this country great.

It forgot opportunity. It forgot the reward for effort. It forgot the fair go. Well, Labor has not forgotten. We still believe in fairness. We still believe in an Australia that includes everyone, that helps everyone, that lets everyone be their best, that leaves no-one behind. This is the Australia that the Prime Minister's budget has forgotten. And it is the Australia that Labor will always fight for. If you want an election, try us. If you think that Labor is too weak—bring it on. But remember: it is never about you or me, Prime Minister. It is about the future of our nation and the wellbeing of the Australian people.

Debate adjourned.

House adjourned at 20:03

NOTICES

The following notice(s) were given:

Ms Rishworth to move:

That this House:

(1) notes that National Palliative Care Week is being held between 25 May and 31 May, with this year's theme being Palliative care everyone's business: let's work together;
(2) recognises that with an ageing population in Australia the demand on palliative care services will increase, while also noting that palliative care is required by people of all ages;
(3) acknowledges:

CHAMBER
(a) that providing high quality palliative care in a range of settings including in the home is critical to ensuring that patients and their carers have their wishes respected; and 

(b) the important role of the health workforce, trained volunteers and all those who are involved in delivering quality palliative care; and

(4) calls on the Government to:

(a) increase community awareness and understanding about palliative care and the importance of advance care planning; and 

(b) ensure adequate funding for palliative care services through both commonwealth and state and territory agreements, as well as through the National Palliative Care Program.

Ms Collins to move:

That this House:

(1) recognises that the Government has turned its back on regional Australia in the budget;

(2) acknowledges that the Government’s broken promises and wrong priorities in the budget will hurt those living in regional Australia and further increase the divide between the city and the bush;

(3) notes that this budget will hurt regional Australia by:

(a) slashing $1 billion in funding to local government by cutting into the Financial Assistance Grants;

(b) introducing co-payments to Medicare that will discourage doctors from bulk billing, meaning there will be less choice for people to access general practitioner services in regional areas;

(c) cutting health which will mean fewer services in regional Australia;

(d) cutting education which will impact on regional schools and students with less funding available;

(e) increasing the fuel excise which will hurt regional Australians the most who rely on being mobile and being able to travel to work;

(f) cutting the ABC that regional Australians rely on for information; and

(g) increasing university fees that will hurt regional students and regional universities; and

(4) calls on the Government to reconsider its broken promises and wrong priorities for regional Australia in the Budget.
The DEPUTY SPEAKER (Hon. BC Scott) took the chair at 9.30.

Prior to calling the first constituency statement, I understand it would suit the Federation Chamber for constituency statements to be for one hour today and I will allow that.

CONSTITUENCY STATEMENTS

Beeliar Wetlands

Ms PARKE (Fremantle) (09:30): It is in the nature of campaigns that fire up to protect the local environment that the defensive effort has to be maintained over a long period in which the intensity of a particular threat can surge and abate and surge again. With the release of the预算 on Tuesday night, there are now thousands of people in my electorate who know the long fight to protect the Beeliar Wetlands is about to enter a critical phase. With the Abbott government's announcement that it will provide funding for the construction of Roe Highway stage 8, a large and hugely expensive road, the Save Beeliar Wetlands campaign will again become the only thing that stands between the Barnett and Abbott government's destructive proposal to wreck precious wetlands and cut local communities in half.

North and Bibra lakes form part of a chain of wetlands that runs north-south along the Perth coastal plain and is recognised for its importance to threatened local and migratory birds, as well as for the Indigenous heritage and wide community value. The environmental campaign to protect these wetlands dates from the 1980s, with the Farrington Road blockade. The battle to resist the cleaving damage of the Roe Highway extension began as far back as 2001. Through community engagement and contributions to the environmental assessment process, the campaign had a strong influence on the WA Environmental Protection Authority's 2003 report, which concluded:

… any proposal for the construction of the alignment of Roe Highway Stage 8 through the Beeliar Regional Park would be extremely difficult to be made environmentally acceptable.

The report went on to say:

… the EPA is of the opinion that the overall impacts of construction within the alignment, or any alignment through the Beeliar Regional Park in the vicinity of North Lake and Bibra Lake, would lead to the ecological values of the area as a whole being diminished in the long-term. Every effort should be made to avoid this.

Yet despite this categorical finding, and despite all the common sense that argues for an approach to freight planning that moves beyond the old and broken paradigm of building more and bigger roads, the Barnett government has resuscitated what many had hoped was a dead piece of freight network planning. As the member for Fremantle, I have argued against the construction of this road to nowhere since my first election campaign in 2007, at the time with the great counsel and support of Joe Branco. I was pleased to help achieve the removal of the Howard government tied grant funding conditions, which prevented the deletion of Roe 8 from the Metropolitan Region Scheme, and I am very disappointed that this did not occur before the election of the Barnett government.

I want to take this opportunity to recognise Kate Kelly, Felicity McGeorge and all those who play an organising role in the Save Beeliar Wetlands effort, an umbrella campaign that...
now comprises 12 local community groups and in excess of 2,000 signed-on members. I want to say to them that their work so far has been of great importance and impact and it is enormously valued within our community. I want to say to them that, in the fight ahead that will determine the fate of the ecosystem, the lakes and the parkland we love, I will be standing with you, with our community, to save Beeliar Wetlands.

Tangney Electorate: Roads

Dr JENSEN (Tangney) (09:33): I take exactly the opposite position to the member for Fremantle on this. It is interesting that her speech topic was essentially the same as mine, but I will be coming from another angle. I would like to acknowledge the important contribution the federal government will make to infrastructure in my electorate of Tangney.

In Western Australia the Liberal federal government is investing $4.7 billion over five years to build the roads of the 21st century. These roads include the Perth Freight Link, upgrades to Stock Road and High Street and, importantly, an extension to Roe Highway. The last section, or section 8, of Roe Highway is something the people in my electorate have waited for for well over 20 years.

Traffic congestion, road safety and quality of life—in other words, the amount of time spent with family rather than with a car radio in traffic—are key issues in my electorate. Finally, the people of Western Australia have a government in Canberra that can not only hear their voices from way out west, but is willing to act and act decisively.

However, it would be remiss of me not to publicly acknowledge the campaigning of my state Liberal colleagues for this extension to be built. Liberal governments are pragmatic governments, pragmatic at every level. Constructive cooperation between the federal and state governments will see this badly needed highway extension delivered. This five-kilometre new road will be a four-lane dual carriageway with a number of interchange connections. Pending final design and the outcome of a competitive build process, the project is expected to cost in the order of $1.6 billion.

The project will complement the Australian government investment in projects such as Gateway WA, the Tonkin Highway grade separations, the Swan Valley bypass and the High Street upgrades. Together, these substantial network improvements will provide a high-standard freight link through the Perth urban area, establishing the Roe Highway as the preferred east-west freight route into the Port of Fremantle. I welcome the arrangements for private sector involvement in the project. I have come to this place on this issue of the Roe Highway extension many times in the past. Often I have included the phrase adopted by many community groups, and indeed my own Liberal colleagues—‘we want 8, and we won’t wait’.

Happily, thanks to this Liberal government in Canberra, that wait may finally be over.

Domestic Violence Awareness Month

Mr NEUMANN (Blair) (09:36): May is Domestic Violence Awareness Month and once again we are seeing great initiatives in my electorate of Blair in South-East Queensland. As a White Ribbon ambassador and a father of two daughters, I am very keen to make sure that we eradicate domestic violence and violence against women in this country.

Last Thursday night I joined the Ipswich Women’s Centre Against Domestic Violence and members of the Ipswich community in the annual Walk a Mile in Her Shoes event for the third consecutive year. I spoke at the rally afterwards. Created in California in the US by
Frank Baird in 2001, the Walk a Mile in Her Shoes event is based on the old saying, 'You can never really understand another's experience until you've walked a mile in their shoes.' So it is an event which encourages men to do the right thing. I marched with my traditional Ipswich 'Say no to domestic violence' T-shirt and in my RM Williams boots. I did not join the Ipswich Jets Rugby League team and Councillor Andrew Antoniolli wearing red stilettos, but I did march with Senator Claire Moore, the shadow minister for women, and the Labor candidate for Ipswich, Jennifer Howard.

Sadly, in this country one woman dies every week as a result of domestic violence. We should have conversations around the lounge rooms and kitchens about how we treat women and how we talk of them in workplaces, around the barbecue and on football fields and in clubs. We cannot brush this issue under the carpet.

Another great event which is happening in my electorate as we speak today, right now, is the Ipswich Housing and Support Services initiative of a Domestic and Family Violence Tenancy Session, of which I am a proud sponsor. The Ipswich Housing and Support Services contribution to Domestic Violence Awareness Month is centred on the issue of the rights of tenants and the options available to them when domestic and family violence occur in a private rental.

Sadly, as shadow minister for Indigenous affairs, I have to look through the press releases of the Minister for Indigenous Affairs and, as I did so this week, I looked at the budget that was handed down. I looked at the new streamlining of funding in relation to individual programs and, sadly, even in the new streamlined cuts of $534 million to Indigenous affairs, there was no mention of continued support for the programs run in relation to violence against women and children. Indeed, Antoinette Braybrook, the national convener of the Aboriginal Family Violence Prevention and Legal Service, condemns the government for their comments and says:

Where is the commitment to keep Aboriginal women and children safe? Where is the commitment to ensure Aboriginal women's access to justice? And where is the commitment to reduce vulnerability to violence?

She is calling on the government to do the right thing by Indigenous women in this country and to provide 'certainty and additional resources' for culturally and physically safe services for Aboriginal and Torres Strait Islander women.

Environment: Grey-Headed Flying Fox

Mr CHESTER (Gippsland—Parliamentary Secretary to the Minister for Defence) (09:39): I begin by recognising the participants of the Rotary Adventure in Citizenship who have joined us in the Federation Chamber today. It is terrific to see so many young people in the chamber and I look forward to catching up with some of the participants later on this afternoon.

My concerns today are in relation to a population of grey-headed flying foxes which are roosting alongside a residential area in Bairnsdale in my electorate of Gippsland. I want to highlight some concerns with the extraordinarily slow process to achieve any prospect of resolution for the nearby residents, who have had their quality of life and overall health impacted by this colony of flying foxes over several years. Over the past three years, I have
been involved with correspondence to the former federal ministers and the local East Gippsland Shire Council trying to raise residents' concerns and resolve this problem for them.

The reason it has been so difficult to get a result is that the grey-headed flying fox is listed as an endangered or threatened species under the EPBC Act. This week, I have written to the new Minister for the Environment to seek his support in reviewing that status. I believe more research is required into the grey-headed flying fox populations in our nation. From anecdotal reports, this species is causing problems right along the east coast of Australia, where it impacts on residential communities, school communities and public places. There are many sites, and, from a layman's perspective, given the prevalence of the grey-headed flying fox and the impact it is having on communities, I find it hard to believe that it is that endangered or that rare.

My constituents have been extraordinarily patient as they have gone through this process with the development of draft plans, and the wheels of bureaucracy have turned remarkably slowly. We need a one-stop shop for environmental approvals for activities such as this. But the residents have had enough. They have formed their own National Bat Solution Group. I quote from a media release sent out last week:

Following years of intolerable conditions and struggle to deal with the tens of thousands of bats now seasonally taking up residence for up to 8 months of the year, an established group of residents in Bairnsdale are stepping up their efforts and going national.

The comments from people who have written to my office include:

From an immediate health perspective, the constant 24/7 noise and putrid air quality, both of which exceed … OH&S standards, have put many residents in a state of constant ill-health.

Another states:

Enough is enough if I don't get a full night's sleep soon I'm likely to kill someone.

Between the dog barking at the bats, the incessant noise and the stink from bats I can't put up with it any more.

And another states:

On our regular early Sunday walk this morning the noise was massive and the smell was putrid as usual, and it extended throughout the CBD. With rain forecast in the imminent future one wonders how much worse the sickening smell can get.

This is a big issue for the people in the immediate community but also for the nation as a whole. I will be working with the Minister for the Environment. I thank his staff for the support they have provided already in support of the National Bat Solution Group and the East Gippsland Shire Council in their efforts to seek a review of the conservation status of the flying foxes and to seek changes to both state and federal legislation to allow some balance in this debate so that the rights of people are well considered and there is some more balance in terms of the dispersal of flying foxes from some of these residential areas and these large roosting sites.

Holt Electorate: OneVisionAid

Mr BYRNE (Holt) (09:42): Last Saturday night I had the pleasure of attending the inaugural OneVisionAid fundraiser organised by representatives of the local Afghan community in the John Pandazopoulos Hall, in Doveton. Over 300 people attended the event. It raised over $70,000 in donations and pledges for OneVisionAid's initial project, which is to
support local youth experiencing difficulties and challenges like substance abuse, depression and mental health issues and to provide support to people overseas, particularly in Afghanistan, who have suffered through war, trauma and natural disasters—which I will touch on in a second.

What I love about this particular project—it is a group of young Afghan men who have come together to do this—is that they are identifying some issues that are running throughout the community and seeking community support from the Afghan community to rectify those particular issues and integrate these young people back into the community. For that they should be commended.

I understand that OneVisionAid will be extending its remit into Afghanistan, because what it wants to do is provide education. Education is a very powerful tool. It is a tool that empowers young Afghan women in particular and young Afghan men. It gives them hope and it gives them opportunity. When I met with the executive of OneVisionAid, it was wonderful to hear their plans to reach out to young men and women in Afghanistan through Facebook, Twitter and the use of social media to do things like conduct virtual classes and reach out to those affected in war-torn areas to provide them with opportunity and hope for a better future. As I said, for that they should be commended.

In particular, what drove the event that I attended last Saturday night was their response to a tragedy that happened in the Argo district of Badakhshan in northern Afghanistan, where approximately 2,000 people died. The tragedy of this is that an initial landslide occurred through that village and when 600 people from a nearby village went to dig them out a second landslide went through. Approximately 2,000 people died. Recovery efforts and retrieval efforts are now underway. It is obviously not a rich area but OneVisionAid's support for this project is incredible. The fact that they raised over $70,000 in pledges and donations—some of that money is going directly to those affected—I think again says a lot about the group.

I would like to say to the Afghan community that our thoughts and prayers are with those families touched by this landslide event. I want to commend the young men involved in this OneVisionAid project—Mohammad Ali Sharifi, Munir Lodin, Jamshed Akbar and Treasurer Nadeem Azimmi—for their work. These young men are bringing the community together for the common good. They should be commended and lauded for their efforts.

Rotary Adventure in Citizenship Program

Petition: Telecommunications

Ms Henderson (Corangamite) (09:45): I would like to pay tribute to the Rotary Adventure in Citizenship program and commend the young men and women here in the parliament today. It is wonderful to have you here. Welcome. I hope you have a wonderful week. There is lots to learn. It is wonderful to see so many young men and women learning about our wonderful democratic system.

I present a petition that was found to be in order by the Petitions Committee.

The petition read as follows—

To the Honourable The Speaker and Members of the House of Representatives

This petition of the citizens and friends of the community of Shelford Victoria, draws to the attention of the House, that Shelford Victoria is in a black spot as far as telecommunications (Mobile Phone & Internet) are concerned. This was again highlighted during the heat wave and elevated fire danger
period experienced in the 2013 - 14 summer. Many residents experienced poor and unreliable telecommunications, and had no up to date information.

We, the undersigned, ask the House to urge the telecommunications industry to urgently investigate, plan and deliver a telecommunications system that is improved and far more reliable for the residents of Shelford and the greater local community

from 238 citizens

Petition received.

Ms HENDERSON: I wish to commend the principal petitioner, Stephen Gilligan, for his efforts. I congratulate everyone in Shelford for uniting together to ensure their voice is heard in the nation's parliament.

Shelford is one of many small communities throughout my electorate of Corangamite that are being impacted by mobile phone black spots and has serious issues with internet connections. Along with Shelford, other places like Dereel, Birregurra, Gellibrand and Deans Marsh and larger towns such as Ocean Grove and Torquay are suffering some significant issues with internet connections and getting access to fast broadband.

I am extremely proud of the coalition government's commitment—a $100 million program to fix mobile phone black spots. As I have said to these communities—and we have had a number of very important community meetings throughout the western part of my electorate and also on internet connections in places like Deans Marsh and Grovedale—I am absolutely determined to stand up for those communities and to fight for better communications. It is simply shameful that over six years Labor did not invest one cent in fixing mobile phone black spots. This policy shows how much we care about country people. As I say, I am very proud of it.

We also have a very important policy in relation to the rollout of the NBN. Let's face it, under Labor the rollout of the NBN was a disaster. I am very proud to continue to stand up for these communities.

Shipbuilding Industry

Ms BUTLER (Griffith) (09:48): I was visited yesterday and today by people who work at the Forgacs shipyard in my electorate of Griffith. I first met AMWU delegate Robert Proctor, who works at Forgacs shipyard in Griffith, at the Labour Day march.

A division having been called in the House of Representatives—

Sitting suspended from 09:49 to 09:58

Ms BUTLER: I first met Robert Proctor, who is a shipbuilder at the Forgacs shipyard in Griffith, a short time ago—on Labour Day. He came to speak to me about the shipping industry in Australia. I have met him again—yesterday and today—here in Canberra as he and his fellow workers have come to speak to me and to other members of the parliament about the future of the shipping industry in Australia. The shipping industry is presently winding down some of its major projects with very little, if any, work scheduled for the next 18 months. That period has been described as a valley of death, because if there is no work for shipbuilders then there are around 3,800 jobs to be lost in Australia as a consequence. That is terrible for those individuals who lose those jobs and for their families. It is terrible for our country, because if we lose those jobs then we decrease our capacity to maintain shipbuilding skills in this country, which means that future projects will be hit by impaired capacity for
shipbuilding and impaired skills. The Australian Manufacturing Workers Union and others have been calling for projects to be brought forward so that ship building skills can be maintained in this country. For example, work on the *Sirius* and the *Success*, two ships that require replacement, could be brought forward so that we could continue to have shipbuilding capacity in this country.

I am calling on the government to do something about giving concrete work, real work, for shipbuilders in this country. We have seen a budget this week with no solid commitments to the shipbuilding industry, an important industry for Australia's future. Why would we want to send the work involved in building our naval vessels offshore? We would not. Those vessels should be built in Australia. For that to be able to happen we need to make sure that Australians have the skills to build those ships onshore into the future, and that means projects right now. We have been described as being in the valley of death. This is the time we need to make sure shipbuilding continues to be done on these shores to secure jobs now and into the future.

**La Trobe Electorate: Trade Training Centre**

Mr WOOD (La Trobe) (10:01): On Wednesday, 7 May, I had the very great pleasure of officially opening the new Hills Hospitality Trade Training Centre at Belgrave Heights Christian School in my electorate of La Trobe. I had a very lovely lunch prepared in the new facility by the students. The food was first class and the service was also first-class. We received entertainment from local musicians, Naomi Eager, Joshua DeGrass and Daryl Thompson. I must also congratulate Sarah Kelly, the school's event manager, and the very entertaining MC, Ivan Seskis. I have known the principal of Belgrave Heights Christian School, Mr Andy Callow, and his business manager, Glenn Campbell, for about 10 years. When I first went on a tour of the school many years ago, I described it as the hidden gem of the hills. Not many people knew about it and it was regarded as something of a myth, but those days are long gone and everyone now knows about this fantastic school, which has gone from strength to strength.

Last year I was invited to see the school's musical, *Annie*. I can honestly say that this school production was the best I have ever seen. The school continually demonstrates that if you support and encourage students, they can achieve anything. The construction of this new hospitality trade training centre is no different. Assisted by a $1.3 million federal grant, the new facility is a credit to Andy and his team. With our commercial kitchen and high-quality equipment, the new centre is a place where students can gain qualifications in the food processing and hospitality industry. The centre is concentrating on trades that are currently experiencing shortages in the Dandenong Ranges and local areas—that is, the baker, the cook and the pastry chef. Again, the school and other individuals came together in a spirit of cooperation. The school thought about the job prospects of the region's young people and devised a plan to make a difference in finding jobs for them. It seems to me that in everything the school does it puts the students first. Andy Callow, board members, staff, parents and the entire Belgrave Heights school community—past and present—all share the same vision and, with their strong faith, have created one of the best schools not only in the state, but in Australia. The new centre is a real credit to the desire to give young people of the region the chance to learn new skills, skills that promise to serve them well for their entire working lives.
I must congratulate the builder, Daniel Veith, the kitchen designer, chef Robert Anderson, and the entire school community. Congratulations; it was a fantastic day.

**Budget**

**Ms OWENS** (Parramatta) (10:04): Well, it has been a shocker of a budget. Talking to people in my community, there is outrage at a range of the measures taken by the Abbott government outlined in the budget on Tuesday night, from the GP tax of $7 per doctor's visit to the cuts to pensions and to the punitive approach to unemployment benefits for those under 30. But I want to talk today about some of the extraordinary contradictions in this budget.

I started making a list of contradictions a couple of days ago and every day there is another one that comes to light. For example, if the government is concerned about the number of people on the pension in 2050, another way to look at it is to make sure that fewer people need the pension. But rather than increasing super contributions, they have actually delayed super contributions. By doing that, they made it more likely that more people will be on the pension by 2050 and then they have cut the pension. They have made it more likely that you will need it and then they have cut it.

They have cut funding to public transport. They have cut from all of the funded projects in the urban public transport field since coming to government. They are putting some of that money back in into roads. They are making it more necessary for people to drive and then they are raising the price of petrol. They make you drive and then they raise the price of petrol.

If they are concerned about health care costs, one of the ways to reduce health care costs is to make sure that people seek help for ailments early. Primary health care is incredibly important if you want to make sure that there are fewer people in hospitals. That is one of the ways to reduce health care costs. But rather than going that way, they have actually gone the other way; they have actually made it more expensive to seek help early on. They have made it harder to see a doctor early. When you do get sick and do have to go to hospital, they have also cut funding from the hospital system. They make it harder for you to stay well and then they make it harder for you to get help when you need it.

If they are concerned about youth unemployment, there are things you can do that help people get into work but they have cut those. They have cut Youth Connections; they have cut the programs that are working on assisting young people that are disengaged to get back into the workforce. And then when they are not in the workforce, they have also cut assistance to them. So they are actually cutting from both sides.

There is no logic to this budget. They make the problem worse and then they punish people for being in those circumstances. They deregulate fees for universities because they want higher standards but by deregulating fees they make it harder for people to be able to afford to go to benefit from the higher standards. There will people in my community who simply will not go to university because of this increase in fees. They say, 'Australia is open for business,' but people in my community will have significantly less money to spend in my local businesses. The GP payment alone rips $9 million a year out of the community of Parramatta. There is no logic to this budget.
Relay for Life

Mr MORRISON (Cook—Minister for Immigration and Border Protection) (10:07): Cancer is an insidious disease which leaves its indelible mark right across our community, not just today but over generations. I imagine there are few in this place who have not lost a family member or friend to cancer and we may even have those who have suffered from cancer and survived that ordeal amongst us today this place. I rise this morning to give my thanks to all of those who took part in the recent Sutherland Shire Relay for Life on a chilly wet weekend on 3 and 4 May at the Sylvania Waters athletics track.

Relay for Life is an overnight, hugely successful community event where teams of 10 to 15 people participate in a relay style walk or run to raise funds for the Cancer Council. Together with my two girls, I joined the relay teams for the start of this year's 2014 Relay for Life, which has now become, over many years, a very significant annual fixture in the shire's calendar.

Cancer does not wait for the cold or the bad weather to lift. Despite the wet and cold conditions that weekend, this year's 2014 Sutherland Shire Relay for Life had a strong field of 199 teams with over 2,000 participants. The local team of volunteer organisers led by Rod Coy—himself a cancer survivor—set an ambitious target of raising $600,000. With the detailed planning of the volunteer committee, the event ran like clockwork and to date those almost 200 teams have raised over $500,000 and are well on their way.

The top fundraising team was Short Circuit Cancer Peak Health, led by team captain and exercise physiologist Brent Collier. That team exceeded their fundraising target, having raised over $20,000. The Sutherland Shire Relay for Life has been run each year since 2002 and is one of the country's most successful relays, ranking consistently in the top five Relay for Life events around the country, and is regularly sought out by similar exercises overseas to see how we do it in the shire.

I wish to make special mention of 17-year-old Chris O'Loughlin, a year 12 student at Cronulla High School who joined 20 of his mates in his first relay. Chris completed a staggering 245 laps continuously for 24 hours. He completed the laps without any sleep or previous training, and raised $365. Chris showed we can make all the difference in the fight against cancer. Rod tells me that the key to their ongoing success at the relay is to make it more than just a relay event. It brings together our shire community for a weekend of fun, entertainment and celebration—and, importantly, remembrance. Sadly, every five minutes another Australian is diagnosed with cancer and, while survival rates are improving every day, cancer in all its forms remains a leading cause of death in our country. It is reassuring to see that those who are fighting this disease get up and live their life every day with great hope and optimism.

Gellibrand Electorate: Footscray Community Arts Centre

Mr WATTS (Gellibrand) (10:10): I rise this morning to celebrate the 40th anniversary of the Footscray Community Arts Centre. For 40 years, the Footscray Community Arts Centre has been inspiring workers of Melbourne's west, and their families, to engage with art and creativity. In Melbourne's west we are lucky to enjoy a vibrant cultural and artistic life, from the Substation art gallery in Newport to the Louis Joel centre in Altona. But it was not always this way. The industrial nature of Melbourne's west once meant that avenues for art and
culture were scarce. In 1974, a pioneering group of unionists, including George Seelaf, Paddy Garrity and Peter Green, recognised the importance of art and creativity in the lives of workers and their families. As George Seelaf said to Paddy in 1973, the unions are on the wrong track if they only think about wages and conditions but they do not give a damn about the quality of life and culture of the working class people.

It is a matter of having arts and culture not only inside the factory gates but also outside for the workers and their families. These men recognised that meatworkers, who spent all day surrounded by death and destruction at the meatworks, needed a forum for life and creativity, for community art and for activities to express their part in the human experience. They created the Footscray Community Arts Centre for this purpose—so that these workers could express their creative side through artistic and cultural activities. The centre was a key part of the revitalisation of art and culture in Melbourne's west. This month, the centre is celebrating 40 years of operation. In that time, more than two million people have visited or participated in one of the centre's programs. In those 40 years, the Footscray community has evolved dramatically, and the Footscray Community Arts Centre is in part responsible for that advancement. The centre has helped many disadvantaged and marginalised groups in the Footscray community by actively engaging them in community arts programs. Originally the centre operated out of a disused detergent factory; however, in 1979 it moved to the landmark bluestone building on the banks of the Maribyrnong River, a former piggery. Today, a manicured green garden slopes down to the river. Quite fittingly, across the river sit the cranes and containers of Melbourne's wharves, reminding visitors of the community centre's industrial origins. It is now a vibrant community hub, and a place that my children love and treasure.

The Footscray Community Arts Centre recently held a picnic to celebrate 40 years of its work engaging with the Footscray community. It was filled with the mix of artistry and activism that we have come to know and love in Melbourne's west. I would like to thank everyone who was involved in organising this event, in particular Heather Horrocks for her work with the Design Your Own Picket event, an artistic event for children that my kids very much enjoyed. I also thank Graeme Bird, for sharing such insightful thoughts about the origins of the Footscray Community Arts Centre and its work.

I am proud to represent this centre as their local federal member of parliament, and I am a devoted advocate for the centre's development and growth and the championing of artistic expression in Melbourne's west.

Durack Electorate: Aged Care

Ms PRICE (Durack) (10:13): Over the past couple of months I have been leading a review of aged care reform in the electorate of Durack to contribute to the Abbott government's overall plan to develop a more positive attitude to ageing, to seniors and to people who face extra challenges. I was joined by Senator Dean Smith in co-hosting a series of roundtable discussions to gain on-the-ground feedback from relevant local government bodies and key stakeholders on the necessary forms that are needed to improve regional aged care services. With the vast size of the Durack electorate, it will take a few more months to meet with all the key stakeholders, but we have already gained vital feedback from the Wheatbelt, Mid West and Gascoyne regions.
It is no secret that Australia is faced with an ageing population, with 23 per cent of the population predicted to be 65 by the year 2050. The focus of these roundtables was to listen to the aged care issues faced in these towns—how they could be improved through a collaborative effort between the three tiers of government and private providers, and how we can ensure that any existing plans or concepts are understood and included in our overall strategic review of Durack's aged care sector.

I have already identified key issues in the provision of aged-care service delivery in these regional towns. There is a significant increase in demand for aged-care services in towns which are considered to be aged-care friendly, such as Cunderdin and Kellerberrin in the Wheatbelt. There is also the overwhelming need for an increase in high-end service delivery. It is important to note that the Commonwealth government's Home and Community Care program, HACC, is making a significant contribution to aged-care services. However, high-end care will increasingly become a prevailing concern as Australia's ageing population continues to increase.

Aged care is an issue that is not going to go away. We cannot afford to close our eyes and pretend that we are not faced with an ageing population who will increasingly require effective service delivery, not just in metropolitan areas but also in regional areas. I have already identified many of the aged-care issues in Durack. However, we are very aware that not all regional areas are alike—and, by the way, that was quite a revelation—and that aged-care priorities vary from town to town. I will continue to champion this review of aged care in Durack, with further roundtable meetings to be held in the Mid West, Gascoyne and the Wheatbelt, along with the Kimberley and the Pilbara regions in the coming months. But, as I am sure we all know, this will not be fixed overnight. I will ensure that any long-term plans to increase aged-care services in Durack are considered and implemented strategically.

**Corio Electorate: Geelong**

Mr MARLES (Corio) (10:16): I was recently given a photograph by Vitol, the new owners of the Shell refinery, of the big smokestack at the Shell refinery, which has red and white bands going up and down the stack and the word 'Shell' written down it. It is a really important thing for me. As a child, whenever we returned from long trips away from Geelong, being able to see that stack said that we were home. It is just a chimney, but, to me, it really matters. It speaks of a whole lot of iconic features and visions that all of us have in our lives—not postcards like the opera house or the Statue of Liberty; they are more personal, more particular and more evocative, like a smell from your childhood. They define a sense of home, a sense of place and a sense of identity—like the big, bold Ford sign in Norlane, outside the Ford factory on the main road, which talks about a city that proudly uses its hands to make things and produce wonderful products; like the T&G clock on the corner of Moorabool and Ryrie streets, at which, on every half-hour, a man and his boy used to come out and bang a clock. It symbolised a father handing over responsibility to his son and urging him to continue the good work. I can remember standing on that corner as a kid, waiting for the clock to tick over to the half-hour so I could watch the two figures come out and bang the bell.

These things symbolise the places in which we live and they need to be maintained. For me, it is a real sadness that some of these features are not being maintained. The truth of the matter is that that big, bold Ford sign today is dirty, and that is a terrible thing. It speaks of an
advertisement about a product and, in the same breath, a statement that you do not care—you are trying to sell something that you do not care that much about. It needs to be cleaned. And that T&G clock does not work. A clock that does not work is an advertisement of a place that is broken. When you think about that father handing over to the son and urging him to continue to do the good work, it does not sit well with a clock that does not work. So I think it is really important that in Geelong at this time we make sure that these iconic and personal features are properly maintained. I call upon the owners of the T&G building and Ford to do just that in relation to both those features, on behalf of everyone in Geelong.

While I am at it, if you look at the old photos of that corner, which is really the heart of Geelong—and I looked at one this morning from 1900—there are flagpoles on all the buildings, and they are still there today but not a single flag is flying. Wouldn't it be great if they were? I recommend all the owners of those buildings to go and visit W Libby & Son on Yarra Street, flags and pennants. I have got nothing to do with that business, but I have bought flags from there. They do a great job. And, can I just say, Vitol have assured me that the red and white stack will continue to be maintained once they take over the refinery.

Leichhardt Electorate: Rigby, Mr Flynn

Mr ENTSCH (Leichhardt) (10:19): I rise to highlight this story of a very special young lad in my electorate, Flynn Rigby. At just 11 years of age, Flynn has had a very challenging life. He was born a surviving twin at 22 weeks, in November 2002. As he developed he was unable to speak and was diagnosed with autism. I became involved with Flynn in 2011, when his mum and dad, Jenni and Frazer, started fundraising to take Flynn to China for groundbreaking stem cell treatment which was not available in Australia. The community rallied strongly and together we helped to raise more than $40,000. Flynn flew to China in November 2011 for the first treatment and the results were absolutely remarkable. From being able to speak only one-syllable words, Flynn rapidly progressed. A year later he was speaking in sentences, chatting away with people, drawing, writing, reading and telling the time.

Now Flynn's family is fundraising again to take him for a second round of treatment later this year. They need to get this treatment in before his teenage years. The target is $30,000 and the donations are sitting at around $12,000 at the moment. A major fundraising event, an auction night at Yorkeys Knob Boating Club, is coming up on Saturday, 31 May. Although I cannot be there for the event, I certainly want to show my support for Flynn and his wonderful family.

We have some fabulous businesses in Cairns. They really go the extra mile when people need a bit of a hand, donating items and vouchers. I have done some ringing around and with a bit of creativity have decided to put myself under the hammer. As a package, my wonderful and beautiful wife, Yolonde, and I are hoping to raise a very significant chunk of cash for Flynn's cause by organising a night out with us for two people. The evening will start with the winning bidders being picked up in a stretch limousine, thanks to the wonderful services of Coral Sneddon and Sue Bartlett from Cairns Limousine Services. We will enjoy a bottle of champagne on the way to Palm Cove, where we will have a delicious meal at the highly awarded Beach Almond restaurant, owned by Brian and Sarah Holding. We will then drop the bidders home in the limo. I urge anybody who wants this unique opportunity to take advantage of it and at the same time enjoy the hospitality of Cairns Limousine Services and Beach Almond. We will certainly have a wonderful night.
It is a fabulous cause. I know that it is going to make a huge difference for young Flynn. As he moves into his teenage years, I think it is absolutely critical that we give this young lad the best possible opportunity to reach his potential. I have no doubt at all that raising this money, hitting that $30,000 target, will give Flynn the best chance he has in his life.

**McEwen Electorate: Costa Mushroom Exchange**

Mr MITCHELL (McEwen—Second Deputy Speaker) (10:22): On Tuesday night, in a sneaky, underhand move, the Abbott government made a decision that has created a severe risk to jobs in Mernda, within my electorate. More than 600 workers in Mernda are at risk of losing their jobs, thanks to a decision to double the levy charged to mushroom growers in Australia. Local Mernda grower, Costa Mushroom Exchange, produces more than one-third of Australia's mushrooms and will be slugged with a $1.6 million bill as a result of the spawn levy increasing from $2.16 per kilo to $4.32 per kilo.

The increase in the mushroom levy severely threatens the local company's ability to retain its 600-strong workforce. These 600 workers are our family, our friends and our neighbours. They may now be out of a job and they face the added stress of an uncertain future because of this heartless and cruel government. The effect of the mushroom levy increase on Costa Mushroom Exchange is absolutely devastating. This is a family owned company that supports the local economy, hires local workers and contributes back to the community. It is being punished by the Abbott government and its twisted priorities. Importantly, the additional money could have been better spent on expanding the company, therefore increasing productivity and the number of jobs and being of overall benefit to the local economy of Mernda and surrounding areas.

Costa's chief operating officer, Mr George Haggar, said: 'This is more than one-third of the total levy, yet Costa has only one vote in any ballot of levy payers. We have seen no evidence to show how the business will benefit equally, compared to other levy payers, from having to pay double the amount of the current levy.' Costa has always made it clear to the agriculture minister, and to a number of other government and opposition MPs and senators, that it has never supported the levy being increased, as it does not believe an increase to be necessary or justified.

As highlighted by the Horticulture Australia Limited review, which was only received by the government late last week, the way in which the horticultural levies are collected and spent is in need of serious reform. It is therefore disappointing that the agriculture minister has chosen to act on doubling the mushroom levy before the review recommendations have been considered or acted upon.

Costa Group's Mushroom Exchange is a significant economic presence in Mernda, with an estimated economic benefit of between $150 million and $200 million for the state of Victoria. The risk of job losses is made even more acutely painful with Tony Abbott’s vicious cuts to unemployment benefits, family payments and pensions, as well as his introduction of punishing taxes like the GP tax and the fuel excise.

I would say that the minister showed a complete lack of leadership and responsibility by not having the guts to contact Costa exchange to let them know of his sneaky change. By his actions he has shown a lack of support for Australia's horticultural industry and Australian
jobs. Our community is going to suffer because of Tony Abbott's deceit, broken promises and twisted priorities.

Wannon Electorate: Basalt to Bay Landcare Network

Mr TEHAN (Wannon) (10:25): Madam Deputy Speaker Andrews, it is lovely to see you in the chair. I do not think I have had the call from you before! Congratulations on your appointment, and it is terrific to see you in the chair.

I stand today to talk about a wonderful project that is taking place in my electorate. It is called the Basalt to Bay Landcare Network project, and is all about providing information to farmers on the benefits of shelter belts. Yesterday, the Basalt to Bay Landcare Network published their latest report on how to continue to make farming more sustainable and more profitable.

The report on the economic benefit of native shelter belts reviews how farmers can use gradual native plantations along paddock line fences to assist with topsoil, crop and pasture yields, dairy production and animal health. The report has been supported by organisations ranging from Bega, Australian Wool Innovation to Meat and Livestock Australia. Their participation has contributed to the significance of its findings, and it shows the breadth of support that this project enjoys.

This Basalt to Bay Landcare Network project fits extremely well with what the government is trying to do in the environmental space. Yesterday we were debating in the House about the Green Army legislation which is before the House, and which will encourage young people to get out and join a Green Army and help to improve Australia's environment. This Basalt to Bay Landcare Network project has in it exactly the type of information which will enable projects to be put together so that we can see shelter belts go up around Australia. They will add more farming profitability and a sustainable environment.

I was very disappointed that I could not be there yesterday when this project was launched, but I had a statement prepared which was read out. I thank the Basalt to Bay Landcare Network for enabling me to support what they were doing yesterday. I commend this publication to the House. I ask everyone, especially those with interest in regional and rural Australia, to have a look at it because it is an initiative which is excellent in its nature and I think it will have long-term implications for farming in this country.

Cunningham Electorate: Budget

Ms BIRD (Cunningham) (10:29): I want to take the opportunity today to speak on behalf of constituents about their very serious concerns about the Abbott government's GP tax. This, in particular, has been raised in our local paper, the Illawarra Mercury today, and I want to reference some of the comments that have been made.

But I should indicate that it has been in response to the front page of the Illawarra Mercury yesterday, which I have here for those who were not able to see it. This is what it said 'Pain. Pain. Pain.' It reflects the front page of the Illawarra Mercury under a previous Liberal government budget where taxes were increased and the impact on health was a concern. So this ran yesterday in the Illawarra Mercury, and it prompted some locals to write in and raise their concerns.

What is the size of the problem? Illawarra-Shoalhaven Medicare Local statistics show that we had 2,130,799 GP consultations in the region last year. There are over 50,000 pensioners
across the region, so this is no small impact. In Cunningham specifically, there were 800,489 bulk billing services in 2013—that is, 86.24 per cent of the GP services delivered. At $7 per visit, that will lead to an increase in my electorate alone in costs for GP services of $6,497,575. It will not surprise members that locals are very concerned. In particular, today in the Illawarra Mercury local Milton GP Brett Thomson has outlined his concerns as a health professional. He said that he bulk bills the majority of this patients. The changes announced in Tuesday's budget for him will mean his patients will pay $7 up front or, if chooses to waive that fee, he will receive $5 less in government rebates; he said:

I do think it will have some effect on some people and unfortunately it will be the people who are most vulnerable, I suspect.

The people who are the poorest, people who are older and socially disadvantaged.

We say to people here, 'Oh you need to drive to Wollongong from Milton for a specialist appointment' and they say 'I can't afford the petrol. I can't go this week because I don't have petrol'.

We don't realise there are people living on the edge. They've said people who are under 30 and unemployed aren't going to get the dole for six months. If they're not eligible for the dole, how are they supposed to make a co-payment?

These are the concerns of locals, pensioners, GPs and all sorts of health professionals. I think the government should seriously reconsider this proposition.

**Parkes Electorate: Budget**

**Mr COULTON** (Parkes—The Nationals Chief Whip) (10:32): I would like to speak this morning about the contribution that the Australian government has made to agriculture in this budget. In the previous six budgets that I have witnessed in this place, agriculture has not played a major role. During the global financial crisis, the two industries that kept Australia out of a complete financial meltdown were agriculture and mining, both of which are very strong in the Parkes electorate.

In the budget, the government has committed $100 million over four years for competitive grants for applied research, with an emphasis on having results accessible to farmers. There will also be $20 million over four years for stronger biosecurity. We should never underestimate the importance of biosecurity. What gives us a competitive advantage in Australia is the fact that we are a long way from a lot of our markets, we are surrounded by water and, as a result, we do not have a lot of the nasty diseases that our competitors have. We need to make sure we keep that advantage.

In the Parkes electorate, there are some wonderful research facilities and I am sure that they will be pleased to know that there is money on the table for which they can compete. Sydney University has put a lot of money into upgrading the IA Watson Wheat Research Centre at Narrabri. They are doing a lot of breeding of wheat varieties that will improve the productivity and profitability of farmers in that area. Indeed, Sydney University through Livingstone farm—which unfortunately has been sold, much to my disappointment—were pioneers in zero till farming. This modern revolution has enabled farmers to survive through the driest seasons, to produce crops in seasons in which their fathers or grandfathers would not have. Also we have a magnificent research station at Condobolin and another one at Trangie, both underutilised at the moment, sitting there waiting for money to come through.
Organisations like the Conservation Agriculture and No-till Farming Association, CANFA, are doing work in understanding the soil science of moisture retention and in encouraging engineering in planting machinery so they can get those seeds established with the least disturbance to the soil. All those things are keeping Australia at the top of the world. The Australian farmers are the best in the world and the money given in the budget will help them stay that way.

**Australian Taxation Office**

**Ms HALL** (Shortland—Opposition Whip) (10:35): One of the most popular community activities that happen within my office is Tax Help. The Australian Taxation Office comes out and has volunteers assist constituents in Shortland electorate and other electorates throughout the country to complete their income tax returns. This is geared towards pensioners and people on lower incomes. It is a way to ensure that their tax returns are done properly and that they can complete them affordably.

I was very distressed to learn recently that the ATO community and education section at Newcastle will close. Staff were asked to make sure that volunteers are ready for the Tax Help season, but all other activities will now be undertaken at Parramatta and Tax Help will be run from there from this year. So we have the local staff organising for Tax Help to go ahead and that section was closed on Tuesday, and now it will be overseen from Parramatta. That raises the question in my mind of the long-term commitment to Tax Help by the ATO within my area. This is such a valuable service to so many people that I really fear that this is just another example of an Abbott government cut that is going to impact on people who look to government for services. The other aspect of the community and education section is that it goes out and talks to people, particularly young people in schools, about tax. Now it will, once again, not be able to do that within the Hunter area.

I refer to a statement by Commissioner Jordan where he talks about the new mission of the tax office: 'to contribute to the economic and social wellbeing of Australians by fostering willing participation in the tax and superannuation systems'. When I think about willing participation, one of the ways that willing participation occurs is when the tax office goes out and promotes a positive image within the community, provides education, encourages people to complete their taxation and tells them what taxation is about—Medicare, hospitals, roads and schools. This closure and transfer to Parramatta means that there are no extra staff going to Parramatta. It is clearly a reduction of service and jeopardises Tax Help. *(Time expired)*

**Acton, Mr Graeme**

**Mr BUCHHOLZ** (Wright—Government Whip) (10:38): I rise to inform the House that, regretfully, in the coming days I will be travelling to Central Queensland to pass my respects to the family and commemorate the passing of someone who I believe to be an icon of the Australian bush—a man whose growth in the industry has known no bounds. I speak of no other than the respect that I have for Graeme Acton and of his tragic passing last week.

Graeme's iconic status within the Australian and regional cattle industry is superlative. His loss will be an enormous void to be filled by the next generation that comes through. Graeme's growth within the cattle industry was somewhat unsurpassed. His family enterprises are within the top few holdings of Australian cattle families. Those acquisitions were made in extremely tough times—through vulnerable times of drought. They were made when
commodity prices were tough and in the adversity of harsh weather conditions, in a sector where these industries are price takers with no certainty of the end value of the product.

But Graeme stood above the pack. He stood above the pack with reference to his boy-like—his unique feature was his voice. It was akin to a baby calf sometimes. You always knew when Graeme Acton was coming. His voice would announce him well before you got a visual on the man. A tall man; a man of strong carriage. A man of great values. A man whose commitment to the bush was unwavering. A man whose commitment to the sport of campdraft was unsuppressed. His personal investment into the sport at his residence, a couple of thousand acres outside Rockhampton that he named 'Paradise Lagoons', included establishing Australia's premier campdraft facilities. When you think of campdraft in the bush, it is an iconic sport; Graeme took the sport to a professional level with three arenas. It was truly remarkable.

In the time remaining to me, I would like to pass my sincere and humble condolences onto the family and friends of Graeme Acton. His generosity knew no bounds with the very quiet way that he supported many, many, many charities and interest groups around the nation. I suggest on Monday all of those people will remember the great things and the contributions that that man made to our country.

The DEPUTY SPEAKER: Order! In accordance with standing order 193, the time for constituency statements has concluded.

ADJOURNMENT

Mr BUCHHOLZ (Wright—Government Whip) (10:41): I move:

That the Federation Chamber do now adjourn.

Crime

Mr WATTS (Gellibrand) (10:42): Since the last time this parliament adjourned, a woman was murdered on a busy lunchtime street in my electorate in front of her son by a man. The woman's name was Fiona Warzywoda, and her death, while shocking for its public nature, is depressingly, heartbreakingly common in every other respect. Police allege that Fiona's murder was not a random attack, but was committed by her former partner. If true, this would make Fiona the twenty-ninth victim in Victoria in the past year of what police call domestic homicide, but is more appropriately described as men's violence against women.

As my community struggled to come to terms with Fiona's death, a local, Sophie Dutertre, quietly resolved with her friends and family to hold a silent protest. She wished to honour Fiona's life on the street in which she was killed and to publicly condemn men's violence against women. The following week more than 600 people assembled on Devonshire Road in Sunshine on a cold, wet and blustery autumn evening to join this silent protest. Members of Victoria police, community services groups, the Sunshine Business Association and elected representatives from all levels of government and all political parties, including the member for Maribyrnong, joined these community members in this show of support. It was a moving event. The organisers should feel proud of the community solidarity that was on show, and political leaders should understand the message that was sent.

After this protest I spoke with a friend who has been working to stop men's violence against women in our community. I told him I had been struck by the strength of the community response and naively expressed hope that the public nature of the murder, while
particularly horrific, might act as a catalyst for change and that the moment would produce the sustained media and political attention necessary to stop the appalling growth of this violence in our private spaces. He was highly sceptical. He said that we had seen moments like this before and little had changed. I am bitterly sorry to inform the House that so far he is right. National media attention quickly moved on from Fiona's death to the royal tour and then the lead-up to the federal budget. The Victorian and Commonwealth budgets have since come and gone with little response to this growing horror in the life of so many members of our communities. There has been little public outcry at this disinterest.

It is not that governments are doing nothing in the face of the growing incidence of men's violence against women. The previous government undertook significant work to provide a holistic policy response to men's violence against women across health, housing, policing, justice, education, employment and community services. This approach culminated in the National Plan to Reduce Violence Against Women and their Children, in which the federal and state governments agreed to a comprehensive policy response to men's violence against women. In the 2013 budget the previous government provided important funding for domestic violence programs, including $5.2 million to establish the Foundation to Prevent Violence Against Women and their Children and $7.6 million to train health professionals so they are better equipped to identify and deal with victims of domestic violence. The national plan places a heavy emphasis on long-term generational change. It focuses on teaching our boys responsibility for their actions towards women and for creating a society for our girls—our daughters—that is less threatening to them than it was for their mothers.

However, the reality is that we have not yet seen results from these initiatives. Unlike most other forms of crime, men's violence against women is rising. There has been a 42 per cent increase in intervention orders granted to protect women who are at direct risk of harm from men in the past five years. Breaches of these intervention orders by men were up 40 per cent in 2013, and 820 were breached by men more than three times. In Melbourne's west, services responding to men's violence against women have seen a 35 per cent increase in client numbers over the past year. In fact, Fiona's death was the latest addition to the 29 domestic homicides and 60,000 family violence incidents recorded in Victoria in the previous year. Can you imagine the media and political response there would be if there were a lone serial killer on the loose in our community who had murdered 29 women in the past 12 months? Yet we cannot sustain the public or political attention to keep this issue at the forefront of our national political debate.

There is no silver bullet for ending men's violence against women, yet there are many things that we should be doing that at present we are not. The message for this House from the silent protest held in my electorate in honour of a woman that our society and our government failed to protect is clear: we can no longer avert our eyes and throw our hands up in the face of this issue. We all need to start taking responsibility for men's violence against women. We need to make men's violence against women a national issue at the top of our political agenda until this stain on our society is eradicated.

**Grocery Prices**

Mr CRAIG KELLY (Hughes) (10:47): I associate myself with the words of the member for Gellibrand and congratulate him on his speech and on his initiative. Today, I would like to provide the House an update I have on the Coca-Cola index. The Coca-Cola index gives an
international comparison of the everyday low supermarket price of a two-litre bottle of Coca-Cola in supermarkets around the world. Given that Coca-Cola is a global commodity—it is sold in 200 countries throughout the world and is made through a highly automated process from the same standard recipe—it is a very good proxy as a test for competition in each international market.

The sad thing about the Coca-Cola index is that, compared with almost every country I have looked at, whether it has been New Zealand, South Africa, Canada, the UK, Singapore, Taiwan or even Germany, Australia has the highest supermarket prices for Coca-Cola by a long way—not just 10 or 20 per cent but 40, 50, 60 or even 100 per cent more. So I was very excited recently, when I was able to go on a delegation to Israel, to think that I could perhaps find a country that actually has a higher supermarket price for Coca-Cola than Australia.

I will give you some background on Israel. The Israeli parliament recently held an inquiry into higher supermarket prices in that country, because it was concerned that there was a lack of competition in the marketplace, given that in Israel the two major supermarket chains control 60 per cent of that market. God knows what it would think of a market where the major two control 80 per cent. What that inquiry found was that Israel had on average 20 per cent higher prices than all other OECD countries. In comparing Israel to Europe it found that its supermarket prices were actually 25 per cent higher. So I was confident that I could finally find a country where the price of Coke was higher than in the supermarkets in Australia.

But, even though Israel has a GST of 16 per cent and all those other factors, I was sadly disappointed. I visited a small supermarket in downtown Tel Aviv, and I found a 1.5-litre bottle of Coke on the shelf there. Their everyday low price was 6.9 shekels. Even forgetting the higher taxes, that is the equivalent of the Australian price of $2.86 for a two-litre bottle, making the conversion and the comparison. In Menai in my electorate that same two-litre bottle of Coke is now $3.99. So there I was in a country that has the highest supermarket prices in the world, and yet the price that my constituents are paying in my electorate is actually 40 per cent higher than that.

This is just another example of the lack of competition and the artificially high prices that Australian consumers are paying at the supermarket checkout today. I could give other examples. There is the example of Vegemite. Bizarrely, a jar of Vegemite made here in Australia is cheaper to buy in a UK supermarket or a supermarket in New Zealand than it is to buy here in Australia.

We have seen the OECD food inflation figures over 30 years. In almost any period we pick during the 30 years we find food inflation in Australia has been much higher than in the rest of the world. Then there is the recent World Bank comparison. It found that Australia is the most expensive nation of all G20s, and out of 177 countries around the world we are the fourth most expensive economy.

Why is this so? Why is this happening? It is simply due to our highly concentrated market. A highly concentrated market gives market power to the major retailers to screw rebates off their suppliers. We have seen that happen. We have seen that recently with the collapse of Rosella foods, where the receiver talked about one of the reasons for the collapse of Rosella, saying:

… the demands of both supermarket chains through rebates contributed significantly to Gourmet's dire financial state.
But thankfully we are finally getting some movement in this area. We have seen the ACCC commence proceedings against one of the major supermarket chains. Mr Rod Sims said the problem is that they are:
… capable of causing significant detriment to small suppliers’ businesses. This could have resulted in these businesses becoming less able to plan and less able to innovate in the market, with resulting reduced economic efficiency and consumer detriment.

(Time expired)

Budget

Ms ROWLAND (Greenway) (10:52): I rise today to discuss the utter deceit of this government in relation to public broadcasting in Australia. On the night before the election, standing in the marginal federal seat of Lindsay, the opposition leader, now Prime Minister, said:
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.

My favourite is when the Prime Minister, in the parliament on 13 February this year, when asked if he stood by this pre-election statement, told the House:
Of course I stand by all the commitments that this government made prior to the election. If there is one lesson that members opposite should have learnt from the experience of the previous term of parliament it is that you cannot say one thing before an election and do the opposite afterwards.

If only this Prime Minister had taken his own advice, and I bet his own backbench are thinking the same.

The budget delivered on Tuesday night broke every single promise the Prime Minister made in that statement the night before the election—every single one. I wonder what the people of Lindsay are thinking now, especially the voters—and there would have been a considerable number—who saw the then opposition leader saying those words in their own electorate and got up the next morning, went to their polling booths and cast their votes for the Liberal candidate. They were deceived. 'No cuts to the ABC or the SBS'—you could not have been clearer. It begs the question: would they have voted for their Liberal candidate if they had known then what they know now?

This government ripped $232.3 million from the ABC on Tuesday night, including abolishing the Australia Network, and has cut $43½ million from the budgets of the ABC and SBS, with a promise of more to come when the Minister for Communications gets the efficiency review in coming weeks. What is the bet that is a promise they will actually keep!

It is a down payment, and the ABC themselves have made it clear in estimates, saying they will need to make cuts to services, very possibly including those in rural and regional areas.

The ABC Managing Director Mark Scott confirmed that the ABC cuts were a broken promise. In a media statement he issued on budget night he said:
The funding cuts will be disappointing for audiences. The government gave repeated commitments before and after the election that funding for the Corporation would be maintained.

Let me say that again. These are the words of the Managing Director of the ABC. The government gave 'repeated commitments' on which he and his management team would have relied, just as voters would have relied on those statements. I ask the question again: if they
had known then what they know now, would they have voted for the Liberal candidates on 7 September? Mark Scott went on to say:

… the funding cuts would regrettably and inevitably—

'venitably', not 'might'—

result in redundancies and a reduction in services.

Who is going to feel this the most? There are a few groups who will feel it the most but particularly people who reside in rural and regional parts of Australia. And what have we heard? Not a peep from those representatives, who should get up and say publicly that this is wrong and should not go ahead.

In his first press conference as Prime Minister on 16 September last year, the Prime Minister said:

I don't intend on making promises that I won't keep.

In the first few months of this government there has been nothing more than broken promises. As the Prime Minister successfully lectured to the previous government, you cannot say one thing before an election and do the opposite afterwards.

These cuts impact not only people in the bush but also people in the cities, in our diverse and multicultural communities, who rely on the excellent services provided by the SBS. As the SBS Managing Director, Michael Ebeid, told the Fairfax press this week:

We were really hoping the promise made before the election would be kept and there would be not cuts to the ABC or SBS. SBS is already an under-funded organisation and we have been using efficiencies to cover existing costs.

Any future cuts would have to impact on content and Australian content which is 10 to 15 times more expensive to produce.

When our language services start getting cut, I look forward to those coalition MPs in inner city and outer metro areas feeling the heat on this issue because, again, as I said, people voted for this government believing it would not cut the ABC or the SBS and they were deceived.

**Anzac Day**

Mr BUCHHOLZ (Wright—Government Whip) (10:57): During the recent recess of the House each member had the opportunity to attend Anzac Day ceremonies across the nation to commemorate the brave efforts of ANZAC veterans who served to provide a blanket of security for us as a nation that we sleep under on a daily basis. Anzac Day in my electorate, as for every other member in this place, is a day of high importance on our social calendars. To put that into context, for me to attend each dawn service in my electorate of Wright, I would need to be returned to office at eight consecutive elections. It would be only after 26 years of service that I could return to the first place where I attended a dawn service in my electorate.

However, this year I was privileged to travel along with my wife to France to attend the dawn service celebrating Anzac Day at Villers-Bretonneux. It was my first journey to France in this capacity. It was a most humbling experience. You knew when you walked onto the grounds of the memorial site at Villers that you were truly on sacred ground. You were in a place where the memories of soldiers and the memories of family members will live on forever.
For those who may never have the opportunity to travel to Villers-Bretonneux, it is a relatively small village which consists of maybe three or four thousand people. It does not have a major shopping centre. It does not even have a motel for one to seek accommodation for the stay for Anzac Day. One commutes half an hour back down to a town called Amiens. Villers-Bretonneux is located directly north-east of Paris and probably an hour south-east of Calais. It was a significant stronghold in the First World War, 1914 to 1918. The Germans had actually taken the community of Villers-Bretonneux. As the troops arrived, it was a battle of inches.

The community of Villers-Bretonneux has not forgotten and is still truly grateful to the Australian service men and women that served. We saw evidence of that when we walked up the main street to attend a function. An old lady of humble means, obviously not of a strong or wealthy position, shuffled up to us as if she was about to beg for money. She said, 'Are you Australian?' We indicated, yes, we were. She raised her hand, cupped my hand and put in a couple of old bullet shells. She said, 'They are for you. They are from your boys, they belong to you, and we will never forget the sacrifice that your boys made for us.' It was a very moving experience.

The contribution Villers-Bretonneux makes today to their memory on a daily basis is very humbling. Within the school there is a big placard that says, 'Thank you, Australia. We will never forget your efforts.' They have renamed streets Victoria Street and Melbourne Street. The pub is called the Melbourne. There was an AFL football game scheduled between locals. Dotted around the community were literally dozens and dozens of cardboard cut-outs of kangaroos, koalas and kookaburras—iconic animals synonymous with Australia. This is a community that will not forget the sacrifices of our men and women.

The memorial is probably five or six kilometres out of Villers-Bretonneux town. Because of the number of people that travel there, it is enormously logistically difficult to get there. You go through a tapestry of agricultural land which is nothing short of impressive. There are bright vibrant yellow canola fields with wheat paddocks. It is purely sensational to look at. It is very humbling when you have your tour guide say that this rolling picturesque view was once rivers of blood. *(Time expired)*

**Budget**

Ms HALL (Shortland—Opposition Whip) (11:02): The Abbott government's decision to rip $80 billion out of the health and education budget will have a dreadful impact in my electorate of Shortland. What the government has done is push the cost of health and education to the states. I find that really disturbing, particularly in the area of health. When the Prime Minister was health minister, I was the deputy chair of the health and ageing committee pre-2007. He was strongly pushing an agenda of the Commonwealth taking over control of hospitals. So, once again, we see a Prime Minister that has done a complete about-turn. And it shows that he probably does not have a belief in anything whatsoever other than his own ability or desire to be Prime Minister of this country.

The important substance of my contribution to this debate is about the impact that the GP tax will have on the people of Shortland electorate, how it will hurt and how it will lead to an increase in the price of medicines. Shortland electorate is an older electorate and this budget has been particularly harsh when it comes to its impact on older Australians. Pensioners are
set to lose a considerable amount of their income under the proposed indexation scheme that has been outlined in this budget and will now face the impact of the $7 GP tax.

Currently, nearly 83 per cent of GP services are bulk-billed in Shortland electorate. When the Prime Minister was the health minister, that was under 60 per cent. Those bulk-billing services fell when the Prime Minister was health minister in the Howard government, and now he is waging an attack on bulk-billing yet again. It is something that I think he has been ideologically opposed to all his political life, and I think that, by imposing this GP tax on people, what he is doing is trying to end Medicare. He has previously stood up in parliament and said he was the best friend that Medicare ever had; we are seeing now what sort of a friend he is. I would say that, if that is the way he looks after his friends, that friendship is not worth having. This GP tax will fall disproportionately on older people in Shortland electorate. The majority of GP services for older Australians are bulk-billed.

I would like to share with the parliament just how it is going to impact on one pensioner in Shortland electorate. The brother of this pensioner wrote to me yesterday and said: 'My sister is an aged pensioner. She is a widow and therefore on a single pension—no other income. She was diagnosed with a serious liver and pancreatic disease. She saw her GP, who ordered blood tests over three consecutive days. Under this new arrangement, she will have to visit the GP to order the tests. She then has to have three blood tests, and then she has to go to the GP to get the results. That will be five visits at $7 a pop, and that will cost her $35 in that one week. This is outrageous. She has increased medication following the diagnosis, which means an increase in the costs of her medication. To be quite frank, at this stage in her life with a very serious illness, she does not need the financial concerns which will accompany this health issue she has.'

This is a heartless tax. This is a cruel tax. This is a tax that will impact on those people that can least afford it, and I say that the Abbott government stands condemned for the hurt it is going to impose on Australians. (Time expired)

Small Business

Mr PASIN (Barker) (11:07): I am pleased to have this opportunity today to speak about a topic which is close to my heart, and that is the coalition government's agenda to free Australia from unnecessary and burdensome red tape. In the first instance, I want to commend the Prime Minister and the Parliamentary Secretary to the Prime Minister, the member for Kooyong, for their respective commitments to the cause of deregulation—an appropriate segue to 26 March 2014, which we all know was this nation's inaugural repeal day. I sensed, as I am sure you did, Mr Deputy Speaker, a nationwide collective sigh of relief on that day, and it is not surprising, because in this space the nation had been effectively holding its breath for six years.

Small businesses provide so much firepower in regional communities like those in my electorate of Barker. I identify very strongly and proudly with family owned businesses in Barker. Indeed, I am pleased to speak here today on their behalf. I cannot help but see the world through the eyes of a small business operator. Growing up, I was surrounded by private enterprise given my father's horticultural and agricultural interests in the lower south-east of South Australia and my mother's longstanding retail fashion businesses on Commercial Street. It is interesting that the road that runs through my hometown of Mount Gambier is indeed
named Commercial Street. I expect if those opposite had their way it would be renamed Regulation Road.

In more recent years, when my wife and I established our own legal practice, I came to know firsthand the burdens of overregulation. I know from personal experience that red tape is a weed which grows like an insidious exotic vine—slowly but ever effectively strangling the otherwise healthy organism that it has latched on to. We know that Labor is either unable or unwilling to undertake regular pruning of that weed, to ensure that it never grows out of control. Alas, it is left to the coalition government to remove Labor's overgrown and out-of-control regulatory burden, to create the breathing space that business needs to create investment and jobs. It is our duty to put overregulation, the role of regulators and the compliance costs faced by businesses in the not-for-profit sector under the microscope.

It is easy to see why Labor and the Greens are not all that worried about the way regulatory burden strangles our economy. While Liberals such as me want to create an environment where small business operators can grow and employ more Australians, those on the left are happier to see the growth of those jobs in the public sector. They rejoice when the bureaucracy advertises to employ more staff; that is the only sort of growth they aspire to. On the other hand, I sigh sadly. They think it is great for the insidious vine of red and green tape to grow evermore, slowly strangling private enterprise, strangling small family owned business operators and killing the chance of further growth and job creation. I know these words of the British Prime Minister Tony Blair are often quoted, and I think, sadly, that he is spot on:

It seems to be part of the DNA of regulatory bodies that they acquire their own interests and begin to grow.

I am pleased, if not surprised, that a member of the Labour Party, albeit the British version, was able to make such an observation. I wish more members of the ALP were willing to open their eyes in a similar fashion. As the member for Barker, an electorate which boasts a wonderful and industrious small and medium sized business community, I feel absolutely obliged to stand in this place and represent the needs of those whose hard work makes our proud regional economies tick. From my ongoing conversations with businesses throughout Barker, I know they feel they are being dominated by a culture of compliance and enforcement which stifles productivity. It would be remiss of me not to note also that where regulators have the ability to recover costs for their fees from industry it is industry that bear the impost of regulatory risk aversion.

On behalf of constituents in Barker, I welcome the federal government's deregulation agenda. The propensity for unnecessary risk-averse regulation requires cultural change. Thankfully, that change has started, and I am pleased that I was here and participating in the germination that took place on 26 March this year.

**G20 Leaders Summit**

*Ms BUTLER* (Griffith) (11:12): The G20 Leaders Summit will be held on 15 and 16 November in Brisbane and Friday, 14 November will be a special public holiday in the Brisbane local government area. The leaders summit will be the climactic event for Australia's presidency of the G20. The Brisbane Convention and Exhibition Centre, a venue in my electorate of Griffith, will be the principal meeting place. I look forward to welcoming as many as 4,000 delegates and 3,000 media representatives to Brisbane Southside, and I look...
forward to leaders from around the world getting a taste of what Brisbane Southside has to offer.

The leaders summit is the most important event in the G20 year. It will be the most significant meeting of world leaders that Australia has ever hosted. The G20 countries comprise around 85 per cent of global GDP, over 75 per cent of global trade and two-thirds of the world's population. My predecessor in Griffith, the former Prime Minister the Hon. Kevin Rudd, played a pivotal role in elevating the G20 to a leader-level summit, and I thank our former Prime Minister the Hon. Julia Gillard for her work at the 2011 G20 Leaders Summit in securing Australia as the host nation for the 2014 G20 Leaders Summit. This milestone in Australia's diplomatic history is testament to how far we have come in the world. With our outstanding economic record and our peaceful society, we are now a country to which others look for guidance, inspiration and support.

The G20's 2014 agenda rightly focuses on growth and jobs. Here in Australia it is a great shame that this week's budget provided no plan for jobs, only savage cuts to families, pensioners, young people and other individuals. The St Petersburg G20 Leaders Summit Declaration, the last leaders' declaration, stated:

Strengthening growth and creating jobs is our top priority and we are fully committed to taking decisive actions to return to a job-rich, strong, sustainable and balanced growth path.

It said:

Our most urgent need is to increase the momentum of the global recovery, generate higher growth and better jobs, while strengthening the foundations for long-term growth and avoiding policies that could cause the recovery to falter or promote growth at other countries' expense.

We understand that sound and sustainable economic growth will be firmly based on increased and predictable investments, trust and transparency, as well as on effective regulation as part of the market policy and practice.

The G20 understands the importance of jobs. So does the Y20, one of the G20's engagement groups. The Y20 is the Youth 20, with delegates from around the world. I recently met with an Australian Y20 delegate, who said to me that the Y20 is focusing on youth unemployment.

As you know, Mr Deputy Speaker Goodenough, here in Australia—including in my electorate on Brisbane's south side—we have a youth unemployment crisis. The Australian Bureau of Statistics figures show a national youth unemployment rate of 12.9 per cent, with 262,000 young Australians between 15 and 24 years old out of work. Jobs Australia has said that teenage and youth unemployment rates indicate a need to support young people to make successful transitions from school to employment. The federal government delivers three youth programs: Youth Connections, the Schools Business Community Partnership Brokers Programme and the National Career Development Strategy. The Abbott government has slashed these youth programs in the budget.

I visited a local Youth Connections program recently and saw firsthand how it works. It is a program with runs on the board when it comes to kids who drop out of the school system. It is a value-for-money program that saves our community money by stopping at-risk kids from falling through the cracks. Nationally, over 80 per cent of people who participate in Youth Connections are in work or study 18 months after finishing the program. It is a great outcome for those kids, and it is a great outcome for our community. Jobs Australia has said:
The Youth Connections Programme has been successful in preventing and addressing disengagement from education, training and employment and helping young people achieve long term outcomes. The strengths of Youth Connections include flexibility, capacity to provide intensive and holistic support, and outreach with the most disengaged.

And yet, the Youth Connections program has been cut by the Abbott government in this week's atrocious budget that attacked pensioners, young people and people who could not afford to bear the brunt of this Abbott government budget.

The Abbott government has no jobs program for young people, only cuts. It made university education more expensive and cut skills funding. It has declared war on young people, despite utterly failing those same young people when it comes to job creation.

Vocational Education and Training

Mrs ANDREWS (McPherson) (11:17): I take the opportunity today to outline the action that the government is taking to address skills shortages and to provide more education and training options through the VET sector.

Successive governments have talked about Australia's skill shortage, but this government is actively working to address the gap that has existed for many years now between supply and demand. To do this we need a demand-driven vocational education and training system, one that is responsive to the needs of the labour market. And we need to pursue reforms to ensure that the VET sector is delivering the training and skills that are needed, giving people skills so that they can enter the workforce, fostering development in regional Australia and providing valuable access and education for the disadvantaged in our community, for whom education can truly be a life changer.

The government came to office last year with a plan to improve outcomes in the skills and training system. The minister appointed a VET reform task force to commence that task and together we have set about actively engaging with stakeholders in this process right around the country. I have been very pleased to work very closely with the Minister for Industry throughout this process.

The training system has an important role to play in meeting the skill needs of industry today and into the future. These priorities for reform must include a central role for industry, greater focus on student outcomes and quality, less red tape and unnecessary regulation whilst supporting quality and, in tight budget circumstances, targeted funding and better value for money.

Our national competitiveness, productivity and ongoing wealth depend upon an efficient VET system delivering these skills, training and job-ready workers that employers want. This means putting employers in the driving seat and encouraging greater industry investment. It means better, not more, regulation and, amongst all this, it means delivering higher quality outcomes for students. To achieve this we need everyone—states and territories, TAFEs, adult education providers, agricultural colleges, private providers, community organisations, industry skills centres and commercial and enterprise providers—working together with a common purpose.

Based on the goodwill that exists and the acknowledgement that reform is required, I am sure we can deliver the system that Australia wants and needs. At the inaugural Council of Australian Governments Industries and Skills Council meeting on 3 April 2014, state and
territory training ministers and Minister Macfarlane agreed on objectives for reform and identified three key priorities for action: examining the standards for providers and regulators to ensure they better recognise the different levels of risk posed by different providers, enabling the regulators to deal more effectively with poor quality in the sector to improve confidence and meet the government's deregulation objectives; reducing the burden on the VET sector that arises from the constant updates to training packages; and ensuring that industry is involved in policy development and oversight of the performance of the VET sector and that governance arrangements and committees are streamlined.

The government will now develop an action plan for reform from 1 July 2014 and will continue to engage with stakeholders over this time. Of course, as part of building of VET system, the House of Representatives Standing Committee on Education and Employment is reviewing the TAFE system. Workshops are underway across the country to hear firsthand how to improve TAFE's work. Students, teachers, administrators and industry all want a TAFE system that is simple to access, efficient and effective. Consultations have started and will be going on right through to March next year. I certainly encourage my colleagues to urge their stakeholders in the VET sector to make submissions.

In the brief time I have left I also want to acknowledge the investment in training that was made in the federal budget this week. The industry minister announced a new $476 million industry skills fund to streamline training and deliver close to 200,000 targeted training places and training support services over four years. The fund will complement our trade support loans which offer assistance to those who are completing an apprenticeship and will target occupations on the National Skills Needs List, such as plumbers, diesel mechanics, electricians and fitters. This emphasis on training and skills is also reflected in the government's historic extension of Commonwealth funding for diplomas and a range of pathway courses that really open up educational opportunities for the many young people who may not want to pursue a university degree. This is a fundamental shift in our approach to higher education and an equity measure that I applaud. I am very pleased that training and vocational education are being given the priority they deserve by this government and I look forward to continuing to work with the minister to ensure we improve the sector with the practical aim of addressing Australia's skill shortage.

Nigeria

Ms PLIBERSEK (Sydney—Deputy Leader of the Opposition) (11:22): Last month more than 300 girls were kidnapped in the middle of the night from the safety of their beds. Nearly all of them are still missing, and this week we saw a video from Boko Haram, their captors, showing 77 of the girls in a frightened group. Some parents were able to identify their daughters in that group, and I can only imagine the anger and pain that they suffered. Perhaps the only people suffering more were the parents who could not see the daughters in that group and would be wondering what has happened to them.

Defending the right of girls to an education is a responsibility for us, not an aspiration. Keeping girls in school leads to happier and healthier families, fairer and more equal societies and more prosperous economies. It is good for the girls as individuals and it is good for all of us—for their families and their countries. In developing countries one extra year of primary school boosts a girl's future wage 10 to 20 per cent and an extra year of secondary school increases that earning potential by 15 to 25 per cent. Each additional year of female education
reduces child mortality by 18 in every thousand births. An estimated 65 million girls are not in school worldwide, and 31 million of those schools are of primary school age and 17 million are expected never to attend school. The Australian aid program has been working successfully to reduce that number. Aid keeps more girls in school; it improves maternal health; it reduces domestic violence. The Australian aid program has made a very real and measurable impact on the lives of women and girls.

These are just some of the contributions of aid. Since 2000 the GAVI Alliance has immunised 440 million children against preventable disease. The Global Fund has provided 6.1 million people with antiretroviral therapy and detected and treated 11.2 million cases of tuberculosis. Since 1990, 2.3 billion people have got access to better quality drinking water from improved sources and 700 million fewer people lived in extreme poverty in 2010 compared with 1990. So for all those people who say, 'What is the point; aid does not work,' remember that figure—700 million fewer people lived in extreme poverty in 2010 compared to 1990.

These achievements are not accidental. They have been driven by the Millennium Development Goals. The goals were agreed by the international community and all of the leading development institutions around the world in an effort to end extreme poverty. It was the Howard government that first signed Australia up to achieving the Millennium Development Goals in an agreement under which Australia committed to aid spending with a target of 0.5 per cent of gross national income. It is not an arbitrary target, as suggested in the Commission of Audit. It is an international commitment signed up to by the Howard government with bipartisan support from Labor, guided by the OECD and the United Nations and agreed to by all of the world's leaders.

Under Labor, the aid project was on track to reach that GNI funding target of 0.5 per cent in 2017-18. Overseas aid increased every single year during our time in government. It doubled in fact during our time in government. In March Prime Minister Abbott described aid funding targets for 2017-18 as an 'aspiration'. He walked away from the growth funding detail in his own MYEFO document and, following his $7.6 billion cut to aid in this budget, the foreign aid budget will decline from 0.33 per cent of GNI in the current financial year to 0.29 per cent in 2017-18. It will fall.

Just as aid funding growth under Labor had a real and measurable impact, cuts under this government will have a real and measurable impact on the world's poorest people. This government does not understand that our aid program has been built on commitments not aspirations. As Australians, we come from a generous and a prosperous nation and we can afford to have a strong aid program. We can afford to protect the rights of girls to education, the right for children to feel safe in their schools, and the right for parents to send their daughters to school knowing that they will see them again that night.

Medical Research

Ms O'DWYER (Higgins) (11:27): As the federal member for Higgins I have used my position to advocate strongly for health and medical research in Australia both in the community and in this place. One of the reasons that I founded the Parliamentary Friendship Group of Women in Science, Maths and Engineering was to ensure that there were no artificial barriers to women in research. One of the reasons that I am proud to be an ovarian cancer ambassador is because I know how many lives are devastated by this disease, a disease
that has no early detection test and no cure. Health and medical research is critical to delivering better health care for all Australians and it is also critical to our economic future.

Sadly, not everyone shares this view. Not long ago, in fact in February last year, I had occasion to speak in this chamber because of Labor's approach to research—playing games with freezing and unfreezing funding for such things as the NHMRC grants and strangling the sector in red tape, as evidenced by the increased time and money needed to successfully implement a clinical trial in Australia.

The Abbott government is focused on both reducing red tape and providing certainty to researchers around the funding framework. That certainty will be delivered through the establishment of a $20 billion medical research Future Fund as announced in the budget this week. This fund will commence on 1 January 2015, assuming that the health savings in the budget receive support through the House and the Senate. Once the fund reaches $20 billion, it is expected to be the largest of its kind in the world. The fund's annual net interest earnings will fund medical research. Distributions from the fund to medical research will be around $1 billion by 2022-23, which will double the government's direct medical research funding.

The capital of the fund will be protected and that capital will be managed by the Future Fund Board of Guardians under the chairmanship of Hon. Peter Costello AC. It will be the earnings from the fund that will provide a secure and ongoing funding stream. Decisions on the allocation of this funding, though, will be determined by the National Health and Medical Research Council, as is appropriate.

So why is this new fund appropriate? Why is it important to all Australians? If we provide the right research framework in this country—one that encourages talented researchers and innovators who are home grown, as well as those from overseas to work in Australia—it will deliver economic benefits for Australia and better health care for all Australians. As I have said before, health and medical research is critical to Australia's future and should be one of our strategic priorities and, as announced in the budget, it certainly is.

With a hub of world-class universities and research institutes based in Melbourne, it is particularly critical for Victoria. We have institutes and also hospitals that conduct research such as the Florey Institute of Neuroscience and Mental Health at the Melbourne Brain Centre, the Burnet Institute, the Walter and Eliza Hall Institute of Medical Research, the Peter MacCallum Cancer Centre, the Cabrini Hospital and Baker IDI, just to name a few.

Importantly, as a country we are very good at medical research. Thanks to Australian research we have life-saving innovations such as penicillin, first used as a medicine by the Australian Noble laureate Howard Florey. We also have the bionic ear, the cervical cancer vaccine and spray-on skin for burns, to name just a few.

Commercialising research can lead to direct wealth creation and jobs growth. Importantly, it can also reduce spiralling healthcare costs and deliver a higher quality of life. I hope that the Greens in particular, and deputy leader Adam Bandt, who has like me been an advocate for certainty in this sector, will do the right thing by both our nation and our research community, who are depending upon them for this fund.

Racial Discrimination Act 1975

Mr GILES (Scullin) (11:32): I rise to make a contribution in support of multiculturalism and the call for broad based political leadership against racism and race hate, to say clearly in
this place that no-one is entitled to diminish another person through their prejudice and bigotry, that the state must not license bigotry.

Last week I had the privilege of visiting the Thomastown Mosque in my electorate with my colleagues and friends the member for Isaacs, the shadow Attorney-General; and Bronwyn Halfpenny, the state member for Thomastown. We subsequently attended a community meeting in the Thomastown library, attended by the Whittlesea Multicultural Communities Council and VCE legal studies students from Thomastown Secondary College.

The visit by the shadow Attorney-General was prompted by wide-ranging community concerns about the Abbott government's proposed changes to the Racial Discrimination Act. These same community concerns had previously prompted me to make my own submission on behalf of members of the Scullin community about these proposed changes and their impact.

At the Thomastown Mosque, which principally services a significant Turkish Muslim population, those present were surprised to learn that our Attorney-General, our first law officer, was defending the rights of bigotry instead of promoting mutual respect and acceptance in our society. Some of the community members were unaware of these proposed changes and all were disappointed, to say the least, at the government's shambolic pretence of consultation. I note the member for Brisbane's comments here about the need to extend the time to allow for greater and more genuine community consultation about these important matters.

Concern was expressed that the proposed changes were redolent of Hansonism during the mid-1990s and the environment after the terrorist attacks of 11 September 2001, which all of us remember. I note that Australian Muslims across our country experienced different forms of exclusion, marginalisation and, occasionally, racist attacks. We saw this reach a crescendo in the Cronulla race riots. Fortunately we did not see such acts in Melbourne, which I believe is testament to the multiculturalism and cohesiveness in our communities, as well as the leadership shown by both sides of politics in Victoria. At this point I pay great credit to Jeff Kennett as Premier, who was the lone voice of reason in some elements of the Liberal Party at this time.

Last week, Albert Chew, a member of the Whittlesea Multicultural Communities Council, of Chinese-Malaysian descent, spoke passionately about his lived experienced of both de jure and de facto racism in his country of birth. Albert described in confronting detail his firsthand account of what it was like to be discriminated against in the workforce, in society, and what it was like to have your own government sanction bigotry against you. Albert was also horrified by the prospect of Australia sliding down that slippery slope.

Students from Thomastown secondary did their teachers, and indeed all present, proud with their perceptive and penetrating questions. This is a school that is representative of the multicultural make-up of the area. These students wanted to know what impact these changes would have on their school, their community, their future and Australia's future.

Indeed, a recurring theme of all questions and concerns was confusion about why the government was proposing these changes in the first place. Like everyone else there, the member for Isaacs could only speculate, given the government has yet to make the case as to why there should be any change. People across the electorate of Scullin are overwhelmingly
in favour of keeping existing protections against hate speech and indeed favour strengthening them.

It is hard to avoid the conclusion that these proposed changes are simply a sop to the extreme right-wing elements and the right-wing opinionists in the media in response to the so-called Bolt case. Given reports today that a bill will be presented before cabinet within weeks, I feel it is appropriate to refer to Justice Bromberg's ruling from this case:

… I have observed that in seeking to promote tolerance and protect against intolerance in a multicultural society, the Racial Discrimination Act must be taken to include in its objectives tolerance for and acceptance of racial and ethnic diversity. At the core of multiculturalism is the idea that people may identify with and express their racial or ethnic heritage free from pressure not to do so. People should be free to fully identify with their race without fear of public disdain or loss of esteem for so identifying. Disparagement directed at the legitimacy of the racial identification of a group of people is likely to be destructive of racial tolerance, just as disparagement directed at the real or imagined practices or traits of those people is also destructive of racial tolerance.

Whilst I think that we can do better than tolerance in our society today, I believe that Justice Bromberg's underlying sentiments are correct and worth paying heed to. This debate is about more than technical matters around the structure of one piece of legislation. It is concerned with something more fundamental than legislation per se. It goes to the heart of the society we wish to live in.

I want to thank Sucettin Unal and other members of the Thomastown Mosque's executive who were present last Friday, and Councillor Kris Pavlidis and all those involved in the Whittlesea Multicultural Communities Council and Thomastown Secondary College, for their participation and contribution to this important debate in our community and for Australia.

**Budget**

**Mr BROADBENT** (McMillan) (11:37): I do not think I can add to the marvellous addresses I have heard in the last few minutes in this chamber. Firstly I would like to identify with the member for Sydney in her identification with the young girls stolen by Boko Haram and the worldwide program to bring the girls home. I would like to identify with that and I know this parliament identifies with it.

Secondly, I was saddened to hear in the member for Shortland's address about the difficulties and illness that her sister is facing, and then to hear that the GP charge will directly affect her sister, as a pensioner. I say to her that after 10 consultations she will not pay another cent under that program. It is sad to hear that people around us or close to us are ill and we always identify with our colleagues and their concerns. But we must as a community pull together on all the difficult issues that we face as a nation, and some of them are economic.

I heard the member for Moreton in the main parliamentary chamber today say he does not represent economic communities; he represents communities. I think we all do that. That is why we needed to take harsh measures, difficult measures, in our budgetary process so we are able to deliver services and benefits to the generations—not just this generation but the generation coming and their children as well.

How can I go to the Prime Minister or the cabinet as the member for McMillan and say, 'I want a new hospital for Warragul'? The Leongatha bypass was just approved. 'I want money for the Long Jetty restoration at Port Welshpool. I want the West Gippsland round ball
football stadium regional hub at Pakenham.' We have just okayed today the revitalisation precinct at Moe. The Korumburra early childhood community centre is crying out for money.

Prom Country Aged Care opened up a magnificent facility with money supplied by Labor government into my electorate—I think to get rid of me at the time, but it was supplied—and I recognise that. On the very opening-day, they said to me, 'We have a waiting list. We have a three tiered waiting list of people that want to use this amazing, fantastic facility.' It is a beautiful new aged-care facility supplied by the government of this nation. How can we do it? How can we address the issues the member for Sydney raised in regard to our aid—supporting women across the world and bringing them up out of poverty? How can we do that if we do not get our own finances in order?

No-one is to blame and I am not here to blame. But I am here to say if, as a nation, we can pull together at this time and put our finances in order with a view to being able to deliver better services and greater opportunities in education, we not only put ourselves in a position where we can increase our international aid but we can increase the money we put towards education, we can help our single parent families and can make some real changes to the way the nation sees itself. That is where I see myself today.

There will always be issues within our community that are going to be hard for politicians such as ourselves to address. Politicians, if you do not know it today, are not exactly in the public favour—and that is a nice way to put it. I have seen the emails that came to us. I say to them, 'I cannot go to my leadership and ask for these very valuable projects right across my electorate that will change the life and opportunity in my electorate for people if we cannot get our house in order.' So I ask you all to bear with us while we put our financial house in order so I can have a new West Gippsland hospital. Every member of parliament would love to leave some legacy for the generations to follow, and this hospital is very important to me and to the future of our broader community.

Budget

Mr LAURIE FERGUSON (Werriwa) (11:42): This is the time of year where we recognise the issue of schizophrenia in our society. This year, carers are the focus. Whilst it is noted that people as diverse as Vincent van Gogh, Virginia Woolf, Sir Winston Churchill, Tolstoy and Beethoven all suffered from mental illness, the reality is that 60 per cent of carers and sufferers in our society have experienced a negative or offensive attitude from others because of mental illness. It is worth noting that as many as 30 per cent of Australian carers do not tell people outside their immediate circle because of a sense of guilt and stigma that they feel is there in society.

In most OECD nations—and they are what we should compare ourselves to—12 to 16 per cent of the health budget is spent on mental health services. In Australia, it is currently less than eight per cent, which is an indictment of both sides of politics. It is historic; it is not created by either political party. The Mental Illness Fellowship notes:

Australia is spending less than 50 per cent of what it should be on a common illness that is largely treatable, with recovery of a good quality of life possible for most people.

Whilst it is not a positive for either side of politics, I do not think that the decision this week to cut $54 million from the Partners in Recovery program, which provides support to people living with severe and persistent mental illness with complex support needs, was a helpful
measure. Quite frankly, in a society where as many as 230,000 Australians have schizophrenia affecting four people in their immediate circle, we have some kind of sense about how large an issue this is in our society. Whether it was a principal of a school last week, whether it is a leading Australian journalist, whether it is people who come into my office trying to overcome issues of Centrelink payments and disability pensions, I get the impression that they are very real figures. We often do not see it but when it affects our families it is a very pressing issue.

I turn to Beautiful Minds, an association in my electorate, and that is appropriate in this week when we are looking at what people are doing around schizophrenia and carers. Established in 2004, Beautiful Minds recently gained the New South Wales Mental Health Matters Award. It is a group in which four of its 10 members are in their 80s, with the oldest being 87. Despite their age, they have paid for excursions, renovated backyards, made submissions to government inquiries, refurbished the local health community centre and helped renovate gardens at Campbelltown Hospital’s Waratah unit. They are capable of very competent fundraising each year, which attracts very significant local support. In this week of schizophrenia awareness I want to recognise the work of carers, the struggles they have, the degree of discrimination they feel they suffer in society and the very dramatic problems they face.

I turn now to the question of youth unemployment, not assisted in my electorate on the far edge of Sydney by the drastic and extreme cuts in rail expenditure by the current government. In Western Sydney, youth unemployment is significantly higher than the state average of 11.8 per cent. It is 15.4 per cent in south-west Sydney. Youth Connections is an organisation which helps at-risk young people in Western Sydney engage with education and employment. Despite the fact that 39 per cent of the people involved with Youth Connections are in the most disadvantaged quintile in the Socio-Economic Indexes for Areas, compared to 13 per cent of the total population, it has been indicated that 68 per cent of participants in Youth Connections, which deals with people presenting with complex and often multiple barriers to education, have achieved a positive or progressive outcome. Approximately 6,300, or 62 per cent, of Indigenous participants recorded progressive outcomes.

The internationally recognised SROI evaluation of the Partnership Brokers scheme has indicated that, for every dollar invested by the Australian government, Partnership Brokers have been the catalyst for up to $5.50 of created social value. They have the Schools Business Community Partnership Brokers program, which focuses on building partnerships to help young people achieve year 12 or equivalent qualifications. Yet I am sad to note that support for this very significant and necessary assistance to young people facing unemployment has gone by the board in this budget. They are not going to be assisted by being forced onto the dole for six months. They are not going to be helped by not getting welfare payments for a longer period. They are going to be assisted by brokerage operations like this working between schools and organisations to help them get skills and abilities. That is the way forward, and I recognise the very worthwhile measures that up until now have been undertaken.

Budget

Mrs GRIGGS (Solomon) (11:47): When I was re-elected to parliament in September last year, the voters of Solomon understood exactly what I stood for. I promised to be part of a
government that stopped the tragic deaths in our northern waters as boat after boat sank in turbulent seas, with tragic loss of life. I promised that the government in which I served would repeal the carbon tax and the mining tax and, despite the best efforts of the Labor opposition and the Greens, that is exactly what we intend to do. I promised to secure funding for the duplication of Tiger Brennan Drive. I promised that the Abbott government would provide funding for a new hospital in Palmerston—another box that has been ticked by my good friend, health minister Peter Dutton—and I promised to be part of the government that reigned in the debt and ended Labor's waste. This long journey began on Tuesday night, and we will continue until the economic settings are right for the times in which we live.

As with all journeys, the going will be easier for some than for others. Along the way, I know there will be people in my electorate of Solomon, and indeed in the Northern Territory more broadly, who will face additional challenges and more pressures as a result of the measures we have had to introduce. To those who are concerned about the future, I say: 'Stay with us; the decisions we take today will future-proof the national economy for you, your children and your grandchildren.' For the genuinely disadvantaged there are safety nets that will continue to provide necessary support. What has changed, though, is the value of the tax dollar, which has increased substantially. Every dollar that is collected from hardworking people, every dollar that is collected from business and every dollar that is collected from the families that are the backbone of the Territory, and indeed of Australia, now has a higher premium than it has ever had before. Gone are the days of the Rudd-Gillard Labor government, where $900 cheques were handed out. Gone, too, are the days of investing billions of dollars into a pink batts scheme, the terrible legacy of which continues today. This and the other Labor disasters left us with interest payments of up to $1 billion every single month. I can only imagine what that $1 billion could do in the Territory—for health services, for education services and for roads.

On the subject of roads, budget night saw some terrific outcomes for the Territory that show the benefits of having a focused government determined to drive economic growth and create jobs. The Abbott government's Economic Action Strategy has seen a record $593.7 million invested in building the infrastructure of the 21st century for the Northern Territory. As well as the $70 million spend on Tiger Brennan Drive, which I mentioned earlier, the budget includes $90 million for a Regional Roads Productivity Package and $77 million for the Northern Territory roads package. The productivity package will see upgrades to the Roper and Buntine highways, Port Keats Road, Arnhem Link Road, Central Arnhem Road and Santa Teresa Road; while the roads package will see the Stuart, Barkly and Victoria highways, three of the Territory's most widely used roads, strengthened and widened.

The $20 billion health research future fund will provide enormous opportunities for the locally based Menzies School of Health Research going forward, for the nation and for the world. There is also, for the first time, funding for sub-degree courses and a huge boost for training for kids in Darwin and Palmerston. At a micro level, budget 2014 contained funding for the Northern Territory Table Tennis Association, shades at the Robbie Robbins Reserve, an upgrade to the Palmerston Football Club and almost $100,000 for South Darwin Rugby League Football Club upgrade.

In clear contrast to Labor in government, the coalition has delivered an honest budget—a contribute and build budget. We are keeping the faith with our commitments to Australians.
We are getting the budget back on track and we are doing it as quickly as possible. I would like to reiterate to those people in Darwin and Palmerston and, indeed, around the Territory: please stay with us. We need to do this together.

Budget

Ms BRODTMANN (Canberra) (11:52): Tuesday night's budget of broken promises did not share the pain evenly as the Treasurer and Prime Minister promised it would. In fact, nothing could be further from the truth. It is the poor, the sick, single parents, working families, women and the young who will pay for the coalition's budget of broken promises. Today, I would like to talk about how the young in particular will be affected by this budget.

Yesterday, I received an email from a concerned constituent, who wrote:

My son, who has worked from the age of fifteen, before school after school during holidays and every weekend, has just graduated from a double degree with honours. He has been looking for a non-existent job in his field, or another job in any other field. While he is looking for full time work, he has been working in a casual, temporary job, being paid no superannuation entitlements. Now he has been sacked from that job because of the downturn in business in Canberra. My husband and I are retired and will now have to cover his expenses so that he is not homeless on the street. He is desperate and depressed—and I am worried for his personal safety and his mental state.

Why is the Government trying to kill this young person with its harsh and unrealistic measures? It's not their children being put at risk, is it? It is not in their 'backyards'.

The repercussions of denying young people access to Newstart will be enormous. My constituent's son is actually one of the lucky ones. He has parents who can manage to take him in, although it will put further strain on their cost of living. But what of those young Australians who do not have family members or a support network who can take them in? How will they survive for six months without any income? Young people are unlikely to have substantial savings they can rely on during the six-month period. My great fear is that this policy will result in increased homelessness, mental illness and crime. And how is a young person on no income supposed to find a job anyway? We know that poverty is a real barrier to work. How can you apply for a job if you cannot pay your phone bill? How can you go to a job interview if you cannot afford to put petrol in your car or even pay a bus fare?

It is not just the young unemployed who have been targeted by this budget. Another constituent of mine wrote:

I am writing to you for support and as our elected Federal Representative at the request of my son who is an apprentice carpenter, in his third year to date. For him to become an apprentice he has had to commit to a number of financial burdens.

- His work vehicle, he is currently paying off a $7000 loan for a hilux work ute to transport himself and his required tools of trade.
- Tools of trade (eg, air compressors, generator, industrial heavy duty trailer, nail guns, ladders, laser levels and much more)
- Fuel, he is required to travel approximately 1200 kilometres per week from site to site and home
- Technology, required equipment (calculators, text books etc).
- His rent (he lives away from home) $250 a week
These are just the expenses that are the big ticket ones, there are many more.

His wage is the paltry sum of about $14.50 per hour—a pretty standard award for apprentices.

He and all apprentices are HIGHLY dependent on the apprentice tool allowance to assist in the purchase of tools. How the scrapping of this allowance and its replacement with the disgraceful proposal of loans up to $20,000 for them to buy tools can even be considered defies belief.

I ask you to consider all apprentices and understand that there is absolutely no way that my son can afford this outrageous impost of more loans if the tool allowance is lost.

If apprentices take out this ridiculous loan they are committed to a huge period of debt. We know there will be very little work for them when they finish their apprenticeships as a result of the Liberals' Canberra bashing and the inevitable downturn in the building industry and the local economy.

I urge you to fight this proposal tooth and nail in support of vulnerable low income working Australians.

I doubt there are many apprentices who graduate with the ability to pay off a $20,000 debt. I know there are many who cannot. Many apprentices like chefs and hairdressers are training in fields where wages are low, not much higher than minimum wage, and scrapping the tools for trade allowance may deter them from taking on an apprenticeship altogether.

These are just some of the ways this budget of broken promises will hurt the young. They will also be paying more for university, more for health care, more for petrol. When the Prime Minister and Treasurer say this budget shares the pain, they are kidding themselves.

Small Business

Ms MARINO (Forrest—Government Whip) (11:57): Small business is the engine room of the Australian economy, and as such it is the heart and soul of employment. Of the over two million actively trading businesses in Australia, almost 96 per cent are small businesses and 3.8 per cent are medium businesses. Small and medium businesses combined employ 70 per cent of the nation's private sector workers, or 59 per cent of all Australian workers.

Small business alone—those with less than 20 employees—account for 46 per cent of all of Australia's workers in the private sector. This means that small business alone employs 38.5 per cent of all Australian workers. This is why small business is so important to a coalition government and why the federal government has used the budget to assist small business through unfair contracts measures, through a small business and family enterprise ombudsman, through the new unit to provide specialist advice on contracts, tendering and procurement with the Commonwealth department, through tax office compliance and the tax office taking over the running of the Small Business Superannuation Clearing House, and through a comprehensive review of competition policy—the most comprehensive review in 20 years. Small businesses will now get the same protections as consumers when it comes to unfair contracts imposed by bigger businesses. We have provided $1.4 million to extend unfair contract relief from consumers to small business. Small businesses have been subjected to unfair terms in standard form contracts, often presented on a take it or leave it basis. They have had insufficient ability to stand up to big corporations and to demand changes to contracts. The legislative reforms will make unfair terms in standard form contracts with small businesses void, and will help to provide a more level playing field for small businesses.

The $8 million to establish a small business and family enterprise ombudsman is part of our election commitment to establish a one-stop shop for small business. We committed to
doing this during the election—a single entry point for small business to provide an easy way to find out about services and programs. The ombudsman will act as an advocate and cut compliance burdens and reduce red tape, meaning small business can get on with the job of attending to their customers.

Another key budget initiative is to set up a new unit to provide special advice on contracts and to ensure small businesses are not disadvantaged, as part of Commonwealth departments' tendering and procurement processes. Small businesses have said contracting documents and accompanying obligations, including requirements to have very expensive insurance, can be overly complex and impose barriers to tendering for contracts. The coalition government has allocated $2.8 million over four years to deliver on this important commitment, which will help small businesses access Commonwealth contracts. The $2.8 million in funding over the next four years will set up a Department of Finance unit to work with small businesses to develop procurement guidance material tailored specifically for small businesses. This work in the budget complements previous work by having the Australian Taxation Office take over the running of the Small Business Superannuation Clearing House, an online service helping small businesses meet their superannuation guarantee obligations by allowing employers to pay super contributions in one transaction to a single location, to reduce red tape and compliance costs.

The coalition government will also undertake the first comprehensive review of competition laws and policy in more than 20 years. The root and branch review delivers on a key election commitment and will help identify ways to build the economy and promote investment, growth and job creation. The federal government has provided the states and territories with draft terms of reference for the competition review, and hopefully we will see that report within 12 months.

These are some of the ways we are working to assist small business. For many on our side of politics who come from a small business background, these are very practical measures that will assist small business. I know they are being welcomed by the small business sector. Quite differently to what we saw under the previous government—when we had, I think, about six small business ministers—we have a small business minister who was a shadow minister and is committed to small business, as are we on this side of politics.

**Budget**

Mr HAYES (Fowler—Chief Opposition Whip) (12:02): Today I want to talk about the budget. Tomorrow, like other members I will be returning to my electorate and will have the opportunity to speak to people in Western Sydney. I am very fortunate that I represent the most multicultural community in this country. It is not a community that is rich; certainly there are great patches of disadvantage. But I know when I talk to my constituents and look them in the eye—the pensioners, the young people, the families—I will see the betrayal that this budget has delivered them. I will see firsthand the damage that this government budget has inflicted on our community.

This Liberal government has made it clear that nothing and no-one is off limits when it comes to the most vulnerable in our community. I ask members here to recall that before the last election Tony Abbott's mantra was that when it came to health and education he was on a unity ticket with Labor. Particularly, he went on to say that no child would be worse off. After this week we now face $80 billion cuts to schools and hospitals over the next decade,
including $6.5 billion of federal funding from the Gonski reforms. This includes abandoning the needs based funding which provides $100 million for disability loading. This will force more kids with special needs, those who deserve the extra attention, into mainstream education. But in reality what it will achieve is that those kids will vacate the system in favour of homeschooling, placing more pressure on their parents.

Other than the well-off, many will also be forced to rethink their visits to doctors, because now they will be required to pay $7 every time they see a doctor and $5 for medication. It is a disgrace that the Treasurer yesterday described going to the doctor as equivalent to the cost of two middies and said that for the cost of a packet of cigarettes, at $22, you could go to the doctor three times. I think that shows a little bit about the mentality that comes from this government when trying to deal with equity amongst our community. In Australia, quality health should not depend on wealth. Our equitable and affordable health system has been the envy of the world, but we know it has always been despised by the Liberals.

It is the families, however, that are clearly being asked to carry the greatest burden in this budget. In addition to education and health cuts, families on family tax benefit B will now have their payments cut completely when their youngest child turns six. Combined with the scrapping of the schoolkids bonus and the brand new tax on petrol, doctors visits and medications, families in my area will be close to $4,000 a year worse off. Like the New South Wales Liberal Premier, Mike Baird, said, and I think he is right: 'This is a kick in the guts to people in New South Wales'. I dare say you can extrapolate that for people throughout the Commonwealth. It is a kick in the guts.

The deceit of this Prime Minister will be remembered. Before the election, Tony Abbott said, 'There will be no cuts to education, no cuts to health, no changes to pensions, no changes to the GST and no cuts to the ABC or SBS.' He has managed to break each and every one of those commitments, all in favour of his rolled gold, over-the-top paid maternity leave scheme. While he has confected a budget emergency, and is forcing those least able to bear the pain of balancing his budget, Tony Abbott is giving $5.5 billion to the wealthiest families to have a child.

This government has already scrapped funding for a number of programs that were of great benefit in my local community. Very recently, the officers of South West Connect, which provides support for young people searching for employment, were given the bad news. They were advised that their funding will not be continued by the Commonwealth. This organisation operates in an area which has a youth unemployment rate almost double that of the rest of the community. It plays a valuable role in trying to put young people in touch with ongoing employment opportunities.

At the same time, this government is denying access to unemployment benefits to young people for six months. Combined with the higher education fees and taxes, this government has clearly turned its back on the young people of Australia, particularly those coming from poorer backgrounds. Given the deceit of this Prime Minister, how can anybody trust anything this government says?

Eden-Monaro Electorate

Dr HENDY (Eden-Monaro) (12:07): I rise today to talk about some interesting activities and developments in my electorate. I recently attended an event in Bega convened by
Alzheimer's Australia New South Wales. It was the launch of a key evaluation report on mobile respite services for the Bega Valley. We heard about what makes this innovative respite service so successful in the Bega Valley Shire. I want to thank many people involved in this work, particularly Barbara Williams, the regional manager; Robyn Faine, the general manager, services; Rebecca Perry; and Jeanette Westmore.

There are some important results and recommendations from this report. The Alzheimer's Mobile Respite Team is currently funded by the Department of Health under the National Respite for Carers Program. The Alzheimer's Assessment and Management Service has been operating in the Bega Valley for more than 10 years. There are two people, June and Nola, in a team working three days a week to look after both the patient and the carer. This helps them individually and as a couple by providing respite and general support. This serves to delay institutionalisation and it leads to a reduction in caregiver burden and depression. It has led to an increase in social support. They also help with information to make choices and transition into nursing homes. I particularly acknowledge local resident Tonia Jauncey, who praised the project in helping her and her husband. The independent evaluation report's key suggestion was that the trial was a success, and Alzheimer's Australia have argued that it should continue and be expanded to other rural communities.

Shifting now to the northern coastal part of my electorate, I want to thank small business minister Bruce Billson for launching the first of a series of small business forums I plan to hold throughout the electorate. The inaugural forum was in Batemans Bay on Monday, 28 April. That just under 60 people were at this event at the Catalina Club on a Monday night in Batemans Bay speaks volumes for the interest amongst small business owners, people working in those small businesses and members of the community. The Q&A format ensured that everyone present could raise matters directly with the cabinet minister. Getting this sort of access to a cabinet minister is very valuable and Minister Billson heard firsthand from locals about our local business environment and the challenges and issues our businesses face. As I said during the election campaign, our small businesses are the lifeblood of our communities. They are the source of jobs, innovation and investment in our towns and regions. I particularly want to thank local residents John and Mary Harper, and John and Caryl Haslem for their great support in organising the event.

Finally, I would like to flag the Braidwood 175th Anniversary celebrations I attended recently. The New South Wales Governor Her Excellency Professor The Honourable Marie Bashir was the special guest. Interestingly, during the day Her Excellency revealed to us that she had lived in Braidwood for a year as a child. Indeed, she had attended St Bede's primary school. What an impressive person Her Excellency is. She spent most of the day in Braidwood and the local community was delighted. Also in attendance of course was John Barilaro, the hardworking state member for Monaro.

The celebrations were capped off with a street parade with many participants in period costume. People got into the spirit of the day and the floats were simply amazing. There was also an art competition as part of the celebrations. The Braidwood Heritage Society are to be congratulated. I would like to single out Judit Kovacs for mention. Parade organiser and Heritage Society secretary, Michelle Grant, also deserves thanks.

Braidwood has a rich and incredible history. Indeed, as these events I have outlined today illustrate, the Eden-Monaro electorate comprises strong communities which epitomise so
much of our rich diversity and achievements as a state and as a nation both before and after Federation.

Question agreed to.

Federation Chamber adjourned at 12:12.