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**SITTING DAYS—2014**

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—FOURTH PERIOD

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

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

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

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

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

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

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<td>Whiteley, Mr Brett David</td>
<td>Braddon, TAS</td>
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<td>Wicks, Mrs Lucy Elizabeth</td>
<td>Robertson, NSW</td>
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<td>Wilkie, Mr Andrew Damien</td>
<td>Denison, TAS</td>
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<td>Williams, Mr Matthew</td>
<td>Hindmarsh, SA</td>
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<td>Wilson, Mr Richard James</td>
<td>O'Connor, WA</td>
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<td>Wood, Mr Jason Peter</td>
<td>La Trobe, VIC</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>
<td>ALP</td>
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**PARTY ABBREVIATIONS**
ALP—Australian Labor Party; LP—Liberal Party of Australia; NATS—The Nationals; IND—Independent; NATSWA—The Nationals WA; CLP—Country Liberal Party; AUS—Katters Australia Party; AG—Australian Greens; PUP—Palmer United Party

**Heads of Parliamentary Departments**
Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Secretary, Department of Parliamentary Services—C Mills
Parliamentary Budget Officer—P Bowen
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<td>The Hon. Tony Abbott MP</td>
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<td>Senator the Hon. Nigel Scullion</td>
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<tr>
<td>Minister Assisting the Prime Minister for the Public Service</td>
<td>Senator the Hon. Eric Abetz</td>
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<td>Minister Assisting the Prime Minister for Women</td>
<td>Senator the Hon. Michaelia Cash</td>
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<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon. Josh Frydenberg MP</td>
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<td>The Hon. Alan Tudge MP</td>
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<td><strong>Minister for Infrastructure and Regional Development</strong></td>
<td>The Hon. Warren Truss MP</td>
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<tr>
<td>(Deputy Prime Minister)</td>
<td>The Hon. Jamie Briggs MP</td>
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<td>Assistant Minister for Infrastructure and Regional Development</td>
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<td><strong>Minister for Foreign Affairs</strong></td>
<td>The Hon. Julie Bishop MP</td>
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<td>The Hon. Andrew Robb AO MP</td>
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<td>Parliamentary Secretary to the Minister for Foreign Affairs</td>
<td>Senator the Hon. Brett Mason</td>
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<td><strong>Minister for Employment</strong></td>
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<td>(Deputy Leader of the House)</td>
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<td><strong>Attorney-General</strong></td>
<td>Senator the Hon. George Brandis QC</td>
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<td><strong>Minister for the Arts</strong></td>
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<td>(Vice-President of the Executive Council)</td>
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<td>Parliamentary Secretary to the Minister for Agriculture</td>
<td>Senator the Hon. Richard Colbeck</td>
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<tr>
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<td>The Hon. Ian Macfarlane MP</td>
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<td>The Hon. Bob Baldwin MP</td>
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<tr>
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<tr>
<td>Assistant Minister for Social Services</td>
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<tr>
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<td>The Hon. Paul Fletcher MP</td>
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<td>Assistant Minister for Health</td>
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<tr>
<td><strong>Minister for Defence</strong></td>
<td>Senator the Hon. David Johnston</td>
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<td>Minister for Veterans’ Affairs</td>
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<tr>
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<tr>
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<td>The Hon. Michael McCormack MP</td>
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Each box represents a portfolio. **Cabinet Ministers are shown in bold type.** As a general rule, there is one department in each portfolio. However, there is a Department of Human Services in the Social Services portfolio and a Department of Veterans’ Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases.
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<td>Hon Bill Shorten MP</td>
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<td>Hon Bernie Ripoll MP</td>
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<tr>
<td><strong>Shadow Parliamentary Secretary for Small Business</strong></td>
<td>Julie Owens MP</td>
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<tr>
<td>Shadow Cabinet Secretary</td>
<td>Senator the Hon Jacinta Collins</td>
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<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
<td>Hon Michael Danby MP</td>
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<td>Dr Jim Chalmers MP</td>
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<tr>
<td><strong>Deputy Leader of the Opposition</strong></td>
<td>Hon Tanya Plibersek MP</td>
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<tr>
<td><strong>Shadow Minister for Foreign Affairs and International Development</strong></td>
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<td>Shadow Minister for Women</td>
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<td>Manager of Opposition Business (Senate)</td>
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<td>Shadow Minister for the Centenary of ANZAC</td>
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<td>Senator the Hon Penny Wong</td>
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The SPEAKER (Hon. Bronwyn Bishop) took the chair at 09:00, made an
acknowledgement of country and read prayers.

BILLS

Higher Education and Research Reform Amendment Bill 2014

First Reading

Bill and explanatory memorandum presented by Mr Pyne.

Bill read a first time.

Second Reading

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

I move:

That this bill be now read a second time.

Introduction

Today I introduce the Higher Education and Research Reform Amendment Bill 2014.

The reform bill gives effect to some of the greatest higher education and research reforms
of our time.

The reform bill will spread opportunity to more students, including disadvantaged and rural
and regional students, equip Australian universities to face the challenges of the 21st century
and ensure Australia is not left behind by intensifying global competition and new

We live in a time of constant change. The international economy is evolving, the
employment market is shifting and tomorrow’s jobs demand different skills to the jobs of
today.

Currently our universities are at risk of being left behind and overtaken by the growing
university systems in our region and across the globe as these systems increase their capacity
and new forms of online and blended delivery take hold.

We must aspir to not only keep up with our competitors, but keep ahead of them.

The government's changes will give Australian universities the freedom and autonomy to
work to their strengths, be internationally competitive and manage economic and social
changes to the best of their abilities.

Students will benefit most. They will enjoy improved teaching and learning in innovative
and creative courses that compete for their interests. They will be able to choose from a wider
range of options and will have better information to help them make decisions about where,
how and what to study.

In addition to increased international competition and a rapidly changing environment, the
nation faces significant challenges in higher education and research that were not addressed
by the previous government. These challenges include budget deficits and ballooning debt, and funding cliffs for essential research fellowships and research infrastructure.

The reform bill meets those challenges head-on in ways that are fair to both students and taxpayers.

Universities Australia, the body representing all university vice-chancellors, fully supports the need to deregulate and free up higher education in Australia. Deregulation is the only way to respond to what students and employers want. It is the only way to set our universities free to ensure they can deliver what we need. It is the only way to ensure Australia is not left behind. It is a one-off opportunity.

If we do not act, and act now, we risk Australia's higher education system falling into a downward spiral towards mediocrity. Universities Australia made this abundantly clear prior to the budget with its Keep It Clever campaign. We must not be left behind.

Fortunately, we won't be. With the passage of the reform bill, we will have the right conditions to transform the Australian higher education system and give it the freedom to be the best in the world.

Australian Technology Network Executive Director Vicki Thomson has said:

… to reject the [deregulation] legislation out of hand … would be to sign the death warrant on a globally respected higher education system.

The Vice-Chancellor of the Australian National University, Professor Ian Young, said at the National Press Club regarding the Government's higher education reforms:

… it would be a great tragedy for our nation, for our universities, for our future generations, if our Senators passed up this opportunity.

**Spreading opportunities to students**

This is not only about quality; it is about opportunity. This bill will see an additional 80,000 higher education students per year supported by government subsidies by 2018. These students will include more people from disadvantaged backgrounds, more students from rural and regional communities, Australians who require extra support to succeed at university and workers whose skills need to be updated.

Regional students and regional higher education institutions will benefit significantly as we expand the demand driven system to enable study in more places in more ways.

Universities, TAFEs and private providers will have new incentives and opportunities to develop innovative partnerships, particularly in outer-metropolitan and regional areas, where they can work together to offer the skills and knowledge that local employers want in their employees.

Many regional institutions have warmly welcomed this opportunity. They are frustrated by the restrictions which prevent them from developing creative solutions that directly meet the needs of their communities and prevent them from marketing unique learning experiences to those who live in cities. They see the potential in these changes, including to market opportunities to study in the fields in which they teach especially well.

There have already been some moves in this direction—last year the University of Ballarat and what was previously Monash University's Gippsland campus joined to create the
Federation University Australia, providing greater educational opportunities to the communities of regional Victoria.

This bill reflects the change in the name of the University of Ballarat to Federation University Australia.

The government’s reforms will give institutions greater freedom to explore these kinds of opportunities while strengthening the service they offer to their communities.

Through these reforms students who choose to study higher education diplomas, advanced diplomas and associate degrees in their own right or as a pathway to university will be supported.

Students studying for higher education undergraduate qualifications at TAFEs, private universities and private higher education institutions will be supported.

Students who come from low-socioeconomic backgrounds—many who are first-generation university students—will be big winners from this extended support. We anticipate the nation will see improved success rates and reduced dropout rates for undergraduates.

This bill provides a level playing field for students, no matter what their study choices are. It removes the punitive loan fee of 20 per cent for VET FEE-HELP—helping tens of thousands of Australians undertaking VET courses—and gets rid of the 25 per cent loan fee for FEE-HELP for those who study with private institutions. It removes the lifetime limits on all Higher Education Loan Program (HELP) schemes and discontinues the ineffective HECS-HELP benefit.

In addition, this bill allows certain New Zealand special category visa holders to access the HELP scheme. This will assist a small number of New Zealand citizens who moved to Australia as children and deserve to be treated in the same way as Australian students to undertake higher education.

**Equity and access**

To support equity and access for Australian students, the reform bill also introduces a new Commonwealth scholarship scheme to support students from disadvantaged backgrounds, including from regional Australia. This is one of the most important and valuable elements of the reform package in the legislation. Higher education institutions with a Commonwealth supported equivalent full-time student load of 500 or more will be required to allocate one dollar in every five of additional revenue to this new scheme.

With this investment, institutions will be able to provide tailored, individualised support to help disadvantaged students, including help with costs of living while they study, something regional students and families will especially welcome. The scholarships will also be able to cover fee exemptions and mentoring, tutorial support and even relocation expenses.

The Commonwealth scholarship scheme will be complemented by the Higher Education Participation Program, which provides funding, irrespective of fee revenue, to allow universities to conduct outreach activities and undertake initiatives to support disadvantaged students.

**Student support**
There has been much debate about the measures in the reform bill to improve the sustainability of the higher education system and the HELP scheme in particular. It is worth remembering how much support the taxpayer provides to higher education students.

Most university students occupy a Commonwealth supported place. The taxpayer subsidises the fees that these students pay to the tune of 60 per cent, on average—students pay around 40 per cent, on average.

And that is not the full extent of the taxpayer's contribution.

Most students take out a HELP loan so they do not have to pay for their share of the tuition fees up-front. The government—the taxpayer—pays the institution the student's contribution up-front, on their behalf.

The student does not have to pay a cent back for their education until they are earning more than $50,000. In years when they are not earning this amount, they do not need to make any payments.

The student might also receive income support—youth allowance or Austudy—while they are studying.

We want a system that embodies the idea of a fair go—where there are no financial barriers to participating in higher education. We want all Australians who have the ability and the ambition to participate in higher education—this will help create a strong, vibrant economy and assure our future standard of living.

But running such a high level of support comes at a cost. In 2014:

- The cost of subsidising degrees is more than $6 billion.
- The value of HELP loans is more than $5 billion.
- Student income support for higher education is more than $2 billion.

The amount of funding the government provides through HELP loans is going to double over the next few years. In 2017 we will be lending students $10 billion.

In a deficit environment the government needs to borrow the money that it lends to students. Because the government currently lends to students at less than it costs the government to borrow the money, there is an additional subsidy from taxpayer to student. Given the scale of costs now present in the higher education system, it is time that students picked up a fairer share of the tab for these interest charges. This is why we are changing the indexation rate for HELP debts from the consumer price index to the Treasury bond rate (safety capped at six per cent).

Most people would agree that HELP is the best loan you would get in your life—for the best investment that most people will ever make in themselves.

It is a good deal. It is the best deal an Australian will ever get. Australian university graduates on average earn up to 75 per cent more than those who do not go on to higher education after secondary school. Over their lifetime graduates may earn around $1 million more than if they had not studied at university. It is only fair that they pay a reasonable share of what it costs the taxpayer.

For students who were enrolled as Commonwealth supported students on the day of the budget, existing arrangements for Commonwealth and student contributions will apply until
they complete their study, or the end of 2020—whichever comes first. This includes those
who had commenced a course, or deferred commencement, or accepted an offer of a
Commonwealth supported place on or before 13 May 2014.

From January 2016, with new levels of funding for Commonwealth supported places and
with the commencement of deregulation of the higher education system, new university
students will go on to contribute, on average, around 50 per cent of the cost of their higher
education, up from 40 per cent. But only when they earn enough to cover it.

**Equipping universities for change**

In a competitive global economy we need to make sure Australian higher education keeps
pace with the best in the world. And currently, as warned by Universities Australia,
Australia's universities risk falling behind.

The Shanghai Jiao Tong index released a few weeks ago lists eight Australian universities
in the world's elite 200. Universities in China, Hong Kong, Taiwan, and Singapore are rising
strongly through the ranks. Five years ago there were no Chinese universities in the top 200,
now there are six in just five years.

We need a relentless focus on the quality and impact of our higher education system.

We need to ensure Australian higher education institutions do not stand still.

The reform bill gives higher education institutions the freedom and the confidence to face
the future and be the best that they can be.

The reform bill will allow Australian higher education institutions to choose what courses
they offer, what fees they should charge, which students they want to attract, what teaching
methods they should use, what scholarships they provide and what other support services they
give.

**International education**

The new freedom for universities outlined in this legislation will position our universities
to attract the best and brightest students from around the world. We have done well so far, but
this is not something we can take for granted. International students bring different views and
cultures that enhance our nation's knowledge and skills. They contribute to Australia's
education export industry, which is earning around $15 billion per year—our third-largest
export industry.

International students also impact on local economies. They shop in our corner stores,
travel to our towns and cities, spread the word about Australia to their friends and families,
and buy our goods while they are here. The former government took all that for granted, and
so wiped $4 billion off our export income, which hit our economy and our universities hard.
We cannot let that happen again.

**Competition and better information**

Quality is everything – for our students, for our institutions and for our international
competitiveness. Students must know their qualifications will lead to a job. To assist students
to make informed choices about where and what they study, new information will be provided
through the quality indicators for learning and teaching—known as QILT—detailing the
performance of each private and public higher education institution.
Students and their families will be able to access this real and vital information about the quality of courses and institutions they are considering. There will be better information about previous graduates' success at finding jobs and what other students and employers think of the course they are planning to do.

This information will also help Australian institutions compare their performance with other nations, and continually improve.

Research

The government's broader changes to higher education and research will safeguard a strong, competitive research system.

World-class research requires high-quality facilities and talented researchers. Yet the previous government left us in a state where there was not a single dollar set aside for the National Collaborative Research Infrastructure Strategy beyond 30 June next year. Nothing.

There was no provision for any new awards for the Future Fellowships program that supports mid-career researchers to undertake world-class research in Australia. Not a cent.

As part of the higher education reform package, the government will invest $11 billion over four years in research in Australian universities, including $139 million for the Future Fellowships scheme and $150 million in 2015-16 to continue the National Collaborative Research Infrastructure Strategy. Labor abandoned both.

The reform bill amends the Australian Research Council Act 2001 to index annual appropriations to increase funding for the Australian Research Council, and to apply a one-off efficiency dividend. We are providing for 100 four-year future fellowships each year, and making this an ongoing program.

The government's commitment to ARC funding for future fellowships, where the previous government left a funding cliff, means that ARC funding is increased by this legislation well above what was proposed by the previous government in forward estimates. Funding for future fellowships and for the National Collaborative Research Infrastructure Strategy are integral parts of the government's higher education reform package, and depend on the passage of this legislation.

The reform bill will also allow universities, if they wish, to require Research Training Scheme (RTS) students to make a small contribution to the cost of undertaking a higher degree by research course. The government will expand HELP to allow eligible RTS students to defer paying their contribution until they are earning a decent wage.

Indexation

The reform bill will support the government-wide decision to streamline and simplify indexation for programs. The Consumer Price Index will be applied to payments administered under the Higher Education Support Act 2003.

Consultation

The reform bill is the result of extensive national discussion and consultation before and after the government announced its higher education and research reform package.

There has been widespread debate in Australia over many years about the kinds of reforms that are necessary both to expand opportunity for students and to ensure that we are not left behind internationally.
The government's reforms as presented in this bill respond to the findings of the Review of the demand driven funding system by the Hon. Dr David Kemp, a former minister for education, and Mr Andrew Norton, which received over 80 submissions. The legislation also addresses issues raised in submissions from universities, their peak bodies and non-university higher education providers to the National Commission of Audit.

Since the budget, we have undertaken extensive further consultation with stakeholders, including through the Legislation and Financing Working Group chaired by the Vice-Chancellor of La Trobe University, Professor John Dewar, and the Quality, Deregulation and Information Working Group, chaired by the Chancellor of the University of Western Sydney, Professor Peter Shergold.

Consultations have taken place with all vice-chancellors, all universities groupings and all non-aligned universities. There have also been meetings with non-university higher education institutions and students.

The government has listened to views from across the community and is confident that this is a fair, balanced and necessary package of reforms.

Conclusion

The passage of the reform bill will spread access and opportunity to higher education to more Australians, including disadvantaged and rural and regional students.

The passage of the reform bill will equip Australian universities to play to their strengths and face the challenges of the 21st century.

The passage of the reform bill will ensure Australia is not left behind by intensifying global competition and new technologies.

The passage of the reform bill can enable Australia to have the best higher education system in the world with some of the best universities in the world that are magnets for students everywhere.

The reform bill is essential for the future prosperity of our nation.

I commend the bill to the House.

Debate adjourned.
Question agreed to.

BILLS

Corporations Amendment (Streamlining of Future of Financial Advice) Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr CIOBO (Moncrieff—Parliamentary Secretary to the Treasurer) (09:23): Firstly, I would like to thank those members who have contributed to this debate. The Corporations Amendment (Streamlining of Future of Financial Advice) Bill 2014 amends the Future of Financial Advice legislation, also known as FoFA, to reduce unnecessary regulatory burden, provide more certainty and make advice more affordable whilst maintaining FoFA’s key consumer protections. The amendments implement the improvements to FoFA which we took to the last election. There has been a lot of scaremongering and misinformation about the government’s improvements to FoFA. The amendments will restore the balance between appropriate levels of consumer protection and access to affordable high-quality financial advice. The bill will not weaken the consumer protections currently provided under FoFA. Rather, the amendments add certainty to industry and consumers alike and make financial advice more affordable for all Australians. Brad Cooper, CEO of BT Financial Group, notes the amendments are:

… striking the right balance between consumer protection and a practical way for our customers to get the information they want.

The concern raised by some is that the amendments will remove the best interests duty. This is not correct. Let me make it clear: the bill does not remove the best interests duty. The duty remains. Rather, as a result of the changes in the bill, consumers and financial advisers will now have certainty about the obligations that financial advisers have to act in the best interests of their clients. These changes have been welcomed by industry. John Brogden, CEO of the Financial Services Council, noted that the amendments:

… do not reduce in any way a financial adviser’s legal requirement to act in the best interest of their clients.

Another concern that has been expressed is that the amendments will allow the return of commission payments. Again, this is not the case. The ban on conflicted remuneration for benefits received in relation to personal advice will remain. There is a targeted general advice provision which explicitly indicates that payments commonly referred to as commissions are not permitted. Steven Munchenberg, CEO of the Australian Bankers’ Association, notes:

It is a sensible balance and will ensure that banks can continue to provide free, simple and general advice.

In addition, clients will continue to receive information about the fees they are paying including the disclosure statements for clients who entered into arrangements post 1 July 2013. As Brad Fox, CEO of the Association of Financial Advisers, explains:

These sensible amendments … eliminate unnecessary red tape and costs and will help thousands more Australians receive the benefits of life-changing financial advice backed by the safety-net of strong regulation that enforces client best interests.
The bill delivers on the government's election commitment to reduce the regulatory burden on the financial services industry and contributes to the government's broader deregulatory agenda. Amendments will also be tabled to the bill to amend the statement of advice requirements to increase transparency in the services that clients receive, ensuring that they are aware of their rights and their advisors' obligations. These amendments implement the additional improvements agreed with the Palmer United Party and the Australian Motoring Enthusiasts Party. I commend the bill to the House.

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

The House divided. [09:31]

(The Speaker—Hon. Bronwyn Bishop)

Ayes ..................... 82
Noes ...................... 50
Majority .................. 32

**AYES**

AYES
Varvaris, N
Whiteley, BD
Williams, MP
Wood, JP

Vasta, RX
Wicks, LE
Wilson, RJ
Wyatt, KG

NOES
Albanese, AN
Bandt, AP
Bird, SL
Bowen, CE
Brodmann, G
Burke, AE
Burke, AS
Butler, MC
Butler, TM
Byrne, AM
Chalmers, JE
Champion, ND
Chesters, LM
Clare, JD
Collins, JM
Conroy, PM
Dreyfias, MA
Elliot, MJ
Ellis, KM
Feeley, D
Ferguson, LDT
Fitzgibbon, JA
Giles, AJ
Griffin, AP
Hall, JG (teller)
Hayes, CP
Hisic, EN
Jones, SP
King, CF
MacTiernan, AJGC
Mitchell, RG
Neumann, SK
O'Connor, BPJ
O'Neil, CE
Owens, J
Parke, M
Perrett, GD
Plibersek, TJ
Ripoll, BF
Rishworth, AL
Rowland, MA
Ryan, JC (teller)
Snowdon, WE
Swan, WM
Thistlethwaite, MJ
Thomson, KJ
Vamvakinou, M
Watts, TG
Wilkie, AD
Zappia, A

Question agreed to.
Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr CIOBO (Moncrieff—Parliamentary Secretary to the Treasurer) (09:38): I present a supplementary explanatory memorandum to the bill. By leave—I move government amendments (1) to (7), as circulated, together:

(1) Schedule 1, page 3 (before line 4), before item 1, insert:

1A After subsection 946A(2)

Insert:

(2A) The Statement of Advice must be signed by the providing entity, or an individual acting on behalf of the providing entity.

(2B) The client must acknowledge receipt of the Statement of Advice by signing the Statement of Advice as soon as is practicable after it is given to the client.
(2C) However:
(a) the client does not commit an offence if the client does not comply with subsection (2B); and
(b) the providing entity does not fail to give a Statement of Advice in accordance with this Subdivision, merely because receipt of the Statement of Advice by the client is not acknowledged as required under subsection (2B).

(2D) To avoid doubt, a retail client who is given a Statement of Advice may seek further or varied advice from the providing entity.

Note: This may be necessary if, for example, the client’s relevant circumstances (within the meaning of section 961B) change.

(2E) If the client seeks further or varied advice from the providing entity, the providing entity must ensure that the instructions for that further or varied advice are documented in writing signed by the client (either before or after the advice is given).

(2F) However:
(a) the providing entity does not commit an offence if the client does not sign a written copy of the instructions for that further or varied advice; and
(b) the fact that the client does not sign a written copy of the instructions for that further or varied advice is not evidence that the instructions have not been given.

(2G) The providing entity, or an individual acting on behalf of the providing entity, must acknowledge receipt of instructions for further or varied advice.

1B After paragraph 947B(2)(c)
Insert:
(ca) a statement that the provider of the advice is required under section 961B to act in the best interests of the client in relation to the advice; and
(cb) a statement that the provider of the advice genuinely believes that the advice given is in the best interests of the client, given the client’s relevant circumstances (within the meaning of section 961B); and
(cc) a statement that the provider of the advice is required in circumstances specified under section 961J to give priority to the client’s interests when giving the advice; and
(cd) information about any fees that have been or may be charged to the client in relation to the advice by any of the following:
(i) the providing entity;
(ii) a related body corporate of the providing entity;
(iii) a director or employee of the providing entity or a related body corporate;
(iv) an associate of any of the above;
(v) any other person in relation to whom the regulations require the information to be provided; and
(ce) if the client enters into an ongoing fee arrangement to which Division 3 of Part 7.7A applies with the providing entity—a statement that the providing entity must give the client a fee disclosure statement each year in relation to the ongoing fee arrangement; and

1C After paragraph 947B(2)(f)
Insert:
(fa) if the providing entity recommends that the client acquire a financial product, and Division 5 of Part 7.9 would apply if the client acquired the financial product—a statement that the client may have the right to return the financial product under Division 5 of Part 7.9 within a cooling-off period; and

(fb) a statement that the client may seek further or varied advice from the providing entity at any time; and

1D Paragraph 947B(2)(h)

Omit "paragraph (d)", substitute "paragraphs (cd) and (d)".

1E At the end of subsection 947B(2)

Add:

Note: In most cases, Division 3 of Part 7.7A will apply to an ongoing fee arrangement entered into on or after 1 July 2013. The Division may apply to an ongoing fee arrangement entered into at an earlier time however, if a financial services licensee has elected to have Part 7.7A apply at that earlier time (see section 962D).

1F After paragraph 947C(2)(d)

Insert:

(da) a statement that the provider of the advice is required under section 961B to act in the best interests of the client in relation to the advice; and

(db) a statement that the provider of the advice genuinely believes that the advice given is in the best interests of the client, given the client's relevant circumstances (within the meaning of section 961B); and

(dc) a statement that the provider of the advice is required in circumstances specified under section 961J to give priority to the client's interests when giving the advice; and

(dd) information about any fees that have been or may be charged to the client in relation to the advice by any of the following:

(i) the providing entity;
(ii) an employer of the providing entity;
(iii) the authorising licensee, or any of the authorising licensees;
(iv) an employee or director of the authorising licensee, or of any of the authorising licensees;
(v) an associate of any of the above;
(vi) any other person in relation to whom the regulations require the information to be provided;

and

(de) if the client enters into an ongoing fee arrangement to which Division 3 of Part 7.7A applies with the providing entity—a statement that the providing entity must give the client a fee disclosure statement each year in relation to the ongoing fee arrangement; and

1G After paragraph 947C(2)(g)

Insert:

(ga) if the providing entity recommends that the client acquire a financial product, and Division 5 of Part 7.9 would apply if the client acquired the financial product—a statement that the client may have the right to return the financial product under Division 5 of Part 7.9 within a cooling-off period; and

(gb) a statement that the client may seek further or varied advice from the providing entity at any time; and

1H Paragraph 947C(2)(i)

Omit "paragraph (e)", substitute "paragraphs (dd) and (e)".
1J At the end of subsection 947C(2)
Add:
Note: In most cases, Division 3 of Part 7.7A will apply to an ongoing fee arrangement entered into on or after 1 July 2013. The Division may apply to an ongoing fee arrangement entered into at an earlier time however, if a financial services licensee has elected to have Part 7.7A apply at that earlier time (see section 962D).

(2) Schedule 1, page 5 (after line 14), after item 14, insert:

14A Paragraph 961F(b)
Omit "that is related to a basic deposit product".

(3) Schedule 1, page 6 (after line 14), after item 20, insert:

20A Subsection 962G(1)
Omit "30 days", substitute "60 days".

20B Subparagraph 962H(1)(b)(i)
Omit "30 days", substitute "60 days".

(4) Schedule 1, item 29, page 7 (line 24) to page 8 (line 33), omit the item, substitute:

29 At the end of section 963B
Add:

(a) the benefit is given to the licensee in relation to the issue or sale of a financial product to a person; and

(b) financial product advice in relation to the product, or a class of products of which the product is one, has not been given to the person as a retail client by the licensee, or a representative of the licensee, in the 12 months immediately before the benefit is given.

(5) Despite section 963A, a monetary benefit given to a representative of a financial services licensee who provides financial product advice to persons as retail clients is not conflicted remuneration if:

(a) the benefit is given to the representative in relation to the issue or sale of a financial product to a person; and

(b) financial product advice in relation to the product, or a class of products of which the product is one, has not been given to the person as a retail client by the representative in the 12 months immediately before the benefit is given.

(6) Despite section 963A, a monetary benefit given to a person who gives general advice to a retail client on behalf of a financial services licensee is not conflicted remuneration if:

(a) the person gives the general advice as:

(i) an employee of the licensee, or a related body corporate of the licensee; or

(ii) an employee of an authorised representative of the licensee; or

(iii) an individual who has been sub-authorised under section 916B by an authorised representative of the licensee to give general advice on behalf of the licensee of the kind given; and

(b) the person gives the general advice under the name of the licensee, a trade mark of the licensee or a business name of the licensee; and

(c) the benefit is neither:

(i) a recurring payment made because the person has given the general advice; nor
(ii) a payment made solely because a financial product of a class in relation to which the general advice was given has been issued or sold to the client;
   (payments commonly referred to as commissions); and
(d) during the 12 months immediately before the benefit was given, the person did not give financial product advice to a retail client, other than:
   (i) general advice; or
   (ii) personal advice in relation to basic banking products, general insurance products, consumer credit insurance or a combination of those products; or
   (iii) a combination of the advice mentioned in subparagraphs (i) and (ii); and
(e) the financial product in relation to which the general advice is given is either:
   (i) a product issued or sold by the licensee or a related body corporate of the licensee; or
   (ii) a product issued or sold by another entity under the name of the licensee, a trade mark of the licensee or a business name of the licensee.

(7) The regulations may, for the purposes of a provision of this section, prescribe either or both of the following:
   (a) circumstances in which all or part of a benefit is taken to satisfy the provision;
   (b) the extent to which, or a method for working out the extent to which, a benefit satisfies the provision.

(8) The regulations may prescribe circumstances in which, despite a provision of this section, all or part of a benefit is to be treated as conflicted remuneration.

(9) In this section:

   *business name of a licensee* means a business name that is registered to the licensee under the Business Names Registration Act 2011.

   *trade mark of a licensee* means a trade mark of which the licensee is the registered owner under the Trade Marks Act 1995.

Note: The expression *intrafund advice* is often used to describe financial product advice given by a trustee (or an employee of, or another person acting under arrangement with, the trustee) of a regulated superannuation fund to its members, where that advice is not of a kind to which the prohibition in section 99F of the Superannuation Industry (Supervision) Act 1993 applies. (Section 99F of that Act prohibits trustees of regulated superannuation funds from passing on the cost of providing certain kinds of financial product advice in relation to one member of the fund to another.)

(5) Schedule 1, item 34, page 9 (lines 11 to 19), omit the item, substitute:

   **34 At the end of section 963C**

   Add:

   (2) The regulations may, for the purposes of subsection (1), prescribe either or both of the following:

       (a) circumstances in which all or part of a benefit is taken to satisfy one of the paragraphs in that subsection;

       (b) the extent to which, or a method for working out the extent to which, a benefit satisfies one of the paragraphs in that subsection.

   (3) The regulations may prescribe circumstances in which, despite subsection (1), all or part of a benefit is to be treated as conflicted remuneration.

(6) Schedule 1, item 35, page 10 (after line 23), at the end of section 963D, add:

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CHAMBER
(4) The regulations may prescribe circumstances in which, despite subsection (2), all or part of a benefit is to be treated as conflicted remuneration.

(7) Schedule 1, item 43, page 13 (after line 8), after section 1531A, insert:

1531AA Statements of Advice

(1) The amendments made by items 1A to 1J of Schedule 1 to the Corporations Amendment (Streamlining of Future of Financial Advice) Act 2014, to the extent that they relate to Statements of Advice, apply in relation to Statements of Advice given on or after the later of:

(a) the commencement day; and

(b) 1 January 2015.

(2) The amendment made by item 1A of Schedule 1 to the Corporations Amendment (Streamlining of Future of Financial Advice) Act 2014, to the extent that it relates to instructions for further or varied advice, applies in relation to instructions given on or after the later of:

(a) the commencement day; and

(b) 1 January 2015.

Today I move amendments to better target the measures in the bill. Following the referral of the bill to the Senate Economics Committee, the government conducted additional consultation on its changes to the Future of Financial Advice provisions. The amendments I move today have been informed by this further round of consultation and the inquiry into the bill undertaken by the Senate Economics Committee.

The amendments to the bill work to further clarify the operation of FoFA and better target the measures proposed by the bill. Further, the bill also amends the statement of advice requirements to implement the additional improvements agreed with the Palmer United Party and the Australian Motoring Enthusiast Party. The first and seventh amendments make a number of changes to the statement of advice requirements to ensure clients are aware of their rights and their adviser's obligations in providing advice in their best interests. The amendments require the statement of advice to be signed by both the adviser and the client, and require any instructions from clients for further or varied advice be signed by the client and acknowledged by the adviser.

The second amendment makes a change to the definition of a 'basic banking product' to ensure products functionally equivalent to those already listed in the definition or products that may not always be related to a basic banking product are included in the definition. The third amendment extends the time period that advisers are required to send a fee disclosure statement to a client in an ongoing fee arrangement from 30 to 60 days after the client's anniversary date. This will ensure the fee disclosure requirements are flexible and adaptable to different practices in the industry.

Amendment (4) makes two key changes. First, it amends the provision that allows benefits to be paid in relation to execution-only services to ensure that the benefit can only be given if financial product advice, as opposed to personal advice, has not been given to the retail client in the previous 12 months by the person receiving the benefit. Second, amendment (4) makes changes to better target the general advice provision and make it clear that commissions are banned under FoFA. The government has supported the ban on commissions and conflicted remuneration for financial advisers since it was first legislated. At no point has the government sought to reintroduce commissions or conflicted remuneration for financial advisers.
Amendments (5) and (6), and amendment (4) in part, put in place regulation-making powers that may prescribe circumstances in which all or part of a benefit is to be treated as conflicted remuneration. That is, if—contrary to our clear expectation and our intention not to bring back conflicted remuneration—developments in the market want our intervention, we could and would address this issue very quickly through regulations. We do not believe that this will be necessary. Amendments (4), (5) and (6) put absolutely beyond doubt how serious the government is about not permitting commissions.

Question agreed to.
Bill, as amended, agree to.

Third Reading

Mr CIOBO (Moncrieff—Parliamentary Secretary to the Treasurer) (09:42): by leave—I move:

That this bill be now read a third time.

Question agreed to.
Bill read a third time.

Australian Renewable Energy Agency (Repeal) Bill 2014
Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr THISTLETHWAITE (Kingsford Smith) (09:44): I am opposed to this bill and opposed to its passage through the parliament. The purpose of the Australian Renewable Energy Agency (Repeal) Bill is to repeal the Australian Renewable Energy Agency Act and the great work of this organisation—again, a classic example of the difference between this Abbott government and the Labor Party when it comes to protecting our environment; encouraging investment in renewable energy in our economy and, ultimately; ensuring that we hand on a cleaner, safer environment to our children.

The Australian Renewable Energy Agency was established in 2012 by the previous Labor government. The ARENA is an independent agency designed to improve the competitiveness of renewable energy technologies in Australia and to increase the supply of renewable energy to Australia's electricity markets. This bill to repeal that organisation and the philosophy behind it is well and truly rooted in the 1970s. It demonstrates the attitude of this government when it comes to encouraging the uptake of renewable energy in our economy. ARENA works to reduce the cost of renewable energy technology development and increase its use in Australia.

Through ARENA, financial assistance, largely through grants, has been provided to nearly 200 renewable energy developments, including the construction of renewable energy projects, the research and development of various technologies and the development and deployment of renewable energy, along with activities to capture and share knowledge gained through all of these projects to advance the sector towards commerciality. Seventy per cent of ARENA funding has gone to projects in rural and regional Australia, and those projects have created jobs for the future in these areas and encouraged investment in renewable energy in important
localities and sectors of our economy. The Abbott government's axing of this very important body and its work puts many of those projects in jeopardy. On 1 July this year ARENA celebrated its second anniversary. In existence for two short years, ARENA has succeeded in shifting Australia's energy landscape. In his second reading speech introducing this draconian bill, the Minister for the Environment acknowledged the considerable success of ARENA, but, rather than seek to continue the program that this bill repeals, the government has decided instead to thrust its head in the sand and hope for the best.

Australians know and understand that climate change is real. They understand that climate change is occurring. They understand the vulnerability of Australia when it comes to climate change and our incidence of and our propensity to be affected by extreme weather events. They know that climate change is occurring, and, importantly, they know that as a nation we need to take action to combat climate change. If we are going to meet the IPCC recommendations, if we are going to meet the international obligations for which we have signed up as an economy to reduce emissions in Australia, then we need to be taking coherent and effective action to transition our economy into a clean energy future, to provide incentives for the development and the research of clean energy technologies, to provide the incentives for businesses to provide seed funding and to invest in renewable technology projects, and of course to provide the wherewithal and the expertise to manufacture those clean technologies into the future. That is what will drive future economic growth.

Many other economies in the world now see this. In our region many economies see this, including one of our closest neighbours, New Zealand, and, increasingly, our most important trading partner, China. China now has emissions trading schemes working in five—soon six—provinces. And during this five-year plan period of the Chinese government, we will have at the end of it a nationally operating emissions trading scheme. And we would have been looking, I might add, to link that trading scheme to neighbours and trading partners within our region, including Australia. But what has Australia done? We have gone in the opposite direction. We have taken a backward step when it comes to combating climate change, and this bill is a further example of that.

A recent Newspoll published in The Australian on 20 August this year showed that a staggering 98 per cent of Australians support renewable energy in our nation. A few days before that Newspoll was published, research was released that showed that energy companies stood to gain $10 billion in profits if the government winds back the renewable energy target—$10 billion for those dirty, polluting industries, predominantly coal fired power, if the government winds back the renewable energy target. And this research sheds an illuminating light on why the Prime Minister is so determined to either freeze or scrap the renewable energy target.

Australia was taking action on climate change. We had developed a price on carbon. That had been recommended by no fewer than 37 parliamentary inquiries in Australia. And when it came to the issue of how we tackle climate change in this country, since 1992 there have been no less than 37 parliamentary inquiries—and every single one of them recommended that a market-based mechanism was the cleanest and most effective way to reduce emissions within our economy, to provide a market-based approach, to allow businesses, households and individuals to make their own decisions about how they change their behaviour and reduce emissions within our economy. But despite this, despite all of these parliamentary inquiries,
the coalition has failed to heed this message. Instead, it has chosen to take an axe to some of
our most important institutions charged with the task of leading the nation into a clean energy
future. The Australian Conservation Foundation's campaigner Tony Mohr said in the Sydney
Morning Herald:

[These cuts] will starve research and development of clean energy in Australia, moving us to the back
of the global race for clean tech.

This, in addition to the axing of the Clean Energy Finance Corporation, paints a vivid picture
of this coalition's indifference to the global challenge of climate change.

Labor believe in taking real action on climate change. Importantly, we also believe in
ensuring that our economy should transition to a clean energy future. If we misjudge our
policy approach to tackling climate change, then we will all pay. But, alarmingly, those that
will pay the most and those that will suffer the most, if we do not get the policy right on
tackling climate change, will, unfortunately, be our children. They will bear the unbridled
economic and social brunt of a mistake on climate change policy. But that is exactly what we
are doing with climate change in this country at the moment. This bill is a classic example of
that mistake that we are making. We are moving away from promoting research and
development and the commercialisation of renewable energy projects. And that will be paid
for by our children. That is why this bill must be opposed.

Australia is a nation of extreme weather events—of droughts and flooding rains, as it has
been famously put. Failure to tackle climate warming and warming will see a greater incidence
of extreme weather events that we will all pay for. Now, that is not my view. That is not the
view of people who are uninformed in this area. That is the view of scientists. That is the view
of climate change experts. What are we to do—ignore that advice? The great irony is that this
is exactly what is occurring in this bill.

The coalition has developed a policy of direct action. It is a system of subsidies for
companies paid for by us, through our taxes, to hope that companies will install cleaner
technology that will, hopefully, reduce their emissions. So this is the great irony of this
government's policy on clean energy: here we have the Liberal Party, the bastion of free-
market economics—of the value of markets determining efficient outcomes within our
economy—arguing for Soviet-style direct subsidies to combat climate change. And here you
have the Labor Party arguing that we should have a market-based mechanism to allow
companies and individuals and households to make their own decisions within the market
about how they will reduce their emissions and change their behaviour.

All economists in our economy who are worth their salt will understand and know that that
is the most efficient and effective way to change behaviour. The price allocates capital in
market-based economies. And that is what was occurring under the Labor government,
particularly in respect of the development and the commercialisation of renewable energy
projects. In closing ARENA, we will see the promotion of renewables be reduced. We will
see subsidies being offered to polluting companies in the hope that they will install new
technology to reduce their emissions.

The other great irony is that the government claims there is a budget emergency. They
claim that there is a need to take drastic action to clean up the budget and to get into a better
financial position. But what we are seeing with their climate change policy is the complete
opposite, because they are removing about $11 billion of revenue each year that is raised
through the carbon price. It is raised by that market-based levy on big polluting companies—so that $11 billion in revenue has gone. And what do they put in its place? They put in its place $1.56 billion worth of expenditure each year, so, in net figures, the budget ends up about $12½ billion worse off. Our environment ends up being more dirty as we are not reducing emissions within our economy, and, importantly, the financial and economic incentive to invest and to make the transition to a clean energy future is also removed within our economy. It is a backward step in any objective analysis of this policy.

This policy of direct action will be paid for by all of us through our taxes, but we will not get the investment in clean energy technology and we will not get the market-based incentive to make a transition to a clean energy future. Although we pay the costs of the scheme through our taxes, only those who receive the subsidy will benefit. That is the great downfall of this, and that is being recognised—traditionally, I might say, by the Liberal Party in promoting market-based approaches but also by economists in respect of this. This is an unfair and inefficient system. More importantly, it will not work. It will ensure that our children have to clean up our policy failure at a greater cost.

Of course, we all know the Prime Minister's feelings on climate change. They were made clear a long time ago. 'Absolute crap'—they were the words that the Prime Minister used to describe the science around the greatest challenge of our generation. The direct action policy is proof of that attitude. The Abbott government is now determined to hurt Australians with this unfair budget, and also to hurt future generations of Australians by saddling them with the cost of taking action on climate change—by passing on to the next generation of Australians that cost, which will increase into the future if we do not take action now, of taking action to tackle climate change.

The Abbott government's Renewable Energy Target Review has only ever been about politics. It does not do anything to promote a clean energy future in our economy. Not only is this review the wrong way to go but it has also sparked a war within their cabinet and put billions of dollars worth of investment in clean energy technology and jobs at risk. Under Labor's renewable energy policies, wind power generation has tripled. The number of jobs in the renewable energy sector has tripled. The number of households with rooftop solar panels has increased from 7,400 to almost 1.2 million. Labor's renewable energy policies have been a success story but they are now under attack from this government. The abolition of the Australian Renewable Energy Agency is a classic example of that. That is why this policy must be opposed and this bill must be opposed.

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry) (09:59): I rise to speak to the Australian Renewable Energy Agency (Repeal) Bill 2014. The Australian economy is built around energy in terms of both access to efficient and affordable electricity for homes and businesses alike, as well as energy exports. We all want affordable and sustainable energy to continue to power industry and to consolidate our position in the international energy market. We also want to ensure that we put downward pressure on electricity bills for consumers.

The coalition government also sees the benefit of promoting the potential of Australia's energy services and locally developed technologies to the rest of the world. That is why this government is committed to around 200 taxpayer funded projects worth $1 billion, matched
by a further $1.8 billion in private funds, making the total projects worth over $2.8 billion nation wide, which are managed through the Australian Renewable Energy Agency Fund.

I want to make it very clear that the coalition government is focused on getting real and measurable outcomes from the existing renewable energy projects and returning the uncommitted funding back to the budget. There is no magic pudding to endlessly fund projects, but the Labor government spent as if there were no tomorrow and every morning the magic pudding just replenished the spend.

The Australian Renewable Energy Agency, ARENA, is a statutory authority which commenced operations on 1 July 2012 and has the objectives of improving the competitiveness of renewable energy technologies and increasing the supply of renewable energy in Australia. The purpose of the bill we are debating here today is to transfer the responsibilities of ARENA to the Department of Industry by the repealing of the Australian Renewable Energy Agency Act 2011. The bill also provides for the transfer of all of ARENA's existing contracts and commitments to the Commonwealth for the Department of Industry to manage.

This bill, when enacted, will help achieve further budget savings of $1.3 billion by returning most of the uncommitted funding to the budget. This measure is required because of the financial mess that was inherited from a reckless and incompetent Labor government, which has always had the ability to spend more than it earns or could afford. The government will be ensuring that each and every project is well managed, that it meets its contracted milestones and that it is contributing to the advancement of an industry that has seen considerable government and collaborative industry funded investment over recent years. This government believes in providing the policy framework where Australian businesses can grow and can compete in an increasingly competitive global marketplace without just relying on government handouts. The focus over the life of these projects will be to make sure that the investments that are already made help progress the renewable energy industry as a whole.

I want to re-emphasise: the coalition government supports and is committed to the renewable energy sector through the existing $1 billion in taxpayers’ money invested in around 200 renewable energy projects across Australia and, I say again, leveraged up to $2.8 billion with collaborative funding from the private sector. The government is keen to see these projects deliver outcomes over the coming years. We recognise the clean energy sector, which, by its own count employs 24,000 people and has generated some $20 billion in investment is an important part of Australia’s energy solution. That is why we believe renewable energy should be part of a diverse energy mix.

Given Australian taxpayers are making a substantial investment in renewable projects, we believe it is sensible and prudent to monitor those investments and use the knowledge gained in ways that can strengthen the renewable energy industry. In particular, we are focused on ensuring that the knowledge that is gained can be applied in a practical way to deploy renewable energy in commercial projects to the benefit of all Australians.

We expect the knowledge gained from each of the 200 projects, from every taxpayer dollar spent, to help advance the renewable energy industry and benefit our nation. We believe that by using this knowledge we will start to develop energy solutions that are specific to Australian conditions and that can be deployed commercially to the benefit of all Australians.
When I began visiting the ARENA projects in my role as the Parliamentary Secretary to the Minister for Industry I went in with an open mind, willing to learn more about renewable energy projects, the number of people being employed and what taxpayers were receiving in return for these significant investments. I was absolutely fascinated by some of the research being undertaken.

Earlier this week I joined with ARENA CEO, Ivor Frischknecht, at the University of New South Wales to announce $21.5 million in federal government funding for 12 new solar research and development projects. These projects have a total value in excess of $70 million. There were 110 applications and, in a very competitive process that saw applications vetted and ranked against one another, 12 were selected. These projects are the best of the best.

The ANU will receive $9.183 million in funding for five projects: researching material qualities; the efficiency of silicon solar cells; high temperature solar thermal energy storage; and developing PV modules for the unique Australian environment. The CSIRO in Newcastle will receive $4.6 million in funding for three projects: to develop high efficiency solar Allam cycle; to develop low-cost small heliostats for use in remote installations; and to work on a virtual power station.

The University of New South Wales will receive $6.95 million in funding for three projects: to develop ultimate performance commercial silicon solar cells; to develop high efficiency silicon/perovskite tandem cells and modules; to study advanced recombination-based loss analysis methods for silicon wafer and silicon solar cells. The UTS will receive $750,000 for a project to develop lithium-sulfur batteries for large-scale commercial electrical storage. The total value of these 12 projects is $70.5 million and it is a great example of the government working with researchers and industry to deliver real and measurable outcomes to the solar industry.

I visited many of the ARENA projects and the first one was in Wallsend. In May, I visited the Carnegie Wave Energy project south of Perth, where Tim Sawyer, the project development officer, demonstrated that this $33.4 million-project is well advanced. ARENA provided $13.1 million towards the development of the Australian-invented and owned CETO wave energy technology that converts ocean swell into zero-emissions renewable power and desalinated freshwater. This project is the commercial demonstration phase that comprises the design, construction, deployment and operational performance evaluation of a pilot-scale, grid-connected, two-megawatt-installed-capacity wave energy demonstration project at Garden Island. The facility will consist of three submerged CETO 5 units in an array, subsea pipelines to shore, hydraulic conditioning equipment and an onshore power generation facility.

In June, I visited the team from Renergi at the Fuels and Energy Technology Institute at Curtin University in Western Australia. The research project, headed by Professor Chun-Zhu Li, had received $3.6 million towards the project cost of $6.7 million. The aim is to develop new technology and increase technical expertise to grow and convert farm-grown Mallee crops into advanced biofuels that can meet future transport fuel demands, whilst at the same time reducing carbon emissions. The Mallee spinoff has additional economic benefits of reducing dryland salinity in agricultural areas and this could potentially reduce approximately $300-$400 million of crop losses per year in Western Australia.
Renergi’s commercial gasifier will also produce biochar as a by-product, which may have applications for carbon sequestration or agricultural fertiliser. ARENA has offered a further $5.2 million to Renergi under the Emerging Renewables Program to scale up its gasification technology to a commercial application capable of delivering five megawatts. Again, this project is still in its early stages but I do look forward to the results.

New and innovative technology is always fascinating to conceptualise and intriguing to understand. But let me also be very clear that research and development in renewable energy lies not solely with ARENA as an agency. In May I visited the Edith Cowan University, where I met with Professor Kamal Alameh, Director of the Centre for MicroPhotonic Systems at the Electron Science Research Institute—ESRI.

I have always wondered why large-scale buildings with glass curtain walls could not be better designed to collect solar power. Obviously, the glass cannot be covered with photovoltaic cells as there would be no vision or light through the glass. But ESRI, who previously received the WA Inventor of the Year Early Stage Category award for high-speed, chip-to-chip optical interconnects, has developed Tropiglass.

Tropiglass is a glass panelling arrangement which allows the harvesting of solar energy through the window panes by deflecting the light energy source to the internal frame, which in turn houses the solar cells to collect the energy. It is this sort of thinking that is well beyond 'outside the square' thinking that will deliver to Australia and the environment in spades. We have organically grown and also attracted some of the best and brightest researchers to Australia.

The previous government’s record in generating sensible environmental policy disastrous. Let me run through the litany of disasters the former Labor government dreamed up: pink batts, Green Loans, Green Start and 'cash for clunkers'. 'Cash for clunkers'—that summarises the entire ALP approach to the environment. This is not to mention the citizen's assembly that was, in fact, the climate policy they had before the carbon tax and which was the policy they took to the 2010 election.

We can remember the Green Loans. Green Loans were another signature policy. It ended up with an average cost of $100,000 per $1,000 loan. It may sound extraordinary, but the average price per loan distributed was around $100,000. They spent $100 million and they issued just over 1,000 loans. Therefore, the program cost, on average, $100,000 each for the loans, which were just over $1,000 each. Great economics!

Then we go from Green Loans to cash for clunkers. This, of course, was their signature program. It was going to be a giant. It was going to transform the automotive sector—except that it never happened. The cash for clunkers program in the end did not just collapse; it actually crashed.

The repeal of the carbon tax has been a huge win for the Australian public and for businesses. We believe the passage of this legislation will be another step in the right direction, by continuing to invest in renewable energy projects in a financially sustainable way. The repeal of the ARENA bill will be another step in the right direction.

In conclusion, it is important we continue to reflect on what it will take to secure Australia’s energy future. Energy is fundamental to our economic prosperity and the government is keen to ensure we get our economic fundamentals right. All the energy sources
available to Australia should come into the equation in considering how best to secure our energy future.

Traditional energy sources continue to meet the bulk of our needs, but the importance of renewable energy in the mix is growing. The government’s open-for-business policy is to enable all businesses to stand on their own feet and flourish with fewer taxes and more streamlined, but improved, regulation. The government believes well-functioning markets are the key to delivering the best outcomes for energy producers and consumers alike. Competitive energy markets are essential to attracting investment in our energy sector in a form best suited to the needs of businesses and households.

As has been seen in the retail energy markets, effective competition promotes customer choice. Effective competition means customers can choose from multiple energy contracts and energy retailers to find an offer that best meets their needs at a price they are willing to pay. Retailers are incentivised to innovate and differentiate their offers from those of their competitors to better meet the needs of their customers. The government’s focus is to create the optimum policy settings that will support the efficient operation of the energy markets, and that includes a blended renewable energy market.

I commend the Bill to the House.

Mr KELVIN THOMSON (Wills) (10:13): That was a remarkable speech from the member for Paterson. He was speaking the renewable energy projects which have sprung up in recent years and was talking about the merits and values of those projects. He made many worthwhile and important points. But the remarkable thing is that the very projects he was extolling have been made possible either by the renewable energy target, which this government is determined to cripple, or by the Australian Renewable Energy Agency, which this Australian Renewable Energy Agency (Repeal) Bill 2014 proposes to abolish! The member seemed oblivious to the fact that his government is determined to kill off the very projects that he was talking up.

The Labor government established the Australian Renewable Energy Agency, known as ARENA, in 2012 as an independent agency designed to improve the competitiveness of renewable energy technologies in Australia and to increase the supply of renewable energy to Australia’s electricity market. ARENA works to reduce the cost of renewable energy technology development and to increase its use in Australia. ARENA provides financial assistance for the research, development, demonstration and commercialisation of renewable energy and related technologies; develops skills in the renewable energy industry; and promotes renewable energy projects and innovation, both nationally and internationally.

ARENA currently supports more than 190 renewable energy projects, drawing more than $1½ billion in private sector investment. There are currently a further 190 renewable energy projects in the pipeline which have the potential to draw more than $5 billion in private sector funding. Seventy per cent of ARENA funding has gone to projects in rural and regional Australia, creating jobs for the future in these areas. The Liberal government’s proposal to axe ARENA puts these projects in jeopardy. This bill risks the investment arrangements already in place for existing projects, and puts a complete freeze on future investment arrangements.

The Liberal Party is quick to cry foul and make hysterical claims about sovereign risk if a Labor government takes any action which impacts on any company's bottom line, but the way
in which it subjects the renewable energy industry to constant policy changes and rough handling, beggars belief. These are real industries, providing a real service in a carbon constrained world. They are the industries of the future.

Experience from renewable energy markets overseas has shown that stable, long-term policy support provides the renewable energy industry with the required incentives to expand the renewable energy market. A clear commitment from the federal government on the policy framework surrounding renewable energy in Australia, such as the renewable energy target, provides the long-term certainty needed to encourage the growth of Australia's renewable energy industry.

The number of countries with renewable energy targets more than doubled between 2005 and 2012, with at least 118 countries—over half of the world's countries—now having renewable energy targets in place. Of these, 109 countries have policies to support renewables in the power sector. Currently, 19 of the G20 member countries have some sort of renewable energy support policy, and all of Australia's top 10 trading partners have policies to promote renewable energy. So we are not out there, on this matter, on a limb or on a frolic of our own; this is what countries right around the world are doing.

A central reason for this is the potential for renewable energy to create jobs. Worldwide, an estimated five million people work directly or indirectly in renewable energy industries. Global investment, in 2010, reached US$243 billion—an increase of 30 per cent from 2009. So, countries right around the world are recognising the benefits of renewable energy as a central element to remaining economically competitive.

Recent research indicates that France, Japan, the United Kingdom, South Korea and Germany are currently best prepared to be competitive in the global low-carbon economy. These countries, by moving first in adopting policies that support renewable energy and low-carbon technologies, will experience superior rates of learning, better cost reduction, and are currently best prepared to be competitive. Meanwhile, Australia is the only country in the G20 which has become less prepared for the low-carbon economy since 1995, and faces some of the biggest challenges in remaining competitive in a low-carbon future—ranked 16 in the G20 behind Argentina, South Africa, Saudi Arabia and Russia.

If Australia continues with a lack of commitment to policies that support renewable energy then the cost of shifting to a low-carbon economy will be higher, and we will risk losing our international competitiveness. Of overriding importance is the need for policy stability and certainty so investors commit funds that will grow the industry and Australia can catch up in the global race to transition to a low-carbon economy.

Labor's renewable energy policies have been a success story, yet they are all now under attack from the Liberal government. In addition to the bill before the House to abolish the Australian Renewable Energy Agency, the government had legislation before the parliament to abolish the Clean Energy Finance Corporation. We have been reading in the papers in recent weeks that the Prime Minister wants his Renewable Energy Target Review Panel to recommend scrapping the RET all together.

It is a mystery as to why the Liberal government wants to put an end to such successful policies that deliver savings to Australian households, create Australian jobs, drive investment in Australian industries, and are good for Australia's environment. During our time in
government, wind power tripled, jobs in the renewable energy industry tripled to more than 24,000, and Australian households with solar panels on their roofs skyrocketed from around 7,000 to over one million. Some of the wind and solar farms in Australia are the biggest in the Southern Hemisphere. Investment in these projects was being driven by the renewable energy target, and when Labor was in government Australia ranked in the top four most attractive places in the world to invest in renewable energy projects. Since the election of the Liberal government, and since the scare campaign against renewable energy, Australia has fallen to ninth on the global index.

The RET review, the attempts to axe ARENA and the CEFC, and the Prime Minister's false rhetoric about the impact of the RET on power prices has stalled investment in the renewable energy industry. It is risking jobs and businesses. A recent Newspoll, published in *The Australian* on Wednesday 20 August, showed that 98 per cent of Australians support renewable energy. And recent research released by the Climate Institute, the Australian Conservation Foundation and the WWF has highlighted that under a scenario where there was a termination of the RET then coal fired power generators would reap an extra $25 billion in profit between 2015 and 2030. I suspect that herein lies the real reason behind the government attacks on the RET. The RET has been such a resounding success that vested interests in the energy sectors are not happy with renewable energy gaining a larger than expected share of the electricity market.

Under the current ownership arrangements, EnergyAustralia is the company that would stand to gain most. Its potential extra profit would be about $1.9 billion if the RET were reduced, and $2.2 billion if it were abolished. If AGL purchased Macquarie Generation it would become by far the biggest beneficiary of reducing the RET, with combined extra profits of $2.7 billion if the RET were reduced. Origin Energy's total extra profit would be about $1.5 billion. Origin Energy owns the power station that would emit the largest amount of additional pollution under a reduced RET.

What the modelling also established was that abolition of the RET would see no reduction to household power prices, and carbon emissions would climb by 15 million tonnes a year on the back of a nine per cent increase in coal-fired power. When I had discussions with Tim Sonnreich from the Clean Energy Council he pointed out, and the council points out, that scrapping or scaling back the renewables target would see electricity prices rise, not fall, due to greater use of gas in the energy sector at a time when gas is soaring in price.

The modelling commissioned by the Climate Institute, the Australian Conservation Foundation and WWF indicated that for a household consuming 6½ megawatt hours of electricity annually, which is the New South Wales average, reducing the renewable energy target would add about $35 to the annual power bill—most of this increase will take place after 2020. An abolition of the renewable energy target would add about $80 a year to the annual power bill. This puts to the sword the claim made by the Prime Minister in July that the RET is significantly driving up power prices, and reveals that the government is more in the thrall of climate change denialism than having a genuine concern for cost-of-living pressures.

The same modelling also indicated that reducing the renewable energy target would cost the federal budget about $680 million in extra funding to meet Australia's target of five per cent emissions reductions by 2020, in addition to the socialised costs amounting from higher
levels of pollution, which the model estimated conservatively to be $14 billion. I think it is ironic that this is a government that talks about direct action, the renewable energy target is direct action, yet the government makes spurious arguments to try to justify its abolition.

The review into the RET that was set up by the government was headed by a known climate change denier. Even then, according to reports, it found that the RET did not add significantly to household and commercial power bills and, in fact, it accounts for only three per cent of an average household electricity bill. The government's apparent intention to ignore its own stacked inquiry reflects a predetermined view of climate change by this government. They do not believe in it—full stop. The tragedy of the removal of RET is that it will jeopardise around one per cent of GDP in committed capital investment. It is regrettable that we have got a government that is more concerned with the ideological outcome or the vested interest than it is with a sound and visionary policy, which is what the renewable energy target is. This is real sovereign risk, not that bogus sovereign risk levelled at the mining tax or recently by the trade minister when he was talking about the budget in the Senate. If we have abolition of the RET, this will be done with no lead time, in the teeth of the policy taken to an election.

I also make the point that we have seen the abolition of the carbon price and that underscores the ongoing importance of the renewable energy target. It is now the only game in town, the only national initiative directed at reducing Australia's greenhouse gas emissions—the last hope. Scrapping it at this point is removing Australia's only remaining substantial carbon abatement policy, with all of the negative flow-on effects that that will have for the local and global emissions mitigation effort, as well as exposing Australia to big risks in terms of future international policies. If the government is genuinely concerned about the significant power price increases, which have taken place—I have spoken in the House about this previously—it needs to look at the overinvestment in power distribution networks which accounts for three-quarters of the increases that have occurred.

I note that Miles George, the managing director of the renewable company Infigen Energy, has said either scaling back or terminating the RET 'would be devastating'. He said that the creation of sovereign risk would be significant and that the very issue had been raised by prospective foreign investors, including Canadian pension funds which the Prime Minister sought to woo on one of his overseas trips in June. He said:

Infigen's shareholder base of over 20,000 investors has invested in renewable energy in Australia on the basis of a fixed target of 41,000 gigawatt hours by 2020. This is no different to investors in private or public partnerships acquiring a toll road concession or a port lease. If the government pulls the rug from under institutional investors in renewable energy, we shouldn't expect those investors to come back to buy other infrastructure assets here.

It is high time the Liberal government stopped undermining and white-anting renewable energy. Australia has what it takes to be leading the race in developing a renewable energy industry: world-class renewable energy resources, a skilled workforce and a proud history of innovation. We need to exploit this comparative advantage and embrace the huge opportunities that our renewable energy provides; otherwise we risk falling behind. The community is calling for it, business is ready to invest and we and future generations will benefit from this investment.
Mr IRONS (Swan) (10:28): I rise to speak on the Australian Renewable Energy Agency (Repeal) Bill 2014. Despite the claims of those opposite to the contrary, fiscal reform is needed in Australia and the coalition, as a responsible government, needs to rein in expenditure if we want any hope of putting our economy back on a sustainable path to surplus. The reason those opposite have challenged the government's reform measures is not because those measures are unjust or irresponsible; it is because to do so would mean they would have to finally admit and accept that their cash-splash approach to running the government for six years is what caused every Australian to now be faced with billions in deficit. That is projected to rise to $667 billion if we do not fix the unsustainable spending path those opposite have put us on.

Every member of the public has to balance their personal budget to make ends meet and a responsible government has to do that as well. Unfortunately this concept of economic responsibility was forgotten, year after year, under the former government—despite their ongoing claim that a surplus was just around the corner. I do not know what path those opposite thought they were walking but it certainly was not one to surplus, after delivering $191 billion in deficits in their first five budgets. It is safe to say those opposite have no idea what a surplus looks like except when the coalition delivers one.

The National Commission of Audit, the Secretary of the Treasury and the Governor of the Reserve Bank have all unequivocally stated that the government cannot afford to maintain its current expenditure levels. The commission, in fact, found that if the government did not rein in expenditure, every Australian would feel the weight of continuing deficits for 16 years in a row to 2023-24. Although it may seem harsh to some, entitlements must be pulled back and spending reduced across all government portfolios if we are to have any hope of putting Australia back onto the sustainable path we seek.

To achieve this the community and those opposite need to reassess their view of the government and how taxpayers' money is spent. When an individual, a business or an organisation can afford to support themselves, their expectation should not still be that they deserve an additional handout from the government or from the taxpayer—yet this is exactly what we are seeing. An economically responsible government is not one that caters to this unsustainable expectation; instead it balances its books, while still having safeguards in place to assist those who need it the most, and develops spending measures that will enhance the lives of our future generations through investment, research and innovation, job-building programs and infrastructure advancements. That is something this government will achieve if these budget measures are passed in this place.

The bill before the House today has been surrounded by an air of controversy, with those opposite claiming that if the government closes the Australian Renewable Energy Agency, or ARENA as it is commonly known and referred to, it must mean that the coalition is against renewable energy.

Mr Conroy: True!

Mr IRONS: This could not be further from the truth. The government would like to invest more in welfare, education, infrastructure and all manner of other policy initiatives that we are already investing significant funds towards in the budget. The reality, however, is that we simply cannot afford to do this because Australia's current levels of spending are not feasible—not now and certainly not in the long term. This is not just the view of the coalition.
It is also the view of the Treasury, leading economists and an independent National Commission of Audit report. The commission's chairman, Tony Shepherd, recently made this clear in an opinion piece in *The Australian* where he definitively stated that we are living beyond our means. In the article he goes on to state that we have arrived at our present fiscal situation because past governments have expanded the range of, and eligibility for, social services and other benefits and legislated these entitlements, creating unreasonable community expectation. Needless to say, if those opposite had implemented some sort of policy framework that was appropriately costed during the six years they were in government, the coalition would not be faced with these tough decisions today.

As a result, the government has held firm on its spending cuts and introduced the Australian Renewable Energy Agency (Repeal) Bill 2014 for the purpose of closing ARENA by repealing the Australian Renewable Energy Agency Act 2011. This will save the government almost $1.3 billion in uncommitted funding. Like any business model, it is important to see how innovation concepts develop and whether outcomes are being achieved before investing more money in similar initiatives. That is why the government is committed to overseeing the rollout of a billion dollars in ARENA projects that funding has already been committed to. We will ensure greater efficiency in Australia's renewable energy sector is achieved by consolidating the delivery of these projects into the Department of Industry.

A billion dollars is a significant amount of money to commit to renewable energy, so any claims the government is walking away from the developments in this sector are clearly baseless. Although $1 billion is already a lot of money, so is the further $1.8 billion that has been invested by industry—taking the total investment in Australian renewables to $2.8 billion. Despite the idea that has been generated by those opposite and the media that ARENA is the only driver of renewable energy in Australia, this is not the case. As an example I would like to relay a story. When I went on a delegation to Singapore with the former member for Braddon—I see the current member for Braddon sitting in the chamber—and the former member for Reid, both of whom are no longer here, we spoke to a Singaporean development corporation. We questioned them: 'Why don't you invest in renewable energy?' They said: 'We don't invest in anything that is not sustainable.' There is an economic answer for you. There is no reason why renewable energies cannot be picked up by the private sector.

Other measures, including the government's Renewable Energy Target Scheme, have provided both direct and indirect support to renewable energy. This has amounted to tens of billions of dollars in financial assistance to renewable energy projects and targets, a significant investment by anyone's standards. The $2.55 billion Emissions Reduction Fund will also provide an incentive based approach to tackling climate change and reducing energy costs through activities such as revegetation, investing in soil, carbon capturing of gas from landfill and increasing energy efficiency. The government also announced the establishment of the Solar Towns program in the budget to support solar PV and solar hot water in community groups. To date, financial assistance by ARENA, largely through grants, is being provided to nearly 200 renewable energy developments including the construction of renewable energy projects, research and development of various technologies and the development and deployment of renewable energy.

In my electorate of Swan, and as we heard previously from the parliamentary secretary, the Curtin University of Technology has long been recognised as a key driver in research and
innovation across a sweep of projects. Many colleagues in this place would have heard me speak about the Curtin University before and I recently had the pleasure of announcing another $2.7 million in Commonwealth government funding to support four potentially groundbreaking science projects at the university. This funding was part of a $150 million commitment by the Commonwealth government to fund 150 new fellowships across the country, and it is administered by the Australian Research Council. Curtin has also received financial assistance from ARENA for two renewable energy projects, one of which was completed in May 2012. Under ARENA's support for advanced biofuels program, the university and its partners received $2.5 million in grant funding to develop new technology and increase technical expertise to equip Australia to grow and convert farm-grown Mallee crops into advanced biofuels and meet transport fuel demands while reducing emissions. As a result of this project, the decision tool that was developed to estimate mallee crop production based on key site characteristics will be made directly available to growers to speed up the development of the mallee based biofuel industry.

Curtin University's company Renergi Pty Ltd also received over $3.6 million from ARENA to take their currently small-scale technology, which converts biomass such as agricultural waste and mallee crops into a gas that can be used to generate electricity, to the next stage by building and operating a larger version of the gasifier. This project is ongoing. I have worked with Curtin University for many years and have witnessed firsthand how their research projects and innovative technologies have the ability to drive various Australian industries in the long term, a goal I am sure each of these projects will achieve.

Two other projects in my home state of Western Australia have also been provided with financial assistance by ARENA, including $13 million towards the Perth Wave Energy Project, which is being developed by Carnegie Wave Energy Ltd, offshore of Garden Island. The parliamentary secretary mentioned this project as well. It reminds me of when John Howard gave a grant of $5 million to that particular company in 2007—and guess what happened when the Labor government came in? They took it away. They say they have a deep interest in renewable energy and they took the $5 million grant away because it was given by the coalition. This project will create the world's first commercial-scale wave energy array that is capable of producing both zero-emission power and directly desalinated water. This clean energy will be purchased by the Australian Department of Defence, as part of a landmark power purchase agreement. Almost $450,000 has also been committed to a feasibility study by Abengoa Solar to construct a 20-megawatt solar thermal power station at Perenjori.

I fully support the work of each of these organisations; however, I understand, as I am sure they do, that the government cannot afford to continue providing this level of assistance with taxpayers' funds—as much as we would like to—when we are faced with the burden of ridding Australia of its current debt levels. To ensure that each of the currently funded projects continues to be well managed, key measures in the bill before the House today will identify how ARENA's assets, liabilities and functions will be transferred to the Department of Industry to avoid any disruptions to current projects or those that will soon be underway. I am sure you, Mr Deputy Speaker Vasta, along with me, have full confidence in the Department of Industry to carry on the work that is currently being done by ARENA. A provision in the bill will also require ARENA to provide the Minister for Industry with an
annual report and, if necessary, a subsequent report for the time between financial year 2013-14 and the last day of ARENA's reporting period as an agency. This will ensure the minister has a complete understanding of project outcomes to date so that informed policy decisions can be made in the future.

Under the Labor government, Australian businesses and industry were forced to endure inconsistent leadership and a lack of vision or long-term strategy, which led to projects across an array of portfolios being mismanaged. Unfortunately, ARENA projects did not escape this chasm. Instead of solving problems, the former government's answer was to throw more money at them, close their eyes and hope they went away. We heard the parliamentary secretary earlier mentioning pink batts, school halls and other projects under Labor's auspices. It is because of this mismanagement that the Oceanlinx one-megawatt commercial wave energy demonstrator, based in South Australia, sank in June and remains damaged beyond repair. Nearly $4 million of Australian taxpayers' money sank with it. Another South Australian project was also closed in June, albeit not as dramatically, after grant funding conditions were unable to be met due to a lack of investors for the Petratherm 'hot rocks' renewable energy project. The result was a further $4.2 million in taxpayers' money going down the drain under the previous Labor government's watch. Unlike the former government, the coalition has taken on board the lessons learnt from this mismanagement at the top level and will be working to ensure the transfer of ARENA projects is progressed efficiently and contract milestones are met.

Australia has a diverse energy mix, including coal, gas and, of course, renewable energy. This government supports each of these sectors and any projects that aim to reduce costs for providers and consumers—particularly with regard to renewable energy, those projects that aim to reduce Australia's emissions. The government will continue to invest in these sectors through various schemes and policy measures, but, unlike the former government, it will invest systematically and under a consolidated framework that is economically sustainable.

It is because businesses and communities across Australia know that the coalition government have the strength to make these tough decisions, and are economically responsible, that we were elected last year, and now we will do everything in our power to see our key budget savings passed through this place and the Senate. It is time those opposite stopped trying to block the passage of these necessary savings measures and instead supported the government's efforts to put Australia back on a sustainable path and reduce the debt levels they created. I commend the bill to the House.

Mr CONROY (Charlton) (10:42): I listened with great interest to the contributions from previous speakers, including the member for Swan and the member for Paterson, to this debate on the Australian Renewable Energy Agency (Repeal) Bill 2014. Yet again, they demonstrate, as all coalition members of parliament have demonstrated, a complete misunderstanding of industry development experience, the challenges of the renewable industry and the challenges of climate change.

I will start by remarking on the contribution from the members for Swan and Paterson, who lauded some great projects funded under ARENA. They were very proud, justifiably, of some of the projects. The logical question, then, is: if these projects are so deserving and they are so proud that ARENA funded them, why cancel this program? They are very proud to turn up at grant fundings. The member for Paterson, one of my neighbours, has turned up to the opening
of envelopes, and grant announcements are his reason for getting out of bed in the morning. But he is often turning up to grant announcements for programs he then tries to cut. The consistency is just not there.

In this debate, on the abolition of the Australian Renewable Energy Agency, it is best to start from first principles. The first principle is a global need to combat climate change. Global warming is occurring, it is overwhelmingly man-made and each nation needs to make a contribution. By 2016, three billion people in this world will live in countries or provinces where there is an emissions trading scheme. So the world is taking action. We need to combat climate change. Australia needs to play its part.

And this is not just a great challenge; it is also a great opportunity to grow the jobs and industries of the future. Just as the countries that invested in steam and textiles, including Great Britain, dominated the first industrial revolution, and the countries that invested in and pioneered the work of steel and chemicals in the mid-19th century, the United States and Germany, dominated the second industrial revolution, and the United States and Japan, in the third industrial revolution, pioneered research into electronics in the middle of the 20th century, it is the countries that invest in clean energy products and clean energy technologies that will benefit most from the fourth industrial revolution, which we are beginning to see right now.

This government is squandering that opportunity. Across the globe more than US$250 billion was invested in clean energy technologies in the last year. This is the opportunity that we are squandering through the abolition of agencies such as ARENA. It is why Labor took action in the first place. I am proud to say that under the last Labor government jobs in the renewable energy industry tripled to 24,000, capacity in the wind sector tripled as well and solar PV installations on roofs grew from a paltry 7,000 under Prime Minister Howard to 1.2 million. This is a proud legacy of Labor, and ARENA was a vital part of this legacy. It complemented our other initiatives, most principally carbon pricing, putting a price on the negative environmental externality of carbon pollution—a policy that will stand the test of time, a policy that is consistent with what the rest of the world is doing, a policy that is economically literate and was the recommendation of every reputable economist around the country, unlike their dog of a scheme, direct action, which is an orphan their own front bench such as the member for Wentworth label a fig leaf for doing nothing.

So the carbon price was a vital foundation for our action to combat climate change and grow our renewable energy industry. This was complemented by policies to support the growth of renewable energy across the entire innovation chain, which was ARENA, the Clean Energy Finance Corporation and then the renewable energy target, which all complemented each other, targeting different parts of the innovation chain and identified market failures. ARENA combated the need to invest heavily in research and development. The Clean Energy Finance Corporation supported proof of type, the first large-scale prototype technologies being deployed into the market. The RET came in to support mature technologies to ensure their widespread deployment. Each part of these programs complemented each other and, I would argue, can be held up as a great example of industry policy targeting each part of a market failure to give us the best chance of developing a new industry.

What has the new government done when it has come into power? It has committed to destroying all this architecture that gave us our best chance to combat climate change and
grow these industries. They have abolished the carbon price, they are trying to abolish the Clean Energy Finance Corporation and they are trying now to abolish ARENA. If you believe the reports in the newspapers, they are also well on the path to abolishing the renewable energy target. The last two things—abolishing ARENA and RET—are in direct contradiction to their commitments before the election. This is a coalition of two political parties that talk endlessly about keeping their election commitments, but they have breached so many I do not have time to list them all. They gave a clear commitment to maintaining the RET and they gave a clear commitment to maintaining ARENA, and they are breaking both of them.

What is even worse is that, not only are they breaking commitments to keep previous policies started by Labor; they are also breaking their own commitments to start new programs. The so-called Minister for the Environment was very proud of his one million solar roofs program that first appeared in 2010 and was a key feature of their Direct Solutions pamphlet that was the Prime Minister's shield whenever he went campaigning. That has disappeared completely—not a mention of it in the budget—abolished before it even started. This demonstrates yet again that the Minister for the Environment and, in fact, the Minister for Industry have no influence in cabinet. They are pariahs. I am surprised they even get invited to cabinet meetings, because anything they put up is said no to.

And what is the impact of all this? The impact is huge sovereign risk issues. Let me read a quote from the so-called Minister for the Environment from the lead-up to the 2013 election: 'One of the things we don't want to do is become a party where there is wild sovereign risk, where businesses take steps to their detriment on the basis of a pledge and policy of government. We're very clear that that's not what we want to be.' He is clearly out on a limb there, because that is exactly what they are going. Abolishing ARENA in a clear breach of an election commitment and abolishing RET or, at the minimum, incredibly watering it down are clear sovereign risk issues that industry will be deeply impacted by.

What is at stake? What is at stake is 24,000—and growing—jobs in the renewable energy industry and $18 billion of future investment. This is what is at stake by the economically irresponsible actions of those opposite that have already seen investment in this sector dry up. In the first half of 2014 investment in large-scale renewable energy in this country has fallen to $40 million. Not $40 billion—$40 million in the first half of this year. That is the lowest level of investment in 14 years and contrasts deeply with the $2.7 billion invested by the private sector in renewable energy in 2013.

It is not just aggregate figures where this drying up of investment is occurring. It is also identifiable in projects such as the cancellation of Australia's largest solar farm. This project was cancelled a few weeks ago, and the industry actors that were investing in this clearly identified the sovereign risk issues imperilled by this government as a direct cause. They identified the abolition of ARENA and the complete inconsistency and speculation around the RET as driving this impact. So we have seen investment in this sector drop from $2.7 billion last year to $40 million. This is a complete disgrace and mortgaging our future on the economically irresponsible actions of those opposite.

It is vital that we grow this industry as those opposite destroy traditional industries. They have already destroyed the automotive sector. They have already killed 50,000 direct jobs in the automotive sector and another 200,000 indirect jobs. Not only are they content to destroy traditional industries and impact the manufacturing regions of this country like the northern
suburbs of Adelaide, Newcastle, the western suburbs of Sydney or areas of Brisbane; they are trying to put a bullet into industries that could fill that gap such as renewable energy. This is a great tragedy. We are the equivalent of a country investing in the horse-and-buggy industry in the early 20th century as the United States and other countries invested in automotive manufacturing. This is a government committed to driving us back not to the 1950s but to the 1850s, and they will be condemned by history for their actions on all this.

We have heard from the other side about how governing is about choices, you have to be responsible and we live in tight fiscal times. I completely agree that governing is about choices and deciding competing fiscal priorities. I ask then: why is it fair to spend $68 billion over the next decade on a ridiculous Paid Parental Leave scheme while cutting investment in significant programs that will grow jobs and secure the economic future of this country? Why is it fair to spend $68 billion so that wealthy mothers in the seats of North Sydney and Warringah can get $50,000 to have a baby while mothers in my electorate of Charlton get less than $20,000? Why is that fair when the government is destroying programs that are helping advance the economic future of this country? The truth is that governing is about choices, and almost every single decision, every single choice, the government have made has been clearly wrong. The great tragedy is that they are mortgaging not only their future but also Australia's future. They are condemning our children and our grandchildren to a rust-belt economy, an economy that will be the laughing stock of the rest of the world.

It is important to go back to some comments made by Asian countries in the early 1980s when Australia faced similar choices about our economic path. The then Prime Minister of Singapore, in 1980, said that Australia was becoming the 'poor white trash of Asia'. Given that period was a period of stagflation of an economy with very high inflation and industries that were overprotected and, quite frankly, not globally competitive, that description, while very brutal, was very apt. A reformist Labor government under Prime Ministers Hawke and Keating came in, made very significant economic reforms and put in place the foundations that have led to over 20 years of uninterrupted economic growth, with industries that are outwardly focused, globally competitive and able to export around the world.

We face a similar choice here, where we have a regressive government; a government not of conservatism but of reaction; a government driven by DLP sympathisers like the Prime Minister; a government determined to return to the past. This legislation is symbolic of that attempt to return to the past and abandon investment in serious industries like the renewable energy industry. As I said, it will be our children and grandchildren who will suffer from this. It will not just be employment, jobs and high living standards; it will be about taking action on climate change. That is one of our greatest obligations: to leave the planet a better place than we found it.

I notice the member for Riverina is at the dispatch box. He represents an electorate that will be one of the regions that suffers the most under climate change. The Garnaut report has forecast that if climate change is not combated we will see a 98 per cent reduction in farming in the Murray-Darling area—an area that the member for Riverina purports to represent. That
is a choice we face in legislation like this where we have a choice of combating climate change—

Mr McCormack: You blokes wanted to close us down—

The DEPUTY SPEAKER (Mr Vasta): Order!

Mr CONROY: of investing in the future—

Mr McCormack: You are a disgrace!

Mr CONROY: of giving farmers in the Riverina a decent chance to keep working—

Mr McCormack: You talk about the Murray-Darling. You are a disgrace!

Mr CONROY: and a chance for their children to keep working.

The DEPUTY SPEAKER: Order! This chamber will conduct itself in a very civil manner.

Mr CONROY: Thank you, Mr Deputy Speaker. I agree. Obviously I have touched a sensitive spot in the member for Riverina, who is failing to represent the interests of his electorate and the future of farmers in his electorate. And this is what the debate is about. This debate is about the future of Australia in combating climate change—

Mr McCormack: You are a disgrace!

The DEPUTY SPEAKER: Order! The Parliamentary Secretary will be quiet. The member for Charlton has the call, and he will be heard in silence.

Mr CONROY: That is what this debate is about. This debate is about the future of Australia. Do we want to have a country that is investing in clean energy jobs and growing its industries, moving from 24,000 jobs to perhaps over six figures, over 100,000 jobs in this industry; supporting $18 billion of clean energy investment that is to come in by 2020; and playing our part in a global scheme to combat climate change? Or do we want to put our heads in the sand, with a government that is breaking election promises and that wants to return to the horse and buggy era in the era of the automotive car? This is what the choice is about in this legislation. I am proud to say that I stand up for the environment. I stand up for a modern economy; an economy that is investing in clean energy jobs; an economy where I can look my daughter in the eyes and say, ‘I fought for your future, and I fought for the future of every child in this country.’ Those on the other side stand condemned for their reactionary views, which will go down in history as a very bad and wrong path.

Mr PITT (Hinkler) (10:57): It is always good to follow the member for Charlton. It demonstrates just what is wrong with the Australia Labor Party, which was once a great party, I must say.

Before I commence, I would like to inform the House that I am an electrical fitter mechanic and was a registered professional electrical engineer in Queensland for many years, until I entered this place. And at the outset, I must say that I fully support targeted government assistance for power solutions for remote area power supplies, or RAPS units as they are more commonly known.

However, I do not support a renewable energy industry which is subsidised so substantially by the taxpayer and the electricity user. At its simplest, my position is this: effectively, renewable energy projects are subsidised for up to half of their capital costs and are then
guaranteed a market price at least twice that of their competitors. Add to that a further
guarantee that they can supply an already oversupplied market to the detriment of all other
employing providers. I know plenty of businesses in my electorate—every single butcher,
every baker and every newsagent—who would love to have such a great deal from the federal
government.

The purpose of this bill is to abolish the Australian Renewable Energy Agency, ARENA,
by repealing the Australian Renewable Energy Agency Act 2011. The management of
existing ARENA projects—around 200 worth over $1 billion—will then be moved into the
Department of Industry. Abolishing ARENA will return uncommitted savings of almost $1.3
billion to the budget. This government has committed to return the budget to surplus. Savings
of $435 million were already achieved when ARENA funding was reprofiled as part of the
carbon tax repeal package in July 2014.

ARENA supported all renewable energy technologies and projects across various stages of
the innovation chain from research in the lab to large-scale technology projects, regardless of
the likelihood of success, it would seem.

According to its website, ARENA was established by the Australian government to make
renewable energy solutions more affordable and increase the amount of renewable energy
used in Australia. It had a budget of approximately $2.5 billion of the taxpayers' money to
fund renewable energy projects, support research and development activities and support
activities to capture and share knowledge.

ARENA's projects span solar, marine, biofuels and energy storage. In Queensland,
ARENA is responsible for 11 projects worth $63 million. For example, $11 million of
taxpayers' funds were committed to a high-penetration solar project worth a total of $23
million. This will allegedly displace diesel generators in a community, port and bauxite mine
at Weipa in Far North Queensland. According to the ARENA website, almost $4 million was
committed to the Oceanlinx greenWAVE device in South Australia, which is now sitting off
the South Australian coast, damaged beyond repair, not recoverable and never to operate.

I also note an article recently published in Climate Spectator by Arena CEO Ivor
Frischknecht and Dan Sturrock:

ARENA strategically provides funding support to renewable energy projects during the development
stages. This will greatly reduce the time it would have otherwise taken for the renewables industry to
flourish to the point where it no longer requires long-term government support.

The deployment of renewable energy solutions in remote communities and businesses is
considerably less than that in urban and metro areas. This is due partly to the increased cost of
constructing and operating projects in remote areas, but also due to the lack of experience in assessing,
planning and developing off-grid projects in Australia.

At this point, I would like to note the work done by organisations such as Ergon Energy, who
have been supplying remote area power supply systems and solutions to remote areas of
Queensland for decades. Furthermore, the article says:

It is ARENA's role to find ways to overcome such barriers. In 2013 ARENA launched the Regional
Australia's Renewables program, which is developing local know-how and reducing the cost of
renewable energy projects in the off-grid mining, fringe-of-grid and remote community sectors.
RAR … represents an opportunity to displace a significant amount of the comparatively expensive diesel generation that currently powers remote Australia, with the installation of up to 1 GW of off-grid renewable energy capacity.

With a budget of $2.5 billion to invest, it is only now that ARENA thinks to start providing more opportunities for regional Australia. On what basis? So they can replace existing diesel systems. Why? Because they are diesel. This could simply be an outline for the latest program from Utopia on ABC. I am sure it is something they could pick up.

If these units are due for replacement or if there are no systems then I can understand a need to invest the taxpayers' money, but to knock them out simply because they operate on diesel is more of the same thinking that has led us to an oversupplied electricity market in which renewables are heavily subsidised to the detriment of all users of electricity.

The article goes on to say that ARENA's off-grid projects will displace certain percentages of diesel usage in particular communities. Once again, we are building systems which are incapable of replacing the existing system in its entirety, resulting in two sets of supply, both of which need to be maintained, operated and managed. Is it any wonder that electricity user-pricing continues to rise? Just imagine how long we could have supported cheaper electricity prices for low-income households and our age pensioners with the $2.5 billion that ARENA had at its disposal. The article also states:

ARENA expects all its projects to be viable without subsidy within five years due to cost reductions and efficiency improvements.

That is good news. Unfortunately, it would seem they cannot supply 100 per cent capacity in most cases, so the need for other sources will continue. They provided $5 million to James Cook University—a great university, not in my electorate—to establish a demonstration-scale facility that produces biocrude from seaweed, an innovative and renewable resource that does not compete with arable land, potable water and food production. When I look at how difficult it has been to get environmental approvals for a boat ramp or to have tourists swim with the whales, I can just imagine the explosion of indignation a commercial seaweed harvesting process would result in in the Great Barrier Reef Marine Park, especially given the high volumes of product that would be required.

The previous Labor government spent $19 million supporting 82 fellows and PhD candidates focused on applied research, at approximately $232,000 each. The renewable energy industry has received billions of dollars of support in recent years through the RET and other federal and state government schemes, such as financing for renewable energy projects through the Clean Energy Finance Corporation, state based feed-in tariffs and various grant programs to provide community support to install renewable technology. This has resulted in an industry almost completely reliant on user subsidy. It makes no practical sense to continue to increase capacity into a system which is already 30 per cent oversupplied, nor into a network which is not designed for multiple-generating sources at what should be the final point of distribution. No-one with any knowledge of network distribution would build a system like this.

Businesses, families and every user of electricity in my electorate are desperate for a reduction in the cost of energy. They cannot continue to pay the exorbitant prices, and they are being disconnected at an increasing rate due to non-payment. Electricity pricing is hurting farmers, businesses and families. The median weekly personal income in Hinkler is just $411.
They need cost of living relief and they need it now. At a federal level, there are three things which we can do to reduce the price of electricity, and we have done one already. We have repealed the carbon tax. Well respected and successful businesses in my electorate have had a lot to say about the coalition keeping its promise to repeal the carbon tax. Wayne Edwards, manager of Bundaberg Sandblasting, said:

In a bid to combat spiralling electricity costs, we invested some $200k into newer equipment to bring down our operating costs. Increasing our charges to cover the cost of the tax would have been a nail in the coffin for our business. The repeal of the Carbon Tax will help ensure we get a return on our investment. It has given us confidence for the years ahead, to keep employment strong.

Larry Burch, owner Aquavue Cafe Watersports, said:

When the carbon tax became a reality we made the decision not to pass the costs associated with it to our customers, as we believed that it would negatively affect our bottom line. Its repeal is a big relief for small, family-owned and operated businesses like ours.

Teena Mammino, owner Mammino Gourmet Ice Cream, said:

Our small, family-owned boutique ice-cream business operates multiple freezers 24hrs per day, seven days a week. Any reduction in our major operating costs, such as electricity and refrigerant gasses, will greatly enhance our long term viability.

Stephen Murphy, manager of Hervey Bay Cold Stores, said:

Our family business operates a fleet of fishing vessels and a cold storage facility in Hervey Bay QLD. Repealing the carbon tax will save our business tens of thousands of dollars over the year on our power bills and refrigeration gas costs.

Secondly, we can get the RET under control. Those who have invested in good faith need to have those contracts honoured, but that does not mean we should continue to throw buckets of taxpayers' money at renewable energy.

Thirdly, the government will prepare an energy white paper that will set out an integrated and coherent position on energy to support a stable and predictable policy environment to give households and businesses confidence about their energy future I would like to see the white paper closely examine the N-component, the network component, set by the Australian Energy Regulator. It makes up around 50 per cent of the cost of electricity in Queensland.

This government has given a commitment to the people of Australia that it will get the budget under control and reduce the cost of living for all Australians. This bill is one step of many in achieving that goal. I told the people of my electorate that I would be a common sense voice on government policy. This is one place where we can start.

Mr BUTLER (Port Adelaide) (11:07): I rise in opposition to this bill and move:

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

“whilst not declining to give the Bill a second reading the House notes:

(1) the Government’s plan to abolish the Australian Renewable Energy Agency (ARENA) is contrary to the advice of experts;

(2) the ARENA adds a great deal of value to efforts to tackle climate change in Australia and around the world by supporting new commercial models and new technology developments to reduce carbon pollution;

(3) the ARENA has invested $940 million and mobilised over $1.8 billion in private investment, totalling $2.75 billion in total value since 2012;
(4) the ARENA is a critical part of a suite of policies implemented to address dangerous climate change and to accelerate renewable energy infrastructure;

(5) the role of the ARENA along with the Renewable Energy Target and the Clean Energy Finance Corporation are vital to a clean energy future; and

(6) the ARENA has been a clear success in driving investment, reducing carbon pollution and boosting the Government bottom-line.”

This is part of a suite of policies being pursued at the present time by the government. It is right that this parliament consider the ARENA abolition bill in the context of those different policies, as indeed the previous member, the member for Hinkler, did in his contribution to this debate.

ARENA—the Australian Renewable Energy Agency—was established by an act of this parliament in 2011 and started operation on 1 July 2012. It is important to note that the passage of that legislation was supported by the then opposition—the now government. It was not supported by the opposition in the bad old days when it was being led by that climate-friendly member for Wentworth; it was supported by the opposition when it was led by the current Prime Minister.

This was a very sensible reform by the last government that consolidated the work of three different government agencies that had all been working on different aspects of the development of new renewable energy technology. It consolidated the work, firstly, of the then Department of Resources, Energy and Tourism, which is now the Department of Industry, in a range of programs that had been operating under that department, including, notably, the Solar Flagships program. It also brought in the work of the then Australian Centre for Renewable Energy, which had been established to focus particularly on commercialisation opportunities for renewable energy, as well as the development of cutting edge technologies in this very fast-moving area of industry. A bit later, in December 2012, ARENA also took over the work of the then Australian Solar Institute. So it was the consolidation of a range of existing programs that had been started at different times by different governments in the renewable energy space.

ARENA was established by the government—and by this parliament, as I said, with bipartisan support—with a view to giving the government of the day but also the parliament a single lens to channel finance for a range of functions; firstly, for research into renewable energy technologies; for development, demonstration, commercialisation and deployment of that technology; and knowledge acquisition in an area that is moving very fast and developing very fast and also the sharing of that knowledge. This was a critical part of the suite of policies concerning renewable energy that had been initiated by the government and almost invariably supported by the Liberal Party in opposition—a suite of policies that were intended to transform Australia’s domestic energy supply and position Australia as a world leader in clean energy technology. I will talk a little bit about that later.

Another aspect of the establishment of ARENA was to ensure that the operations of this new single entity, bringing together some very complex challenging programs, was overseen by an independent export board. The board has been chaired by Greg Bourne, who, frankly, has a blend of quite unique qualifications in this area. He has had a long and very senior career in the energy and resources sector, including as the regional president for BP Australasia, as well as then a career as the chief executive officer of WWF-Australia. It is
quite unique blend of perspectives in this area. ARENA has also been blessed by a range of other very highly qualified board members and staff members, and remains blessed by very highly qualified and dedicated staff members, as I think was acknowledged by the minister in his second reading speech.

The establishment of an independent expert board to oversee the work of this agency reflected the view of the parliament at the time about the importance of strong, independent advice in this area. Not just advice channelled through a department or through a minister's political advisers, but strong, fearless, independent and expert advice in a very complex, challenging and fast moving area. As I said, that was a position supported only a few years ago by the then opposition led at the time not by the member for Wentworth but by the member for Warringah that reflected general support for a range of renewable energy policies that had been put in place previously by the Howard government and then by the Rudd and Gillard governments that were the subject of bipartisan support—a position that is changing quite rapidly at the moment, as observers of this policy area would know.

Indeed, only weeks before the 2013 election, the Minister for Industry confirmed his support for ARENA. The Financial Review on 14 June 2013 noted:

The Coalition has dispelled concerns that it would abolish the new national renewable energy agency, but said it could face a cut in funding.

That is ARENA—

Ian Macfarlane said the Coalition remained committed to the Australian renewable energy agency, known as ARENA.

... ... ...

...Mr Macfarlane told The Australian Financial Review the Coalition was not seeking to make any changes to ARENA. "We are happy with its structure and happy with its personnel and we are not expecting to make any changes," he said.

"Of course, we will have to look at it in the context of the budget situation.

Mr McCormack: That's right!

Mr BUTLER: You can add this to a very long, fast-growing list of broken promises by this government. We understand that later today we are going to see the latest in a series of broken promises when this government releases, it would appear, the review report into the renewable energy target. This is notwithstanding the clearest possible promise before the election that this government would support the renewable energy target in the large-scale part of the industry of 40,000 gigawatt hours by 2020, extending bipartisan support over four terms of parliament that this industry has enjoyed. Four terms of parliamentary bipartisan support has underpinned literally billions of dollars of investment and thousands and thousands of jobs.

The member for Riverina said, 'That's right', when I mentioned the part of the quote that deals with the budget situation. Indeed, this bill was presented by the minister in his second reading speech as one almost exclusively designed, if you read the second reading speech, to deliver savings of $1.3 billion. I listened to the member for Hinkler's speech. Obviously he has the talking points from the minister's office. This is a bill designed to deliver $1.3 billion in savings from the ARENA budget, as was specified in the 2014-15 budget papers. There was absolutely no argument in the second reading speech that ARENA has not been
performing its functions or that those functions were not functions that were of continuing importance to Australia. There was no suggestion in the second reading speech by the minister that those functions would be better performed in the future by the department, working on the instructions of the minister's political advisers. If you read the second reading speech and listen to some of the other contributions from members of the government backbench, this bill is all just an innocent savings exercise.

But as members would know the $1.3 billion in savings that this bill apparently is all about has already been delivered. It was delivered by this parliament only a few weeks ago as part of the carbon repeal package. It has already been delivered. If you look at the current version of the ARENA Act, the part dealing with funding has been amended by the parliament in accordance with the $1.3 billion savings measure that was part of the 2014-15 budget and apparently is the sole motivation of the bill now being debated before the House. So the only purpose of this bill that was argued by the minister to this parliament is now completely odious. Were that correct that this is the only motivation for this bill, then one would assume that the minister would come into this parliament now and withdraw the bill and tell members of parliament, tell members of the community who are interested in this policy area: 'We achieved our $1.3 billion in savings. The industry minister has done his job according to the budget. I now no longer need to abolish ARENA because the purpose of this bill has already been achieved.'

But of course that is not the purpose of this bill. The purpose of this bill, the motivations behind this bill, are very, very different. They are essentially threefold. The first is this blind ideological commitment that the Liberal and National parties have recently acquired to completely tear down anything connected with the idea of clean or renewable energy. This blind ideological commitment now permeates the coalition party and all of its members—and if some are not committed, they are not talking up or speaking up to defend the importance of renewable energy. They will tear down these reforms even if they voted for them only a couple of years ago. Again, not in the bad old days when the member for Wentworth was leading the Liberal Party astray; in the days when the member for Warringah himself was leading the Liberal Party. He led the party to vote for this body to be established. He led the party to vote for continuing to support the renewable energy target at two elections while he was the Leader of the Opposition. Even if the coalition made the crystal clear election promises that were made in this area, they will still try to tear down every remaining part of the clean energy framework that was put in place not just during the past six years of the Labor government but extending back to the Howard government as well.

The second motivation is that there is a general strategy beyond this portfolio, beyond the climate change portfolio, being driven by this government to abolish and to silence all strong and independent voices that have been established to advise not only the government but also the parliament and the community. They will no longer have access to the strong, expert, independent advice that boards like the ARENA board were set up to provide. There is a very long list of boards and commissions and other authorities established for that purpose that have been or are in the process of being abolished by this government. It is very clear what this Prime Minister wants. This Prime Minister wants every piece of advice about contentious policy areas to come through his office—and if not through his office, then at least through a relevant minister's office—and be put through the filter of political advisers, making sure that
whatever advice goes to the parliament or to the Australian community accords with the blind ideological positions that this government has in so many policy areas.

The third motivation has nothing to do with the $1.3 billion that has already been saved. It is that this government or this Treasurer—I am not sure which—want to get their hands on the remaining money that is in the ARENA Act, the remaining money that the government itself voted for in the Senate only a few weeks ago to keep in the ARENA legislation. There was no mention whatsoever in the minister's second reading speech about the fact that the ARENA Act has a whole lot of money left in it for ARENA to continue to do its important work. I have read this speech a couple of times: there is no mention whatsoever of the remaining $2.4 billion that is still retained in section 64 of the ARENA Act. Section 64—this is subject to the amendments that were passed by the Senate not on the votes of the Labor Party, but on the votes of the government and a range of crossbench senators—is the version of the ARENA Act that was voted for by the government only a few weeks ago. It includes, in section 64, yearly maximum payments to ARENA still out to 2021-22 that amount to about $2.4 billion over that period.

There is not a single mention of that in the minister's second reading speech. There is not a single mention of the fact that there is a clear, legislated process put in place by this parliament for ARENA to apply for those funds, to be granted those funds from Treasury up to the maximum amounts, the $2.4 billion out to 2021-22. There is no mention of the fact that parliament requires that any unspent funds be carried over—that is, not returned to Treasury but carried over. There is no mention of that whatsoever. There is no mention of the fact that Section 65(5) says:

>If ARENA makes a request for payment in accordance with this section … the Commonwealth must, as soon as practicable, pay ARENA the amount requested.

There is no mention whatsoever of the remaining funds.

The minister says in his speech that the consequence of abolishing ARENA would be to transfer the functions of managing the existing contracts to the department. What he says is there are a range of existing contracts that are part of the almost 200 projects that ARENA has overseen over the last few years. They need to be managed, obviously. If ARENA were abolished, that job of managing those existing contracts, based on past payments by ARENA, will transfer to the department. But the second reading speech says nothing about what the department might do with the funds that are set out in section 64. And we know why he says nothing about it, because this is, essentially, a smash-and-grab exercise. This is a smash-and-grab exercise. Whether it is motivated by the Minister for Industry, or whether it is driven by the Treasurer or the Prime Minister, who knows? They will not tell us. But we do know that it is a smash-and-grab exercise.

There are two conclusions about what this will mean. Firstly, Treasury may just take the money back and put it into consolidated revenue. It will be lost to the renewable energy sector, which is developing new, cutting-edge technologies, commercialising those technologies and working out and acquiring the knowledge, and sharing that knowledge with the rest of industry. That opportunity will just be lost to Australia into the future. If that is not the consequence, and if Treasury does not take the money back, then what will happen is that the money will presumably be put into some great big new slush fund managed by the
Minister for Industry and doled out according to the views of the political advisers in the minister's office to pet projects that are favoured by the backbench of this government.

They are two possibilities that we face in this parliament. Frankly, either conclusion means that this bill should just be thrown out by the parliament not only on the basis of ARENA's track record alone—which I think the minister acknowledged, generously, in his second reading speech—but also on the basis of the important work that remains to be done in this fast-moving and highly competitive area. ARENA should be left in place to do that work.

Even this minister was gracious enough to recognise the great work that has been done by ARENA over the past few years—the great work of the very expert and committed board and also the very qualified and hardworking staff. It is not easy work to discharge the functions that are set out in the ARENA Act by the parliament, because it is about identifying cutting-edge technologies, sorting out the wheat from the chaff and knowing, through your gut instinct and the experience you have developed over many years in an industry like this, what technologies are likely to work and what technologies are likely to become winners. It is not easy work. But there are almost 200 projects that have been the subject of support by ARENA—far too many to list and, frankly, too diverse to list. But suffice it to say that all those projects, together, span the full range of functions that ARENA was given under the ARENA legislation.

I want to talk about a few highlights of those projects. Last year, in my incredibly short duration as the climate change minister—which will never be surpassed, I am sure, as it was a matter of only a few, but a wonderful few, weeks—I was able to announce—

Mr McCormack: Do you still have the business cards?

Mr BUTLER: I still have a lot of business cards left over, I can say! It is hard to get them all out in four weeks! But I was able to announce a wonderful project—the AGL solar project in northern New South Wales. It is a project split between Nyngan and Broken Hill, together amounting to about 155 megawatts. This is the largest PV solar farm in the southern hemisphere. As it happens—not that ARENA was involved in this—we were, only a few months after, able to announce the largest wind farm in the Southern Hemisphere, demonstrating the degree to which Australia had become a world leader in this area. With 155 megawatts of PV solar—equivalent to about 50,000 households with three-kilowatt solar systems on their roofs—it is a very, very large project, with about two million panels.

ARENA had provided about $167 million to this—the largest ever grant, I think, that ARENA had provided. The New South Wales government matched this with a grant of $64 million. Also, obviously, there were a whole range of different bits of private finance, particularly from AGL. It is a project worth about $440 million. It has a power purchase agreement—a PPA—with AGL, given AGL's involvement. But it also involves some wonderful knowledge acquisition and sharing opportunities involving the University of Queensland and the University of New South Wales. This had everything. It is a very big project, creating a lot of jobs in northern New South Wales and regional New South Wales.

The project reflects—and the member for Riverina will be interested in this—that 70 per cent of ARENA funds are distributed to rural and regional Australia. The renewable energy sector is, almost by definition, a regional industry—at least the large-scale part of the sector. This is where the jobs are going: to regional Australia. But there are knock-on impacts beyond
the actual project itself in northern New South Wales. There is a factory in Salisbury in northern Adelaide, for example, that is using Australian steel to construct about 100,000 frames on which those two million panels will be placed. So the panels are being manufactured by Australian workers using Australian steel in northern Adelaide and being sent over to northern New South Wales to build this farm. These are the sorts of knock-on job opportunities that come with this work.

The second project—that, I think, was actually mentioned by the minister in his second reading speech—is the Carnegie Wave Energy project. This really is cutting-edge technology. It is based in Fremantle and is working very closely with the Department of Defence—particularly the Garden Island naval base—to provide clean power and desalinated water through the extraordinary wave energy resources that Australia has, particularly around the Southern Ocean. A $13 million grant from ARENA, plus some finance from the Clean Energy Finance Corporation and private finance as well, means that the Carnegie Wave Energy group really is a world leader in wave energy. Wave energy has extraordinary opportunities for a range of countries, but particularly Australia, given the Southern Ocean resources.

Another opportunity that I think ARENA has identified is exemplified in the Coober Pedy Renewable Diesel Hybrid project. Coober Pedy is a significant opal mining town in outback South Australia, the sort of town that has always been off grid and has always relied upon diesel generators to provide the community’s power. EDL, a very reputable company in this area, has partnered with ARENA and a range of other partners to put together a very important demonstration project to show the capacity to provide cleaner energy to those off-grid communities that have traditionally relied upon diesel generators. About 50 per cent of the power under this project for Coober Pedy will be provided by the very abundant solar and wind resources that I can tell you from experience are available in outback South Australia.

These are just three projects of the 200 that have involved about $1 billion of grants from ARENA, leveraging about $1.8 billion in matching investment from the private sector, which, as I said, has involved about a 70 per cent weighting towards rural and regional Australia.

ARENA is part of a suite of policies that the previous government put in place, many of which were building upon Howard government policies to ensure that Australia was able to take the enormous opportunities in this area and become a world leader. We were having so much success in this area. By the middle of last year, the main global index in this industry, the Ernst & Young Renewable energy country attractiveness indices, which is published every three months, showed that Australia had reached one of the top four places to invest in renewable energy in the world, with the big powerhouses in this area. China, the US, Germany and Australia were the top four places in the world to invest in renewable energy.

Mr Deputy Speaker, you may be a little bit dismayed, but you will not be surprised that our position in that table has been plummeting ever since. Every quarter we drop a couple of places, because the uncertainty that has been created by the extraordinary breaches of election promises by this government means that investment, particularly in the large-scale sector of renewables, has completely frozen.

In the first six months of calendar 2014, about $40 million was invested in the whole of the large-scale renewable sector. Across the world, we reckon that about $80 billion in the same period was invested not in household rooftop solar but in large-scale renewables. Australia
had been one of the four best places to invest—$40 million out of $80 billion. It is an extraordinary turnaround in investment fortunes.

This government's approach to renewable energy policy is, frankly, inexplicable. This has been an out-and-out success story. Thousands of jobs have been created over our period in office. The number of jobs in the renewable energy sector more than tripled. Billions of dollars have flowed in investments, starting from John Howard's mandatory renewable target in 2001-02. We reckon that so far there has been about $18 billion or $19 billion of investment because of the renewable energy target and supportive financing mechanisms such as ARENA's, with about $18 billion more in the pipeline between now and 2020, which, as I said, is essentially frozen because of this government's views on renewables.

There has been downward pressure on wholesale power prices in particular but, as a consequence, on retail power prices as well. We know that to be true. Four reports have been published in the last few months, all of which have confirmed that renewable capacity has a downward or a suppression effect on wholesale and retail power prices. Even the government's own modelling for its RET review, conducted by ACIL Allen, confirmed that. It was not published; it was leaked by people who attended a workshop. But even that modelling confirmed that this does not drive up power prices; it suppresses power prices for consumers.

Lastly, there was a significant reduction in carbon pollution, particularly over the last couple of years because of the addition of renewable capacity. You can see that in the National Electricity Market data. But you can particularly see it in a state such as South Australia—my own state—that has been such a leader in the addition of renewable capacity. Our carbon pollution, in the five years from 2008-09, from our electricity sector dropped by 25 per cent. It is down by a third since the mid-part of the last decade, about 2004-05. It is down significantly because of not only the addition of renewables capacity—I see people in the government advisers box keep shaking their heads, which is very helpful! —but also the switch to gas-fired power, which is obviously also going through significant change.

Who knows where this government is headed on this debate? We all have a very bad feeling about this, particularly because of the signals being sent through the media in the lead-up to the release of the RET review. The media coverage has shown, firstly, that this government seems utterly committed to breaching its clear election promise on the renewable energy target but also that this government is at war with itself over what the landing point on the renewable energy target should be.

It has been very difficult to work out whether the Minister for Industry, who has primary portfolio responsibility for the RET, and the Minister for the Environment agree. It would appear on media reports this morning that they do not. In any event, even if they did, they clearly do not agree with the Prime Minister and the Prime Minister's office on this matter. So two things are crystal clear.

This government is set to breach the clearest possible election promise on the renewable energy target and, through this bill, is also breaching an election commitment to keep ARENA in place. The second thing is that, whatever the final outcome is, there will be a devastating blow to investment and jobs in the renewable energy industry.

Before I conclude, I go back to the minister's second reading speech. The second reading speech explains the purpose of this bill very clearly: The purpose of this bill is to achieve
$1.3 billion in savings as outlined in the 2014-15 budget.' We know that was done through legislation passed in the Senate a few weeks ago, with the support of the government, which continues to retain about $2.4 billion in section 64 of the ARENA Act for ARENA to continue its important work. If the minister was being straight with the parliament, that was the purpose of this legislation, then this legislation should be withdrawn. Its work has been done in other ways, with another piece of legislation as part of the carbon repeal package. ARENA has a proven track record. No-one has come in and argued against that. The minister did not say that ARENA has not done its job. All he said was that he wanted to achieve $1.3 billion in savings. This bill, if it is not going to be withdrawn by the government, because the purpose of it has already been achieved, will be opposed by the opposition in this House and in the other place.

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

Ms Rowland: I second the amendment and reserve my right to speak.

Mr Laming (Bowman) (11:37): I am delighted to support the Australian Renewable Energy Agency (Repeal) Bill 2014 and, of course, the end of the work of ARENA. The previous speaker, in putting forward the opposition's position, falls for that sequential failure that Labor thinks the more authorities they can create the better the world will be. We tend to forget that this is not really about how many bureaucrats we can employ in an authority to do the job that the department should be doing; this is genuinely about what Australia is doing to contribute towards more cost-effective renewable energy and more availability of renewable energy. That is what it is all about.

For those who are watching in the gallery, what they are witnessing of course is an opposition utterly focused on inputs. How big is the authority? How many water bubblers, cubicles and lumbar supports are there, and how much money is being spent? And you have a government over this side utterly focused on outcomes. And that is exactly what we owe the Australian people. In the end what we want are successful and well-managed projects.

And many of those were being managed very well by ARENA. But the test is not whether or not we like ARENA, if we like the acronym or how many authorities we managed to set up back when we were in government. The true test of all this is what the most effective way to bring on new technology is. I would argue that you do not need just another authority to do it.

At some point we just had to stop the party. The current government appreciated that what we have inherited is an economic mess, where a former Labor government had no idea where the money was coming from and they had already given the money away. That is what has been inherited—not an easy position to take over. But, of course, we are used to it, because we did the same thing in 1996 and we are up to the task.

In my seat in Queensland there are some wonderful renewable energy projects. I want to devote a little bit of time to those. And those continue to be managed; they continue to be supported. But let us not forget that we are part of a global renewable energy push and while there might be a unified public good in progressing with renewable energy, Australia is just a very small but significant part of it. In the end we have to make sure that we are looking after our national interest and that the projects we are doing are utterly irrelevant to Australia. Many that were being managed by ARENA were.
But I thought that the previous speaker, who represents the view of the Labor Party in all these matters, made a very interesting comment when he said that this government had provided no evidence that the role of ARENA could be 'better done and better performed by the department'. Do you notice that subtle switch? This is a former Labor government that created authorities like mushrooms and then insists upon us that we have to prove that the department is better at doing it.

Let's just come back a couple of steps: isn't that the job of a department? To carry out the instructions of the government of the day in a strong, fearless and independent manner? Back in the old days, departments used to do that! Remember? But no, not any more. No: we still have growing and overgrown departments and then we create authorities over and above.

Did you hear the Labor speaker saying what was so good about ARENA was that, unlike the department, 'they were strong and fearless and independent'? Weren't they the three adjectives that public servants across this nation raised their hands and swore to when they joined? To give strong, fearless and independent advice to the government of the day. But suddenly Labor has reinvented all this and only authorities can do that. These are separate agencies because the department could not do it. If you keep taking that direction then you simply end up with 23, 24 and 25 per cent of this great nation's GDP just being consumed in bureaucrats and public servants who are working in authorities rather than departments. It becomes preposterous.

At some point, when you are leaking hundreds and billions of dollars in deficits every year and a surplus or balanced budget is nowhere in sight, you just have to pull on the handbrake. You just have to slow thing downs and revisit. At this point there are a billion dollars of excellent projects that are currently being managed and will continue to be managed. But this Labor Party patronising view is that the department is not good enough to do it. The department is not up to it because we need someone truly fearless and independent. What are we left with and where do we go if we have this view that these large federal departments that neither treat a patient nor educate a child need to remain with thousands of employees? And then we are going to set up even more authorities on the side.

I never saw a Labor minister who did not dream of setting up an authority. I never saw a Labor minister who did not know how to spend a dollar. But I never saw a Labor minister who knew where the dollar was coming from.

Mr Hutchinson interjecting—

Mr LAMING: That is right—we just racked up the debt because it was in the national interest. What is fascinating is that we went into debt, and then suddenly economies were on the move and interest rates started to rise, and the Labor Party forgot that we actually have to pay that interest back, in 70 per cent of cases, to foreign interests. That is where we borrowed the money from: we borrowed the money for all of this dream from the Middle East and from China. They are the people we are now paying back— their sovereign wealth funds and their superannuation funds. That is where Australia's hard-earned taxpayer dollars are going. All they way from the seat of Solomon down to the wonderful state of Tasmania.

The billion dollars a month that we pay because of Labor excesses and their dreams that were unfunded are a billion dollars that I cannot spend on that young child who needs laser treatment for their retinopathy of prematurity. That is a billion dollars a month that I cannot
spend in fine schools or early intervention for the children who need it, who come from vulnerable families. These people, who live in remote and Indigenous Australia, must remain right at the centre of our focus. We must never lose sight of the billion dollars that is never spent on these fine Australians because of Labor's decision instead to pay interest on debt.

We are not talking about this momentary GFC global financial collapse, where everyone had had to engage in some fiscal stimulus and, obviously, increasing liquidity. What we are talking about is that long after the GFC had passed, long after economies all around the world had realised that this was going to be a couple of years and not a decade of recession, we saw, as the evidence came in that Australia was not going to have a single quarter of recession, that we still had the pedal to the metal. They were spending money as fast as they could. They were writing cheques for foreigners and for dead people and transferring money as quickly as they could. It was mostly spent on flat-screens and imports. It helped South Korea to avoid a recession; it did nothing to help Australia. These massive cash transfers that were utterly unfunded—Labor had no idea where the money was coming from—is emblematic of their attitude here, which is just that we set up another authority to do the job that we do not want to do and that we cannot trust the department to do.

Let's wind it all back. These are brilliant projects. They do not require much more than sophisticated assessment to make sure that they are good value for money, and then careful contract management. We do not need a high-rise building full of publicly funded officials to do much more. These things are running with the private sector putting a dollar in, putting a shoulder to the wheel, and knowing exactly what they are trying to do.

Let's go up to Doomadgee, where they are assessing the technical viability and the systematic reliability of a hybrid energy system. It is only small—it is 1.2 megawatts—but the PV generation bolts onto their diesel that runs the community. What a great idea! We do not need a high-rise building full of people micro-managing that project. It was assessed. It cleared the bar. This is basic business of the Public Service 101; it is not for ARENA.

I recognise that good people like Greg Bourne devoted the last two years to seeing ARENA doing great work, but that time has closed. The money has been disbursed. The projects are up and running. Now let them just go, without the added interference of a free-standing authority.

The Collinsville Power Station is currently generating 180 megawatts of power. They are completely reconfiguring that power station to a 30 megawatt hybrid solar-thermal-gas power station. That is very important work. It was assessed as being worthy and able to demonstrate benefits. We do not need an authority to manage all of that. This is just old Labor thinking. And, too often, jobs were given to Labor mates to run these authorities at hopelessly over-bloated public salaries. I would like to know some of the salaries that are paid in these authorities.

Algal bio-fuels are creating great excitement around the world. The US Navy is now committed to running some of their own vessels purely on algal bio-fuels. This sort of micro-algal biomass is very exciting. It is actually consuming the CO₂ that we have nowhere to put. It is creating, as a waste product, algal bio-fuel and a fertiliser. In a world that is short on phosphate fertiliser this is producing a nitrate fertiliser that can be used in our farming sector. It is exciting stuff. You do not need to have an authority to manage stuff. Historically, this was all done—and done elegantly—by a department.
The Kogan Creek Solar Boost Project is much larger. It is a 44 megawatt-addition of renewable energy to a 750 megawatt coal fired power station. It will be largest of its kind in the world. It is well worth funding. It is still being funded; please do not panic. We can take away an authority but still have the money invested, where it counts, on the front line, with the smartest people working on the break-throughs that ensure that we have more renewable energy.

Re-deployable hybrid power is a uniquely Australian solution. Remote projects consume large amounts of energy for things like drilling and prospecting. Why not have a fully 'put-up, pack down system'—or whatever the term is—to lower costs and to be able to provide power in these camps that can then move on to a different site? This reduces the need for expensive trucked-in diesel. It is a great idea. To be honest, when it comes to contract management, after you have approved it, it is not that complex a job. Re-deployable hybrid power with a portable hybrid solar-diesel plant is very exciting, promising work.

Working on reflective coatings to make solar panels more efficient is something that we are doing for the whole world. We are leading that with mineral technology to make sure that solar panels are as efficient as they can be, particularly in the household situation, where they are popped on a roof and rarely maintained.

In Weipa, not far away from Doomadgee, there is enormously energy-hungry activity in the bauxite operation run by Rio Tinto. There they already have a solar farm, and they are operating a 6.7 megawatt solar farm, which has been added onto a solar village which is already operating under a power purchase agreement. So these are remote parts of the world where a significant amount of the expense is due to the provision of power.

The speaker for the opposition immediately prior to me did refer to Labor's views about the RET, and where things are heading. Obviously, we are looking forward to seeing announcements about the government's review, which are due very soon. But do not mistake the fact that renewable energies offer us a cheaper alternative when the fact is that the RET expanding from 20 per cent compels energy users to pay relatively high marginal amounts for power. That is the truth behind elevated short-to-medium-term power prices.

But, yes, there is the potential to bring prices down over the long term. Over the long term it will be cheaper, but in the short term it is not. The problem with that is that we are seeing a reduction in the consumption of power in Australia, anyway. That is partly because of changed domestic practices, but mostly because, like most wealthy economies, we are expropriating a lot of our high-energy-intensive activity to China. We are closing our smelters, and that is having an enormous effect and leading to an oversupply of power in this country.

So, any modelling that assumes that conventional power providers are simply going to keep churning that power out is hopelessly erroneous. They are going to respond to the market. My view is that we can get to a sensible middle ground. We will have a renewable target and a very important role for renewables. I am sure that will continue. There is an enormous number of us on this side who are going to fight to make sure that it does, and we will not be made to look like villains by the other side.

In conclusion, what we saw from the previous speaker from the Labor Party—despite his relatively short but glorious career as a minister in this portfolio—were his halcyon
recollections of running around with his business card in the few weeks that he had in the portfolio. That is probably not the best example of where we are heading. In reality we can lead the world, still, in many of these areas, but we do not have to have to be replete with authorities. It is only appropriate that we achieve the outcomes, that we invest the money on the front line. That is consistent with the coalition’s approach. Ultimately, you can only have so many non-service-providing public servants in the system before it becomes unwieldy, expensive and it bogs down. I am delighted to see that ARENA is being repealed. The projects will go on. They will continue to be managed. That is the kind of nation that Australians are looking for.

Dr CHALMERS (Rankin) (11:51): We heard the envy in the voice of the member for Bowman as he talked about the ministerial career of the member for Port Adelaide. He could not disguise that envy. It gives me great pleasure to rise to speak on the Australian Renewable Energy Agency (Repeal) Bill 2014, and to follow our shadow minister for the environment. My colleague the member for Charlton said some very good things and I was pleased to go before the member for Melbourne.

We all have one thing in common: we join with the vast majority of Australian people who support renewable energy and support the economic and environmental benefits that flow from investment in renewable energy in Australia.

There are many ways that the Abbott government is taking Australia backwards, whether it is in higher education funding, schools funding or international profit shifting—all of those important issues. But one of the starkest examples of the Abbott government taking Australia backwards is when it comes to renewable energy in this country. The whole world is looking for new ways to power its economies. People in smart countries through Europe, Asia and every continent are trying to work out how to power their economy and how to change their energy mix to get a bigger proportion of renewable energy so they are less reliant on fossil fuels. Some people will dispute the degree of fossil fuels versus renewable energy, but all the smart countries are working out ways to increase the renewable energy component of that mix. Unfortunately, in Australia we are seeing our government heading in the wrong direction again.

I want to talk briefly about an example in my electorate and specifically about solar energy. There is a myth around, when it comes to renewable energy, that it is just the concern of the inner city or the concern of a certain part of the national political and economic debate and there is only a cluster of people around Sydney and Melbourne that care about renewable energy. I know that in my own electorate in the outer suburbs of Brisbane—the northern suburbs of Logan City—people, often people of modest means, are very keen to take up renewable energy opportunities. I had a fantastic meeting last month with the Australian Solar Council. They gave me some really encouraging statistics about my own electorate of Rankin. It is not the wealthiest electorate in the country. It has its challenges in socioeconomic terms. It was encouraging to see that more than 30,000 households in Rankin—42 per cent of the total households in my electorate—have installed solar technology. That is incredible when you consider that the national average for take-up is 22 per cent, so my electorate of Rankin is almost double the national average. That shows how many people in my community care about future generations.
It was also encouraging in the meeting with the Solar Council to have a young fellow, Matthew Butler, from Calamvale Community College join me. He was doing work experience in my office at the time. It did give us a sense and a focus that a lot of what we are doing in the renewable energy space is about ensuring that when Matthew is my age, in 20 or 25 years, the economy he lives in and the country he lives in is increasingly powered by renewable energy. I am proud that my community has embraced solar energy technology. Forty-two per cent of families in Rankin have made that investment and that eclipses the take-up rates in some of the other areas. For example, the take-up in Warringah is about six per cent and the take-up in North Sydney is about four per cent. It shows you that it is clearly not about the money and it is not only the concern of the wealthier parts of the country. I think the people in my community are driven by a better life for their kids. They also know that it is important that as a nation we start to move away from fossil fuels.

Another important issue that gets lost in the debate is that, in the medium and long-term, renewable energy drives down power bills. I think what people are doing in my electorate is that they are making that investment. They understand that they get less bill uncertainty. They know they will have lower bills when they invest in this way. On average, solar cells deliver a return on their investment five to seven years after installation, so people are being very wise with their limited funds to invest in solar cells.

There are a lot of myths about solar power being spread by the enemies of climate science. It is widely claimed that solar cells are driving up the price of power for everyone. The greatest driver of power prices is investment to upgrade and develop the network. Fifteen years of data from the Australian Energy Regulator shows that peak demand occurs in the heat of summer when families and businesses have the greatest demand for air conditioning, and solar power cells takes some of the burden off that network during these times and help lower the peak demand capacity required for the network. The downward trend of peak demand experienced by the market corresponds well with the increased prevalence of solar PV technology. This means that solar power can help lower the price of electricity for the average consumer, which is true even after the costs of feed-in tariffs are taken into account.

I could go on and on about solar energy. I am a big believer, as are my colleagues on this side of the House. The point I am trying to make is that with all these good things going on in renewable energy, whether it is solar in my electorate or right around the country, it does beggar belief that this government want to wind back investment in renewable energy. They want to break the promises they made to the Australian people almost a year ago on their commitment to solar energy and renewable energy. They were pretending that they were not a threat to all of these jobs and all of these advantages. Of course, as with a lot of other things, what they promise before an election and what they do afterwards are very, very different things.

It is not only the economics of households that matter when we talk about renewable energy, as good as they are, but also the economics of nations. The renewable energy sector remains globally one of the fastest growing industries in the world and by far the fastest growing energy sector. The International Renewable Energy Agency's annual review into renewable energy and jobs found that the sector is responsible for almost 6.5 million jobs annually, and there are not a lot of jobs going around the global economy at the moment. Solar PV is the largest contributor to these jobs. According to the US National Renewable
Energy Laboratory, the installed global renewables capacity nearly doubled between 2000 and 2012, and over the last three years the global solar PV industry also doubled in capacity. So there is huge momentum behind solar energy and solar technology as part of the broader gains being made in renewable energy more broadly.

Some of the breakthroughs required to make solar energy more competitive in Australia have been achieved through the work of ARENA and its predecessors. Others have mentioned that ARENA’s role is to fund renewable energy projects, support research and development activities and support activities to capture and share knowledge. ARENA is currently funding 190 projects across Australia, across the whole mix—solar, bioenergy, ocean, geothermal and hybrid power technology. For every $1 that ARENA invests, there is more than $1.80 co-invested by industry and business. That is why ARENA does act as a force multiplier for investment in renewable energy technology. And it is not just a driver of innovation, as important as that is. It is also an important driver of employment.

It is estimated that more than 20,000 people are employed in a variety of roles across the renewable energy sector in Australia. We had reports from Professor Andrew Blakers, the director of the ANU's Centre for Sustainable Energy Systems, that the abolition of ARENA could cost thousands of jobs, with these jobs concentrated in rural areas.

It is for these reasons that the opposition will be opposing this legislation—and we have moved an amendment to it—to repeal the Australian Renewable Energy Agency Act. We believe in the science; they do not. We believe in the need for action when it comes to climate change; they do not. We believe in supporting renewable energy, and, unfortunately, they do not.

This attack on ARENA is one part of the suite of attacks that that side of the House is making on the renewable energy sector and in the area of the environment and the economy and climate change. In particular, we have seen lots of reports this week about what the Prime Minister wants to do to the renewable energy target—again, contrary to what was promised before the election. When the RET was introduced by the Howard government in 2001 it had, and ever since then it has had, bipartisan support—until now. We improved the RET. But one of the first acts of this government, unfortunately, was to appoint Mr Warburton—and we all know what he thinks about the RET. The Prime Minister knew when he appointed him, and the Prime Minister is getting the result that he paid for. The Prime Minister has said that he does not want to pre-empt Mr Warburton's report. Well, he has been pre-empting it, in The Australian Financial Review and other places, so we can see what the government intends to do to the RET.

On top of the attacks on the renewable energy target and ARENA, there is a whole range of other attacks that the government is making in this space. Its attack on the Clean Energy Finance Corporation is another.

The government's CEFC abolition bill is sitting on the forward program to be debated in the coming weeks. I have spoken in this place previously about the virtues of this organisation. I worked on it in a former role. I am very proud of the CEFC—I think it is an incredible initiative—and of what it does to catalyse investment in the renewable energy sector in Australia and to create jobs.
The CEFC was set up to encourage investment in clean energy technology. Over the first year of its existence alone, through matching private sector funds of $2.90 for each dollar of CEFC investment, the corporation has catalysed over $1½ billion in non-CEFC private capital investment in projects to deploy renewables and to improve energy efficiency.

The CEFC has performed so effectively that it has been making the government money. The average return on the CEFC investment has been 7.33 per cent, which is pretty tidy when you look at some of the other investment opportunities that are around. Eleven projects in the first year of the corporation's operation achieved a yield above that of the government's five-year bond rate. The direct effect of scrapping this corporation and this program, according to the explanatory memorandum, is an $83 million hit to the underlying cash balance over the forward estimates.

But it goes further than this. A committee inquiry report released yesterday said that abolishing the CEFC would cause an annual fiscal balance loss of between $125 million and $186 million per annum once the corporation reaches an investment base of $5 billion. That is a lot of money for the government to waste. They have got this so-called budget emergency, and yet they are prepared to see some serious dollars go down the drain by pursuing this ideological vendetta against renewable energy.

These attacks on clean energy are particularly bad on top of the government's refusal to accept the market based solution to climate change. We have debated this issue at length over many years, and I have made my contribution to that debate each time.

But I think it is worth noting that we have been, since 17 July this year, the first country in the world to go backwards on climate change—to take action and then to walk it back. I think the glee with which members on the benches opposite celebrated this environmental and economic vandalism was a really shocking image, and I think it will be an image that will come back to haunt them in the years ahead.

The bottom line of this entire discussion is that this government and its Prime Minister simply do not believe in the science or the economics of climate change.

A government member interjecting—

Dr CHALMERS: It beggars belief that on that side of the House—including the interjecting member—they think they know more about the science of climate change than 97 per cent of the scientists who have contributed to this conversation. Ninety-seven per cent of peer reviewed scientists think that climate change is real and caused by humans, and, remarkably, people on that side of the House think that they know better.

It is the same when it comes to economists. In a Fairfax survey of 35 prominent economists, just two of them said that they preferred the coalition's dodgy policy. Chris Caton from BT Financial Group said that any economist who did not opt for emissions trading should hand their degree back. That gives you a sense of the near unanimity in the forward thinking, right thinking, rational conversation, whether it be among environmental scientists or economists, about this issue. And those opposite think that they know better.

This bill is just another in a series of attacks on the sensible response to climate change introduced by the last Labor government. It is another demonstration of the government placing ideology over the advice of experts, whether they be scientists or economists, who are unified in agreement about the need to respond to the threat of climate change. This is just the
type of legislation we have come to expect from the climate change denialists, conspiracy theorists and enemies of science who currently occupy the government benches.

Labor will be opposing the repeal of the Australian Renewable Energy Agency Act and all that that means for renewable energy in Australia, in my electorate and right around the country, because we care about the economy, we care about the environment and we care about the climate we will leave to future generations of Australians.

The DEPUTY SPEAKER (Mr Broadbent): I thank the member for Rankin. The question is that the amendment be agreed to.

Mrs GRIGGS (Solomon) (12:06): Over the past few years, the coalition has very clearly enunciated its fiscal objectives to the Australian people. We want to restore a measure of sanity to public spending and ease the overall debt burden placed on Australian households and businesses, and scrap the unnecessary taxes lumped on them, by the previous, Labor administration.

The carbon tax has now gone, and there are already benefits flowing through to families in the Northern Territory. It is estimated that, in power costs alone, Territory families will save almost $250 a year and small businesses in excess of $750 a year following the removal of Labor's toxic carbon tax. The City of Darwin has also announced a reduction in rates as a result of the carbon tax being scrapped, and I congratulate them on taking this welcome cost-of-living reduction measure. As power bill cuts take hold, further savings are expected to come online not just in the Northern Territory but right around the country, and I think that has to be welcomed by most Australians. So Australians are already reaping the benefits of the carbon tax being scrapped. Bit by bit, inch by inch, we will continue to work to restore the budget to a sensible state, because without a strong budget it is not possible to have a strong economy.

One such measure that will take us down the path towards achieving this goal is the repeal of the Australian Renewable Energy Agency, a body that was established in 2012 by the Labor government, along with a slew of other quangos—all of which were established without consideration of their impact on the budget bottom line. This is the type of fiscal recklessness that underlined the Rudd-Gillard-Rudd administrations and created the environment where this government has to deliver the tough measures on the nation's behalf. Let nobody be under the delusion that, had the unthinkable happened and had Labor been returned to office last year, they too would have had to make the hard decisions to get the budget back on track. The difference, though, is that the coalition would have supported them, in the national interest. Let nobody be confused here: Labor's opposition to our budget is about political expediency and base populism rather than anything to do with the greater good. Labor has no shame. But I digress.

The Renewable Energy Agency is not without merit. An independent statutory authority, it was set up to improve the competitiveness of renewable energy and technologies and to increase the supply of renewable energies in Australia. It is worth noting that the coalition supported the establishment of the Australian Renewable Energy Agency, or ARENA, as it is better known, as a way to coordinate the multiple overlapping renewable energy programs and policies that had evolved over the years. That said, it is an extremely expensive agency. ARENA is in the process of delivering some extremely positive outcomes but falls very much into the 'are there alternative ways to deliver the projects' basket. The government is already
providing $1 billion worth of ARENA funding to contribute to supporting around 200
renewable energy projects right across Australia. The Commonwealth will continue to fund
these 200 projects, an investment of over $1 billion, but in future these will come under the
oversight of the Department of Industry. The closure of this agency is a tough decision and
one that in no way diminishes the very good work that has been done by its executive team
and indeed the board. As I have already said, its disbandment is a measure taken by the
coalition with some reluctance but with an eye on the budget and with the budget priorities in
mind.

I will say, though, to the members opposite in the chamber—both to the Labor member for
Parramatta and the Greens member over there, the member for Melbourne—that Australia is
not walking away from renewable energy. Rather, we are making common-sense decisions
about how to better deliver renewable energy projects and budget prudently at the same time.
The government has already saved $435 million in agency funding through scrapping the
carbon tax. The passage of the Australian Renewable Energy Repeal Bill is expected to
deliver savings of almost $1.3 billion. Commonwealth investment of more than $1 billion in
200 projects, as I have already mentioned, will continue under the new arrangements, and
private industry has more than matched that spending with inputs totalling around $1.8
billion. That brings total investment in renewables in this country to around $2.8 billion.

ARENA has involvement in three different projects in the Northern Territory with a total
value of $36 million. One of those, the Daly River Solar Research Project, was completed at
the end of last year and its findings were released this year. That particular project's focus was
on the integration of solar energy into diesel minigrids, which will have a particular
application in remote Territory communities. The key question for the Territory's Power and
Water Corporation when looking at this innovation was how to maximise solar energy
penetration in minigrids to achieve the highest possible diesel fuel savings while also
maintaining an efficient power system and a reliable energy supply for Territorians. The key
outcomes of that project were the Solar/Diesel Mini-Grid Handbook and a minigrid power
system modelling tool. ARENA and the Power and Water Corporation also undertook a report
on the impacts on the Alice Springs township power grid of increased solar energy
penetration. This is a bit of a new area of electricity generation and, with Alice Springs being
a sun city and with the increased emphasis on solar energy generation in recent years, this
report aimed to better understand the technical, economic and regulatory requirements needed
to achieve high levels of PV penetration of electricity grids.

These and the other projects undertaken by the agency will have short-, medium- and long-
term benefits, and the coalition government is still eager to see the completion of the rest of
the Renewable Energy Agency projects that are currently underway. That is why we are
transferring supervision of these projects to the minister's office and indeed the department.
This way we will ensure that the existing projects are well managed and still meeting key
indicators along the way. We will ensure that what we learn from these projects is shared to
allow the renewable energy industry to continue to grow and prosper.

Darwin and Palmerston residents are innovators at heart. They have welcomed renewable
energy with open arms, and many homeowners now have an impressive collection of solar
panels and other alternative energy sources in their homes. Instead of the pernicious slug of a
carbon tax on all Australians, the coalition is going down the same path as the rest of the
world through policies that provide direct incentives to adopt new technologies that reduce emissions will improve energy efficiency. These policies can be pursued with or without agencies such as ARENA. Our emissions reduction fund offers a carrot approach, not a stick approach, to the reduction of emissions to achieve our goal of a five per cent reduction by 2020.

It should never be forgotten just how 'successful' the carbon tax was at achieving its stated goal of reducing emissions: domestic emissions, under the carbon tax, actually continued to rise. The previous government's own modelling, which it submitted to the United Nations Framework Convention on Climate Change, shows that, under the carbon tax, Australia's emission would have increased from around 560 million tonnes in 2010 to 637 million tonnes by 2020. So the carbon tax was estimated to accru $16 billion over two years for no change in domestic emissions.

The Emissions Reduction Fund takes a more holistic view of carbon emissions reduction than simply imposing a tax on Australians. We will look at direct abatement purchasing schemes such as Norway's commercial carbon procurement facility, which purchases abatement worth millions of dollars through a competitive tender process. Japan's joint credit mechanism is purchasing abatement and funding low carbon technology diffusion through bilateral agreements with developing countries. As well, the United Nations clean energy development mechanism operates as an abatement procurement scheme. It has registered over 7,000 projects and generated over 1.4 billion tonnes of abatement for market based purchase.

The government supports the science of climate change and is committed to reducing domestic emissions by 2020 without an electricity tax. Preliminary figures from the Department of the Environment indicate that our abatement challenges is now around 440 million tonnes to 2020 rather than the 750 million tonnes assumed in other previous projections. This government will focus on measures that directly address the 440 million tonne abatement challenge to reduce emissions through measures such as reforestation, cleaning up power stations, claiming up waste landfill and cleaning up waste coalmine gas. We will also foster innovation. This can be done in lockstep with the private sector, which is already committing $1.8 billion to drive development of measures which will go a long way to reducing emissions.

This repeal bill provides for the transfer of all ARENA's existing contracts and commitments to the Commonwealth, with the Department of Industry to assume management on the commencement of this legislation. Yes, this was a tough decision, but it was a common-sense decision when we look at the enormous capacity of our public service and industry to do the right thing by the nation and also at the savings to be made in the context of our budget. Some of the speakers here this morning have suggested that the coalition does not support renewables. Well, nothing could be further from the truth. We also support Australia and Australians, and we are doing everything we possibly can to ensure that we have a prosperous economy and a safe, secure country.

Mr BANDT (Melbourne) (12:20): Since being elected I have had the privilege of meeting some pretty remarkable people. One of those people is the climate change adviser to the German government. He said to me: 'When we in Germany look at Australia, we scratch our
heads. With all your natural sunlight, wave power and wind, with all your advanced manufacturing capacity and the smart people that you have got, why aren't you leading the world in renewable energy? Why is it being left up to cloudy Germany to do that? That is a very good question. The people of Australia want Australia to be a world leader in renewable energy and they are already taking steps in that direction. At the moment, three million people in this country live under a roof that has solar power on it. There is a diminishing demand for energy as more and more people are powering their own homes and their own lifestyles, including with solar power. The take-up of renewable energy in this country is actually growing faster than people expected. Knowing that we have got to cut pollution in this country to zero by the middle of this century at the absolute latest and that it is much better for people to live with the clean air, clean water and healthy surroundings that come from renewable energy, most would think that that is a good thing. But this government is intent on destroying the renewable energy industry in Australia. This government has declared war on renewable energy.

Elsewhere today there is the release of the so-called review into the Renewable Energy Target. The government appointed a renewable energy hater and climate sceptic to conduct that review so as to give them the answer that they wanted to hear, which is the answer that the fossil fuel interests backing this government have demanded. It was: 'Australia was trying to increase the amount of renewable energy we produce. We are actually doing better than expected. People are moving away from fossil fuels to renewable energy. Please, government, we would like you to come and help us, the polluting power stations, and stop this from happening.' The government seem to be on the verge of breaking an election promise they made to the Australian people who want renewable energy by obliging and by saying: 'We are very, very happy to do what you want, and we will change the rules so that the billions of dollars of investment in wind farms and solar plants that exist in this country are now rendered next to worthless. We are quite happy to do that, and, at the same time, we will continue to keep on giving you, in the fossil fuel sector, subsidies.' So, the government are out there to try to bring the renewable energy industry in this country to its knees. That is the government's first broken promise on renewable energy, but now this bill is another one.

In the lead-up to the election the government could not talk highly enough about ARENA, and even after the election they were telling the community and ARENA that its funding was secure. Why? Because what ARENA, the Australian Renewable Energy Agency, is doing is exactly what the people of Australia want. It is saying: 'We recognise that, at the moment, we are at a point of transition in this country.' We are a country that, up until now, has built our economy and our society on the back of fossil fuels. That was not because a cabal of people sat around and decided how we could wreck the environment the most, but was because, for the first 200 years since white settlement, that is what people thought you could do and that it would not come at a cost to the community or to the environment. Well, it turns out that digging up coal and burning it comes at an enormous cost to our community. We are seeing the effects of climate change now with more frequent and more intense bushfires and droughts and potential changes that will be permanent in parts of Australia, which will mean that we will no longer be able to grow the kinds of crops that we used to. In that context we have to immediately, as quickly as we possibly can, switch over from that polluting fuel source, which we have taken for granted, recognise the cost and move to renewable energies.
We are at the point where the renewable energy industry needs that support to grow in Australia so that we can become a renewable energy world leader. That is what ARENA does. It takes money that, in part, comes from other sources, like the Clean Energy Finance Corporation. It takes money and says: 'For those early-stage projects, we will support you until you can stand on your own two feet', and then you go out into the world and run yourself as a business. What is ARENA doing at the moment? In New South Wales ARENA money helped Australian scientists in the CSIRO work out how to heat steam using solar power to such a high temperature that that steam was then going to be able to power a coal fired power station, an ordinary turbine power station. In other words, by superheating the steam to a critical point, if they could get this technology up and working and make it commercial and proven, they could turn every coal fired power station into a solar power station by using the sun to heat the water instead of burning the coal to heat the water. What a good idea. You could keep much of Australia's existing electricity network, you could keep the jobs in the areas where the power stations currently are, but you switch every coal fired power station over to a solar one. That is something that ARENA is doing. ARENA is helping out with a 6.7 megawatt solar PV farm in remote Queensland. It is helping out with a huge solar project in New South Wales, and, excitingly, in Western Australia it is helping out with the Carnegie Wave Energy project. This is just the tip of the iceberg of what is going on in this country at the moment.

In Melbourne we have scientists and researchers working out how to print solar cells onto any surface. At the moment they are working with the people in this country who produce banknotes. They have worked out how to print solar cell straight onto the polymer surface of banknotes. One of the other partners in that project at the start was—I do not know if they still are—BlueScope Steel. They wanted to work out how you print directly onto corrugated iron or similar surfaces so that, when you put the corrugated iron on your roof, you do not need to put a solar panel on because the roof is the solar panel. Newcastle University has made advances in getting microscopic solar cells into paint so that you can paint the side of your house and that will become a power source. If we could just pause for a moment and think about how this could transform how we all use energy. You could print onto the cover of your laptop so that, when you are sitting in a room like this typing on your laptop, the light from the room powers the laptop. It opens up massive opportunities.

Storage is one of the key questions facing renewable energy at the moment—how do you store that energy that gets produced by the sun during the day so that you can use it overnight? We have a great work, again ARENA funded, going on in this country to work out how to make the batteries that will be able to capture that energy and store it and then be able to be turned on at the flick of a switch overnight when you wake up and want to turn the light on to get a drink of water—so that the sun during the day continues to power your home at night.

Think about what is happening in countries like India, where they are trying to lift parts of their population out of poverty but they do not have a centralised power network. We already have people from Australia taking products over to India that allow them to have solar lights that charge up during the day that will then shine at night, so that you can have a pollution-free power source in your shack, your home or your tent without the need to be connected to the electricity grid—all done by renewables.
All of these advances are happening now. It could be the kind of thing that Australia sells to the rest of the world in the 21st century. But they need support to get on their feet. But what does this government come and do? This government says, 'We are going to lop you off at the knees.' What has not been mentioned by any of the previous government speakers is that, in the budget, the funding to ARENA was cut from over a billion dollars over the next three years to just $341 million. Almost three-quarters of the money for new projects for ARENA are just gone.

And now the government wants to abolish the agency itself. The government says, 'It's alright because some of the projects will still be done under the minister.' The whole point of this agency was to have an organisation that is at arm's length from political influence, that is going to spend the money in the best way possible, that is going to spend the money not by picking winners of particular kinds of technologies that are liked but by saying, 'That looks like a good project that is worth investing in; we'll try that'—whether it is wave, whether it is solar, whether it is geothermal—and you would not have a minister looking over and saying, 'No, this does not meet my ideological agenda; take it off.' The government is now saying that that is exactly what it wants to go back to. The government wants to have a climate science denying government in charge of slashing funding to renewable energy instead of letting an arm's length independent agency do what the Australian people want.

Do not forget that this government went to the election saying that it would keep this agency, and has offered no justification for breaking its promise—other than the government is just a bunch of corporate shills doing the bidding of the fossil fuel industry. That is the only conclusion that can be drawn when you join the dots between this attack on renewable energy and the attacks through the renewable energy target. You might have some sympathy for the previous speakers—and no doubt the future speakers—arguments about, 'Government can't support industries and it is up to industries to stand on their own two feet.' We have seen today what has happened with Qantas after the government turned its back on them. We have seen what happened to Holden after the government turned its back on them. The government has said all the way through, 'Unless you make chocolate in Tasmania in marginal seat, we are not going to come and give you industry assistance; we will let you stand or fall.' But, at the same time, every year the government gives $2.2 billion to fossil fuel companies just so the likes of Gina Rinehart can go and buy cheap petrol. When anyone in this country goes to the bowser to fill up they pay 38c a litre tax. When the likes of Gina Rinehart and the fossil fuel companies go and put diesel in their trucks, they only pay six cents because the taxpayer funds them the extra 32c. That is $2.2 billion a year. So why, Government, are you prepared to pour $2.2 billion a year into mining companies to help them out but you are not prepared to support solar, wind and renewable energy?

When you add up the other subsidies that this government gives to the fossil fuel sector, you see that there is $13 billion over the budget period—over the next four years—that is available to fund projects like ARENA. So when the government says, 'Businesses need to stand on their own two feet' and 'The age of entitlement is over', I will believe that when the government starts taking away those subsidies from the mining and resources sector. Until then, what you are doing is picking sides. You are not backing winners; you are backing losers in the fossil fuel sector and you are going out of your way to cripple renewable energy in this country. But people are slowing waking up. There is a reason that, according to the
polls, if an election were held today the government would lose. It is because you can be disciplined in opposition and have three-word slogans as much as you like but, when you are in government and the veneer is peeled off, people start finding out the nasty things that you, the government, believe and they do not like it.

Mr FLETCHER (Bradfield—Parliamentary Secretary to the Minister for Communications) (12:35): I am very pleased to rise to speak on the Australian Renewable Energy Agency (Repeal) Bill 2014—the bill which gives effect to the decision to close the Australian Renewable Energy Agency; a decision made as part of the 2014 budget. The bill also provides for the transfer of all of the existing contracts and commitments to the Department of Industry.

In the time available to me today I would like to make a couple of points. Firstly, this debate is not about whether or not renewable energy, and continued research and development and commercialisation in that field, is desirable and to be encouraged. Clearly, it is. Secondly, the key issue for debate is whether it makes sense to maintain the current structure for funding and government support of renewable energy and particularly whether a separate Australian renewable energy agency is necessary. I, thirdly, want to make the point that that would be an important question to ask at any time but it is a question that needs to be asked with even greater urgency given that, at the present time, we have the opportunity to capture significant savings out of the structural changes the government proposes under this bill at a time when there is a serious budget problem that needs to be dealt with on behalf of the entire community.

Let me turn to the first question, which is, 'Is this a debate about whether renewable energy is an important field of activity in which we need to engage in research, development and commercialisation?' and argue that, clearly, we do need to do all of those things, but that is not the question presently before the House this afternoon.

Why is it a good thing that renewable energy activities are vigorous and ongoing in Australia and around the world? One good reason is to have a diversity of supply. Electricity is key to modern life. If you are depending solely upon one particular source—whatever that might be; typically in Australia it is coal-fired generation to a lesser extent natural gas and then a range of other sources—or a narrow range of sources, then you have some exposures which you can mitigate if you have options to secure your energy from a broader range of sources. So the general proposition that it makes sense to explore as many alternative sources of energy as possible to mitigate the risk associated with an overreliance on any single source is clearly a sensible proposition.

The second question, which is one that attracts great intensity of opinion, is about the cost of delivering electricity through various means of generating it. The analysis of the relative cost of renewables as compared to more traditional energy sources is an extremely fraught topic. It is a question of economic models at 10 paces. It is a never-ending debate about whether you look at fully loaded cost, marginal cost or which cost of capital you assume and so on. But again, as a general principle, if you are thinking about the policy desirability of maintaining energy costs at the lowest possible level, for general economic reasons—and, equally importantly, for reasons of fairness so that those on low incomes are best able to consume the energy that they require—then you would tend to say, 'Let's have more supplies
and more possible sources of supply than fewer, because that tends to improve the bargaining position of the consumer.'

One of the interesting questions here is: what is happening to price trends as between renewable energy and more conventional energy sources? As I have noted that is an extremely fraught debate with all kinds of methodological disputes that are running, it seems, on a never-ending basis. But certainly what can be observed is some encouraging trends in relation to the cost of some particular sources of renewable energy. I am looking here in a time series sense at what has happened to the cost of energy sourced from renewable sources. I am not looking at the question of the comparable cost at any one point in time between renewables on the one hand and the more conventional sources on the other.

According to the website solarchoice.net.au, the current cost of installing a full solar system in Australia is estimated to be around $1.40 per watt, down from around $4 in 2008. Further drops are expected as the cost of manufacturing panels continues to fall. It is also worth pointing out that a key driver of this is global developments, particularly the scale of manufacturers in China and other countries.

Another interesting consequence of an increasing use of photovoltaic cells in homes and businesses as a localised source of energy generation is that the electricity distribution network is increasingly changing its character. Historically, that network has been a one-way network. Energy is generated in large central generators and is then sent through the network to households and businesses. We have seen for some years now that households and businesses, generating their own energy locally, using solar panels, will—if they are generating energy at any one time, which is in excess of what they need—be able to sell that back to the electricity company using the feed-in tariff arrangements.

According to some pundits, in the future there will be markets for energy in which individual households can be buyers and sellers at different times. Again, the diversity and redundancy implications of this are significant and interesting. In other words, another reason why renewable energy is important and why the developments we are seeing now are of interest is that its capacity to make the supply of energy to any given customer is more resilient and flexible, and less vulnerable to disruption. It is interesting that this resilience to disruption reflects the same kinds of design principles that underpin the internet, which was originally designed specifically as a non-hierarchical network in part to make it more resilient if parts of the network are damaged.

One of the other very interesting trends which we are seeing globally in the renewable space is the increase in the storage capacity of batteries, at the same time as the cost of batteries and the cost therefore per-unit-of-storage capacity is coming down and is expected to continue to come down.

One of the key developments here is what is happening with electric cars. In particular, the US manufacturer Tesla has publicly announced plans for a so-called $5 billion gigafactory and their stated aim is to produce a mass-market electric car to leverage their projected demand for lithium-ion batteries to reduce the cost of those batteries more quickly than was previously thought possible. They have a stated plan of working with partners, including existing battery manufacturers, to build this so-called gigafactory to achieve economies of scale beyond those which have been previously achieved in the manufacture of batteries. Indeed, their stated aim is that, by the end of first year of volume production of the mass-
market vehicle, the gigafactory would have driven down the per-kilowatt-hour cost of the battery pack used in the vehicle by more than 30 percent.

I simply make the point that it is uncontroversial that the continued research development and commercialisation of renewable energy is very much to be encouraged, that there is an enormous amount of activity occurring around the world and that, despite some of the suggestions made by some speakers in this debate, the question before the House this afternoon is not whether renewable energy makes sense to pursue; the question is whether the specific agency, which presently exists, and the specific existing structural arrangements ought to be maintained or whether there are capacities for efficiencies.

Let me come to that question. What we saw under the previous government was a frenzy of spending in a whole range of areas, among them renewable energy and so-called green spending, resulting in a proliferation of initiatives with considerable overlap, duplication and internal inconsistency. Many of these initiatives, it pains me to say, were driven by base political calculation and the desire to get the support of the Greens during the minority years of the Gillard-Rudd government. Some would suggest that motivation was significantly more present to the minds of the then government than any genuine attempt to make efficient investments in clean energy sources for the future.

The relevance of that for present purposes is that, in considering whether it makes sense to maintain the present institutional structure of a stand-alone Australian Renewable Energy Agency with its own chief executive, its own chief financial officer, its own management team, a separate board and all of the apparatus that goes with a stand-alone organisation, it is important to bear in mind that this question is being determined against the backdrop of a chaotic and incoherent range of initiatives that were piled one after the other on top of each other. They have produced as a result a remarkably complex and inefficient set of arrangements. To mention just some of the torrent of initiatives we had under the previous government: there was the Clean Energy Finance Corporation, the Carbon Farming Initiative, the Carbon Farming Futures Program, the Indigenous Carbon Farming Fund, the Biodiversity Fund, the clean energy skill program, the Clean Technology Investment Program, the Clean Technology Food and Foundries Investment Program, the Clean Technology Innovation Program, the National Energy Savings Initiative, the Energy Efficiency Opportunities Program and the Clean Technology Focus for Supply Chain Program. There was a plethora of these measures. Only somebody who is grossly politically naive would accept the argument from the Labor Party that the only way to maintain and advance our national commitment to renewable energy is to retain the shambolic, duplicative and overlapping series of programs and bodies established by the Rudd-Gillard-Rudd government.

The third point I want to make is a related point. Thanks in large measure to the chaotic, incoherent and grossly ill-disciplined style of government perpetrated by the Rudd-Gillard-Rudd government, there is a very serious budgetary problem faced by the federal government on behalf of the Australian nation at this point. Any policy measure needs to be assessed against the backdrop of the urgent imperative to get the budget back on track. We are facing a situation in which the previous government racked up cumulative deficits of over $200 billion. We are on track to a gross debt of $667 billion if no corrective action is taken. The previous government left, over the forward estimates, $123 billion of planned cumulative deficits; therefore there is a measure of urgency as we consider various policy issues before
this government. Are there opportunities to secure savings which can be put towards this critical imperative of getting back on track towards a sustainable fiscal position and, in due course, to a surplus?

That is the backdrop against which we need to continue to examine the question of whether the existing structure of the Australian Renewable Energy Agency can be justified or whether it makes sense to rationalise this agency—to merge it back into the Department of Industry—and also to assess the question of whether the current, unallocated expenditures ought to be allocated or whether it makes sense to pause and seize the opportunity to secure some savings.

The facts are that what the government proposes to do is maintain the existing portfolio of projects that the Australian Renewable Energy Agency has underway, but not proceed with uncommitted expenditure. By doing that, some $1.3 billion can be recovered and will contribute towards the very substantial savings task faced by the present government as a result of the incoherent, grossly ill-disciplined and fundamentally incompetent budgetary management that regrettably characterised the previous government.

I emphasise the point that, notwithstanding these measures, there remains some $1 billion in existing projects committed by this agency, so there is a continuing substantial ongoing forward program of activity when it comes to renewable energy projects. But at the same time this government is making the responsible decision to abolish the Australian Renewable Energy Agency as a stand-alone and separate agency; to merge it back into the department of industry; to capture the administrative savings that result; and, equally importantly, to remove the uncommitted expenditure and put that towards the compellingly important task of getting the budget balanced.

Ms OWENS (Parramatta) (12:50): I thought for a minute during that speech that the parliamentary secretary was not going to come clean on the cuts to the budget for renewables. He spent the first half of his speech making it quite clear that the issue we were debating here today was not the value of ARENA, which he acknowledges is very high, or the value of the work that it does, which he acknowledges is also very high. The quality of the work that ARENA does was acknowledged by the minister in his second reading speech. So the quality of the work and the need for the work are not in dispute here; but according to the parliamentary secretary, in the first three quarters of this speech, the single issue we are considering is whether ARENA is the best mechanism to deliver it. Finally, toward the end of his speech, he came clean on what is clear in the bill and explanatory memorandum: this bill abolishes ARENA. It removes the remainder of its budget from the renewable energy space and transfers it to general revenue where, presumably, it can help fund the $20 billion paid parental leave scheme. They do have a budget hole to fill! They can take it from renewable energy and put it into paid parental leave; I guess to them it seems a reasonable thing.

This is about closing down an agency which has done good work. It is acknowledged as having done good work. It is acknowledged by the government as having done important work. They are removing its budget and transferring its existing contracts to be administered within the department. That is a wind-up. That is the shutdown of an organisation which fills an incredibly important function in terms of our country's future.

Before I talk further about what ARENA actually does and what we are going to lose, I want to point out, because I am fascinated by it, the government's red-tape reduction rhetoric relative to its delivery. The regulation impact statement says that business will save an
estimated $1.8 million in costs annually, presumably from not receiving grants. That is really interesting. I assume that current contracts will still be administered as current contracts, as they usually are, so I can only see $1.8 million being saved here because they are not giving out any more. It is a really interesting argument to say to an R&D company, ‘We’re saving you read-tape dollars by not giving you a grant in the first place.’ I am sure they will be delighted by that and will add that to that wonderful red-tape reduction achievement of this government. You do not receive grants; therefore, you do not have the cost of administering them. Fabulous stuff—really smart. It is great spin in what is probably one of the thinnest and least fulsome explanatory memoranda for such an important bill that I have ever seen in my now 10 years in this place.

It would be comedy if it were not serious. The wheels have fallen off the government's budget. The Treasurer cannot find the jack. The Palmer United Party has run off with the steering wheel. The Minister for Education is pumping out the fuel as quickly as possible by cutting education. Now we have the government making sure that we will not have a better car in the future. By cutting R&D, it is making sure that the efficiency and effectiveness of future cars simply will not happen. When this one fails, it is over. It is a government, with its eyes clearly in the rear-vision mirror, that cannot see what is happening in the world and the capacity of Australia to be part of it.

I want to talk about what is happening in the world because what is happening in the rest of the world is incredible. While our government is driving us backwards in the areas of renewable energy and action on climate change, it is really interesting to see what is happening in the rest of the world. And I separate this from the whole issue of whether climate change is real. I will not even go into that; I will just talk about the economics of growth. What is growing in the world in energy? Where is the money? Where is the investment around the world compared to what we are doing here today by pulling money out of future investments in technology that will drive growth in the future?

Solar PV has been expanding at a rapid rate, with growth in the global capacity averaging almost 55 per cent annually over the past five years. I remind the government that, prior to the Howard years, Australia was actually one of the leaders in this technology. In fact, we had 12 per cent of the global market share in solar back in the mid-nineties. We were one of the world leaders in this area. Are we now? No. The rest of the world has been growing, on average, by 55 per cent annually over the last five years, and we have a government that is pulling out the R&D investment in this area—in the bill that we debate today. In 2013, last year, renewables accounted for more than 56 per cent of net additions to global power capacity. It was not coal fired power; it was renewables. More than half of the investment in new power capacity around the world was in renewables. In Australia? No. Are we rushing to catch up? No. We have a government with its eyes in the rear-vision mirror, looking back to the sixties and driving us backwards as quickly as possible. This is a folly.

As the member for Solomon mentioned, sometimes tough decisions involve making sure that you are investing now in the future—that you are making sure that we are stronger in the future because of the decisions we made today. Sometimes tough decisions are those decisions. This is not a case of a tough decision; this is a case of a foolish decision that does not recognise what is happening in the world and does not recognise Australia's capacity to be part of one of the few growing sectors in the world. This is a sector which has grown while
other sectors shrank. Through the whole global financial crisis, this is an area that continued to grow.

By the end of 2013, the countries that were at the top in the world for total installed renewable power capacity were China and the United States. In spite of all of the things that we hear about China and the United States not doing anything, China and the United States were Nos 1 and 2, followed by Brazil, Canada and Germany. The top countries for non-hydro were China, the United States and Germany. Among the world's top countries for non-hydro, Denmark had a clear lead per capita, along with Uruguay, Mauritius and Costa Rica—but not Australia. We cannot do as well as those countries, with all of our natural advantages: sun, wind, thermal technology and waves. With our large coastline, we cannot compete with developing countries in investments in renewables. In the rest of the world, more than 50 per cent of investment in new power capacity is in renewables. Not us. With all of our talent, not us. And what is the government doing today? Making sure that we will not be in the top 10; making sure we will not be anywhere near it; making sure we will be at the bottom. It is a folly—it is not a tough decision; it is a very foolish one.

In the European Union, renewables represented the majority of new electric generating capacity for the sixth consecutive year, with a 72 per cent share in 2013, in contrast to a decade earlier, when it was 80 per cent fossil fuel. They went to 72 per cent renewable from 80 per cent fossil fuel in a decade. That is an extraordinary effort by countries that know where the future is and want to make sure they are part of it. China's new renewable power capacity surpassed new fossil fuel and nuclear capacity for the first time. China produced more of its power capacity with renewables than with fossil fuel for the first time. This country that the government claims is not acting is doing so much better than us. You can bet that today they are not cutting their investment in renewable technology. You can bet today that they are increasing it.

The impact of all of this growth in this area on jobs is extraordinary. More than one million jobs were added to the renewable energy sector around the world in 2013, bringing it up to an estimated 6½ million people worldwide working in this sector. It is no doubt the future of power capacity—and Australia has a talent for it. We are one of the most creative nations in the world. We punch above our weight in science and innovation and have done for decades. We have the capacity in our minds and the natural capacity in our environment to be world leaders in this. Whether you believe in climate change or not—I do, but I know there are many people on the other side who do not—it is foolish to ignore the trends in the world and to ignore where the growth in technology is. To look at where patents are coming from, what fields they are coming from and how much money are other countries investing in order to be in this and not be there as a country is a folly. It is an ideologically driven folly by people whose failure to believe in climate change—to accept the science—has somehow transcended into an absolute ignorance of the economic trends around the world. For economic reasons alone you invest in renewable energy. For economic reasons alone you put a price on carbon to drive every business to find new solutions so that you can be part of the next decade, not part of the last one. This government is taking us back to the last decade, and what is happening today is shameful. There would probably be no other country in the world whose parliament would get together today to actually reduce their investment in the future, and that is what we do today.
I want to have a look at some of the great projects that ARENA has funded. There are 17 completed projects and about 100 or so in the pipeline that will now be transferred to what I assume is the highly qualified management of the department. I am going to read some of them out because I want to point out to those on the other side who claim to represent rural Australia so well that 70 per cent of the projects funded by ARENA are actually in regional areas. You expect that if you think about the nature of the next wave of renewable energy—biodiesel, biofuels, biomass and that range of growth areas. You would expect that a lot of the projects that take place in this country would be about the nature of the fuel itself, the nature of the plant, the nature of the material and the techniques for processing it into a commercial product.

We had the Australian feedstock and refining capacity to produce sustainable aviation fuel, with 12,000 jobs over the next 20 years. There was cane to fuel feasibility of producing biofuel from sugarcane waste, investigating the feasibility of producing biofuel from sugarcane bar gas. There was generating renewable energy from almond waste, production of generation to ethanol from sugarcane waste, production of biofuel from microalgae, sustainable production of transport biofuels from Mallee crops, the Daly River solar research product to demonstrate commercial production of biocrude oil from biomass and fabrication of thermionic device using advanced ceramics—that is the first one that is not regionally based. There was improving accessibility of system adviser model for Australian concentrating solar power users, which was also not a regional one. There was a model for community owned solar, which was in a regional community, new materials and architectures for organic solar cells et cetera. So the vast majority—70 per cent of these—are based in regional areas and are developing technologies that will fuel growth in our regional areas and develop complete new industries in large parts of Australia. They are incredibly important projects.

I also want to talk about the impact of the removal of this kind of funding from business generally. Around Australia in communities like mine all around the country we have seen over the last 10 years a massive change in the range of skills people have in the renewables sector. In the Small-scale Renewable Energy Scheme, for example, in the solar area there are now about 13,000 full-time people and 3,000 to 4,000 small businesses that have come into the sector because of the advances in technology that are making those businesses viable and earning a living. Interestingly again, the biggest uptake in domestic and small-business solar is in regional areas. It is not in the cities, as you might expect. Perhaps it is because of the distances or the need to cut costs, but the majority of areas where the uptake is greater are regional. And we have a government that is not even prepared to stand up and commit to the government support that sustains that sector on its growth trajectory. It leaves a sector of 3,000 to 4,000 small businesses in extraordinary uncertainty, unable to grow, unable to invest, in a holding pattern waiting for a government a year in after it promised in the election to keep these things in place still not providing the certainty that industry needs, still not providing the certainty that business needs to survive, a government that claims to be about small business, a government that claims to be bringing certainty leaving large sectors—the renewable energy sector generally and the small-scale businesses that work in that sector as well—in a state of considerable uncertainty.
This is not a good day for the future of Australia. This is a day where a government is driving us backwards, is ignoring the economic realities of the world and is putting us in a weaker place than we were yesterday.

Mr O'DOWD (Flynn) (13:05): I rise to talk on the Australian Renewable Energy Agency (Repeal) Bill 2014. The purpose of this bill is to abolish the Australian Renewable Energy Agency. This bill gives effect to the government's budget decision to close ARENA as soon as practical by repealing the Australian Renewable Energy Agency. I listened to the member for Melbourne, the only Green represented in this House, referring to a guru from Germany who had spoken to him on renewable energy and how he should be urging our Australian government to go headlong into renewable energy projects. I point out to the House that Germany has looked at their renewable energy and their energy requirements overall and now gone back to coal fired power stations. This is a point he must not be aware of, because Germany has in the past used nuclear energy from neighbouring countries, but this is the decision of the German government to return to coal fired power stations.

I do have a conflict of interest here: I have three coal fired power stations in my electorate at Stanwell, Callide and Gladstone. These coal fired power stations are going along at a fine rate and producing energy when renewable energies do not stack up in peak demand and for those industries that are large consumers of electricity. I refer to industries like the aluminium smelter at Boyne Island or the Cement Australia project at Yarwun, who are big users of electricity and pay through the nose for their electricity to the point where they are becoming uncompetitive on the world stage. Cement Australia can already import clinker cheaper from China than they can produce it themselves—and keep in mind that Cement Australia bring in their cement and clay from a site about 30 kilometres from their main station. They also have coal at the back door, and thermal coal prices are the cheapest they have been for many, many years. So why should they be uncompetitive with the rest of the world? And why can they import clinker from China cheaper than they can make at Gladstone? These are the questions that I ask.

The member for Melbourne hit on a little point that I would like to make: he talked about bushfires and how they are on the increase in Australia. We all know that fire is caused by a spark, fuel and oxygen. The reason bushfires are on the increase is that we are locking up our forest and timber to the point where the fuel in the undergrowth builds up, and then all it takes is a spark of some sort—it could be lightning or whatever, but mainly lightning—to set it off and that is when the damage is done. The loss of our wildlife in the forest is because the fires move so fast that they cannot be controlled by man. In days gone by, the fuel and the fodder was eaten down by animals or people moving throughout the national parks and keeping the growth down. This does not happen anymore, and that is why we have increased bushfires.

The government acknowledged that renewable energies still have a major part to play in the Australian energy mix. We are listening, watching and building hybrid projects, hydro-powered projects, ocean energy projects, renewable energy projects and solar energy projects. They are all still on the agenda. The coalition has supported the establishment of ARENA in the past, when it was introduced in 2012. But things change, and we must change with them. It was first established to manage the myriad of environmental programs that were launched under Labor. The reason ARENA came in was to control those projects. Sadly, some of those projects went way off-line: pink batts, solar home programs, green projects—green funding
projects cost this country a lot of money. We built kitchens to display the advantages of the renewable energy program. There were model kitchens set up. I do not know what has happened to those model kitchens. They are out there somewhere but, as far as I know, not put to any good use. Cash for clunkers was just another episode of a project gone badly wrong.

ARENA was established, as I said, in 2012 to improve the competitiveness of renewable energy technologies and to increase the supply of renewable energies in Australia. The government continues to support these renewable energies. The Renewable Energy Venture Capital Fund is committed to $100 million invested in innovative Australian companies. The government has made significant investments into the development of Australian renewable energy technology. In addition to the $1 billion supporting ARENA projects, the government has committed a further $2.55 billion to establish an Emissions Reduction Fund from 1 July 2014. The renewable energy industry has received billions of dollars of support in recent years: for example, the renewable energy target, the RET; other federal and state schemes such as financing for the renewable energy projects through the Clean Energy Finance Corporation, the CEFC; state-based feed-in tariffs; and various grants programs to provide the community support to install renewable energy technology.

The government is providing $1 billion worth of ARENA funding, which contributes to around 200 ARENA projects. Each state has benefited from ARENA funding: $28 million in 16 projects in the ACT; $526 million in 63 projects in New South Wales; $36 million in three projects in the Northern Territory; $12 million in two projects in Tasmania; $86 million in eight projects in South Australia; $54 million in 13 projects in Victoria; $106 million in 11 projects in WA; and in Queensland 11 projects at $63 million. Some of these projects have finished and some are continuing, and our government will support those projects.

ARENA has played an important role in the past. However, the majority of projects that ARENA has been managing were inherited from precursor programs. Many of the larger inherited projects have been or are in the process of being terminated or rescoped to ensure expectations are met and that the Australian government interests are protected. That means we are protecting the interests of the taxpayer—it is all based on taxpayers’ dollars.

Australian businesses need to be able to grow and compete in a global market. I have already mentioned the two big industries in my electorate of Flynn, the Boyne smelter and Cement Australia, that continue to face high costs and an uncertain future, and that means uncertainty for the thousands of jobs involved in these two projects. Collectively, they provide thousands of jobs directly and many more indirectly. These jobs are under the microscope. These industries in my electorate and industries across Australia need our support.

I do not see many of the renewable energy jobs that the opposition talk about when I move around my electorate or around Queensland. I do not see many people working on windmills. I do not see many people working on solar projects, apart from the installers of solar. These jobs are overseas. The solar panels are mainly produced in places like China. The windmills come from Scandinavian countries or Scotland. These jobs have already gone offshore and are being supplied by overseas companies, so we are missing out on Australian jobs.

Industry and business generally need to be able to compete on a level playing field and that is what we have not got at the moment. We need business to have confidence and that is why
we want to set the future energy requirements of Australia on a clear path. Our industries and our people who have jobs in these industries need a clear direction about where we are heading and what we are doing. We are facing a budget stand-off. The age of entitlement is over. We need more bang for our buck, now and in the future.

It is time that action was taken by members and senators on all sides of this House to bring the books back into balance. This is what the opposition seems to forget. Do we hear any suggestions from them as to how we can balance our books? We cannot go on forever and a day operating in the red. It will all catch up. We talk about catching up with the rest of the world; we will catch up with Europe, England, Ireland, Scotland, Greece and Italy in a hurry and their financial situation if we do not do something about it here.

Abolishing ARENA will return $1.3 billion in uncommitted funds to the budget, and the projects will still exist. Any existing projects will be moved to the Department of Industry so that they can be managed effectively and more efficiently. I urge the House to accept this bill.

Ms CHESTERS (Bendigo) (13:19): I am glad to have the opportunity to speak on the Australian Renewable Energy Agency (Repeal) Bill 2014. So many bills in this area have been guillotined before many on my side of the House have had the opportunity to speak on them. This bill seeks to abolish the Australian Renewable Energy Agency. For the benefit of the previous speaker, I am from a regional area, Bendigo, and I disagree that there are no jobs in renewable energy with the wind turbines—not windmills, as the previous member referred to them.

Hofmann Engineering is in the Bendigo electorate and on my two previous site visits there, I found their team working on refurbishing and rebuilding wind turbines. Some of these wind turbines were built in Australia and some were built overseas, but the maintenance of these wind turbines is happening in the Bendigo electorate. Once they have been refurbished, a team from Hofmann Engineering go with the wind turbines back to their home. The Hofmann team, Bendigo employees, then reinstall these wind turbines.

There are lots of jobs in regional Australia involved in renewable energy and it is those jobs that are at risk because of the action of this government. So I speak today not just of the frustration of people in my electorate but of the frustration of people across regional Australia who have their hands up in the air, saying, ‘What is this government doing to our renewable energy industries?’ Tomorrow morning when I return to my electorate, the first thing I will be doing is having breakfast with the Bendigo networking group, which is a collection of small businesses from my electorate, including a number of businesses involved in installing solar panels or other forms of clean energy technology. Every month they say to me: ‘What's our future? What is this government's plan? Do they have any vision whatsoever for renewable energy?’ This bill is a demonstration of their lack of vision.

ARENA has been a success story. It has worked to reduce the cost of renewable energy technology development in this country and increase the uptake of renewable energy. ARENA has provided financial assistance for research, development and demonstration as well as the commercialisation of the renewable energy industry and related technology. It has helped develop the skills in the renewable energy industry and has promoted renewable energy projects and innovation both nationally and internationally.
I mentioned earlier about Hoffman Engineering. They have a great project on the books waiting to see what this government will do. What they are looking for is a partner in industry. Yet, because of the roadblocks by this government, and by the coalition government at the state level, this project remains in draft and not happening. These are jobs that could be created in my electorate by an engineering firm in the renewable energy sector but remain in the planning phase because this government is backwards when it comes to investing in renewable energy.

Currently ARENA is supporting over 190 renewable energy projects, including many in my electorate. In fact, 70 per cent of ARENA funding is going towards projects in rural and regional Australia, creating jobs. This is a government that said it would create a million jobs, yet they are axing agencies and funding that would seek to achieve that goal. In my electorate of Bendigo we often say, ‘We have green energy jobs.’ The future jobs in energy in my electorate are renewable energy jobs, whether it be the wind in Woodend—because it is quite windy there and the development of a community wind farm Park—or whether it be through the solar programs to the north of the electorate, what we have in central and northern Victoria is sun and wind. That is how we create energy security in my electorate and in regional Victoria. That is how we create energy jobs in our part of the world. Many of these projects are now in jeopardy because of the axing of ARENA. It is the responsibility of government to play a role in partnering with industry to create an industry that is viable. This bill risks not just domestic investment but international investment.

Renewable energy has been a great Labor success story—partnering with industry, partnering with community to create not only energy security but to ensure that we have jobs continuing in our energy industry. I will give just a few examples of what we have had go on locally when it comes to renewable energy. Before ARENA there was another program that has also been axed by this government, and that was the $1 billion that was set aside for the Clean Technology Investment Program. Manufactures in my electorate have tapped into this program, and I will give a few examples. MSD Animal Health Australia, a veterinary revaccination manufacturer, through the Clean Technology Investment Program was awarded a grant—it was a joint contribution; they paid part and the former government paid part—to invest in solar. This saw them reduce their carbon emissions by 22 per cent, a saving of about $44,000 on their electricity bill every year. The government's contribution was just under $336,000, which was matched by the company. The solar PV system they introduced cut the costs of manufacturing. It is the largest solar project in the City of Greater Bendigo. It occurred because a company and the government had the foresight to work together to build this new facility.

This is not the only one in my electorate. There was the Victoria Carpet Company which, through the assistance of the Clean Technology Investment Program, were able to buy a new dryer. This project will save the company $79,000 a year on their electricity bill. When I said to them, 'If you had the choice of not paying the carbon tax or this grant, what would be better?' They said, 'By far, moving to a renewable energy dryer and the government grant—that is what would help our business.' This has helped secure jobs going into the future. The new technology that they were able to buy has reduced their carbon emissions by 86 per cent. So not only are they saving money on their electricity bills; they are also using less power, which is better for our environment. That is the vision that this government lacks. It lacks the
need for action on climate change. Moving to a cleaner, greener environment also means moving to a greener, cleaner economy.

When you talk to people in regional Victoria, they get it. To them it just makes sense. If there is sun and you put solar panels on your roof, that just makes sense, because it means your electricity bills will go down and you are using a natural resource that already exists. Without the Clean Technology Investment Program these two projects for these two manufacturers would not have occurred, putting the jobs in these facilities at risk. By helping companies invest in clean energy capital, lowering their emissions, has helped not only improve the prospects of that company but has also been good for the community and good for the environment. Axing these programs, as this government has done, means that other manufacturers in my electorate will miss out. That includes the manufacturer Keech Castings Australia. They are a foundry and casting firm involved in the innovation. They are frustrated and disappointed that they were one of the projects that will miss out and cannot apply for this clean energy grant under the Clean Technology Investment Program.

Another example of how my electorate tapped into ARENA and Low Carbon Australia and other programs of the former Labor government is the Castlemaine School of Mines refurbishment. It is one of the oldest buildings in the Castlemaine and therefore one of the oldest buildings in Australia. It was transformed into an energy-efficient community hub with a $2.6 million low-cost grant through Low Carbon Australia. The refurb that they were able to do was going to slash their electricity bill—

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 member will have leave to continue her remarks when the debate is resumed.

STATEMENTS BY MEMBERS

Education

Ms RYAN (Lalor—Opposition Whip) (13:30): There will be no surprise today that I rise to speak about higher education. Before the election this government promised no cuts to education. The higher education bill introduced today confirms that this government has introduced cuts to every level of education, from child care through to postgraduate study. The Minister for Education introduced into the House today legislation that will negatively change the face of higher education in this country. He did this in the wake of a budget that acts to entrench inequity at all levels of education. He did this while the government ushers in draconian cuts to Newstart eligibility, apprenticeship support programs and supported access to TAFE programs. He did this while those opposite scream at our young people, ‘You must earn or learn!’

Today’s legislation closes the loop on access to equity in education and makes the ability of young people in this country to meet that demand so much harder. The changes again hit low- and middle-income families and risk locking young people from my community out of university. In Lalor, people of all ages want to talk about this unfair change. Families are seriously looking at their options to assess if university is possible for their children, and meanwhile the minister cruelly quips that he is not asking for their left kidney. This is an outrageous move by this minister. It includes a 20 per cent cut to university funding and will
see fees rise and students burdened. My question to the prime minister is simple: why is some
debt bad but student debt good? (Time expired)

**Dobell Electorate: Central Coast Community Women's Health Centre**

**Mrs McNAMARA** (Dobell) (13:31): Today in New South Wales is acknowledged as the
Day of Action Against Sexual Assault. The aim of this day is to commemorate both the
victims and the survivors of sexual assault and to recognise the efforts and successes of those
who work with the survivors. This day aims to draw attention to the continuing need for
public education and support services in this unfortunately oversubscribed area.

Today in my electorate of Dobell the Central Coast Community Women's Health Centre is
holding an event to raise awareness of this issue. The Central Coast women's health centre is a
community-based organisation managed by women for women, and I am fortunate enough to
represent it as their patron. This outstanding organisation works alongside and supports
women of all ages, backgrounds and cultures and provides essential counselling and health
services for women and children who have experienced sexual assault in their lives.

ABS data indicates that one in three girls and one in six boys in Australia will be sexually
assaulted before the age of 18 and one in five women will experience sexual assault in their
lifetime. As representatives of the women in this country, we must all stand up and raise
awareness of this issue by supporting organisations such as the Central Coast women's health
centre. I am proud and honoured to be a patron of this centre and I commend them for their
dedication to addressing this issue and for their provision of services and support in my
electorate of Dobell.

**Education**

**Ms CHESTERS** (Bendigo) (13:33): The coalition's higher education legislation tabled in
the House today is both divisive and mean-spirited. All around central Victoria as well as
other areas of regional Victoria people are genuinely concerned about what these changes will
mean not only for their kids, not only for their communities but also for the regional
campuses in their areas. There is a very real fear that university will become too expensive for
low- to middle-income families. If students have to travel to Melbourne for study, this could
put their dream of a university degree out of reach.

The La Trobe Bendigo campus has a significant number of students from a low
socioeconomic background. It is higher than the national average. It also has a high
proportion of mature-age students. Why would a mature-age student sign themselves up for a
debt for life if they have only got 10 to 15 years of working life left to pay it off? Will that
debt be left to their children? These reforms could put at risk the very viability of regional
campuses. Like we have seen with the Bendigo TAFE: when student fees rise student
numbers drop and then courses are cut. We are seriously concerned that these reforms could
see the closure of regional campuses. I urge the government to rethink this disastrous plan.

**Forde Electorate: Ormeau Lions Fair**

**Mr VAN MANEN** (Forde) (13:34): I had the honour of attending the recent Ormeau
Lions fair, which is one of the great community events in the electorate of Forde. The Ormeau
Lions fair is an annual attraction, which locals like to call the 'mini Ekka'. This year's fair
attracted some 22,000 visitors and a wide range of stalls, rides and sideshow amusements. As
usual, it was a terrific event. The Ormeau Lions, with the support of local businesses, do a wonderful job and the fair is going from strength to strength each year.

We held our own stall there over the weekend, and it was an absolute pleasure to meet a number of constituents and talk about various issues that are concerning them. One particular constituent, Mick Davies, informed me that he was off to attend an awards night for the national GovHack awards. He had won an award for an app that he developed, referred to as Socialtest, in the 'Best use of Queensland Government data' category. Previously, Mick's app had also won an award at the local GovHack awards on the Gold Coast in the category of 'Community Care'. Mick is passionate about start-ups and creating new products from open source government data and I wish him all the best in his future endeavours.

**Education**

Mr WATTS (Gellibrand) (13:36): Twelve months ago this week, the then opposition leader, now Prime Minister, told Australians:

We will be a no surprises, no excuses government … the worst deficit is not the budget deficit but the trust deficit.

One election and 12 months later, the trust deficit in Australia is at a record high! The Prime Minister has broken promises to the Australian people on tax, on health, on pensions, on the ABC, on the NBN and today we see the formalisation of yet another broken promise on higher education funding.

Today the education minister told Australia that his plans to impose $100,000 debt sentences on Australian students were 'a very significant reform, the biggest in 40 years'. But you did not hear anything about this massive change to higher education, this tax on the dreams of Australian students and their families before the last election. In fact, on page 41 of the coalition's *Real solutions* policy pamphlet, the coalition promised that they 'will ensure the continuation of the current arrangements for university funding'.

That would be the funding that the Abbott government is now cutting by $5.8 billion, with further cuts to research funding threatened if the Senate does not bow to the government's extreme agenda. The education minister flippantly dismisses Australian students' and families' concerns about these radical changes by telling them it is not like he is asking for a kidney. But, with $100,000 degrees on the way, he is certainly taking their pound of flesh.

Twelve months ago this week, the then opposition leader and now Prime Minister also told Australians that:

This election is all about trust.

Well, I can assure the Prime Minister that the next election will be all about trust too, and the Australia people will not forget this betrayal.

**Homeless Persons' Week**

Ms SCOTT (Lindsay) (13:37): In the first week of August, I had the wonderful opportunity to recognise Homeless Persons' Week and hit the street of Penrith and St Marys. Firstly, I dropped by Station Street to catch up with Mama Lana, Community Kitchen and the Vinnie's van. It was great to see so many local people working hard, serving hot meals and providing warm clothing to some of our community's most vulnerable. The highlight of my
night was meeting a local man called John, who made for me the most incredible dragonfly out of paper. It was just incredible.

On the following morning, I met with Pastor Marty Beckett, from Christ Mission Possible, and his team. There they were at the crack of dawn serving a great hot breakfast to everybody in Judges car park. I would like to thank Marty for then taking me on a tour of his facilities in both Kingswood and St Marys, where they provide some of the most wonderful emergency accommodation to people who have recently become homeless.

It is disheartening to acknowledge that, on any given night, more than 105,000 Australians will find themselves without a safe and suitable place in which to find shelter. This year's theme of 'Homelessness: we can't afford to ignore it' raises awareness of the devastating personal harm, significant impacts on society and costs to all levels of government that are caused by homelessness. I would like to thank Marty and the teams for having me with them.

**Indi Electorate: Youth Leadership**

Ms McGOWAN (Indi) (13:39): Today, we will have some special guests in the gallery during question time. These are young people from the electorates of Indi and Farrer, from Albury-Wodonga. These young people are participating in a regional youth leadership program. It is targeted at young people between 15 and 25 years old from diverse cultural backgrounds. As it happens, these young people are at school at Murray High School in Farrer and Wodonga Senior Secondary College in Wodonga. All are recent arrivals from Nepal, speaking Bhutanese. They are part of the Australian refugee resettlement program. Interestingly enough, Bhutanese is the largest language other than English spoken in the top half of my electorate of Indi. So it gives me great pleasure to welcome them to parliament today. Their leadership program is looking at increasing their confidence, building skills and building greater understanding.

I would particularly like to acknowledge and thank the work of the Ethnic Council of Shepparton, the Goulburn Murray Community Leadership Program, Wodonga TAFE and City Council, Albury Wodonga Community College, Birrallee Park Neighbourhood House, Gateway Community Health and the staff of the MPs for Murray and Farrer for facilitating this really important event. Welcome, guys, and I am really looking forward to catching up with you in Wodonga shortly.

**Sculthorpe, Mr Peter, AO, OBE**

Mr NIKOLIC (Bass) (13:40): I acknowledge and welcome Oakwood School, which is somewhere in the student galleries, from my electorate of Bass. But I rise today to pay tribute to Peter Sculthorpe AO, OBE, as a musical giant of Australia—a composer who changed our musical landscape forever. Peter Sculthorpe's death on 8 August was widely mourned—and not just in Australia, where he found the inspiration for his influential orchestral compositions. He took Australian classical music to the world and, in the process, built an international reputation. Peter Sculthorpe was born in Launceston, in my electorate of Bass, and was educated at Launceston Church Grammar School, where his musical talent was nurtured—although he liked to tell the story of one of his music teachers who forbade him from composing because 'all the composers are dead' and told him to concentrate on his playing. Thankfully, he ignored that advice.
It is said that his *Sun Music* series in the 1960s was the beginning of the first identifiably Australian sound in classical music. Later pieces like *Kakadu* brought the drama and rugged beauty of the Australian landscape to musical life. He was also a mentor and a teacher to generations of Australian composers. Despite his stellar international career, he regularly visited his old school and celebrated his 80th birthday with students and staff at Launceston Church Grammar School. Peter Sculthorpe was a wonderful Launcestonian and an inspiration for many Tasmanians. He leaves a magnificent musical legacy and will be greatly missed by music lovers around the world.

**Higher Education**

Ms BRODTMANN (Canberra) (13:42): Today, the Minister for Education introduced legislation that will make the dream of a higher education unaffordable for thousands of Australians. Under the Abbott government, university fees will increase, the Commonwealth contribution to the cost of degrees will decrease, students will pay a higher interest rate on their HECS debt and students will have to start paying that debt back sooner. These policies are bad for low- and middle-income earners, they are bad for women and carers, and they will deter people from entering higher education.

I recently visited my alma mater, RMIT, and I was shocked to hear from a number of students that they knew people who were planning to move to Europe to attend university, because, even with the cost of moving abroad and the cost of living in Europe, it will still be cheaper than studying in Australia. As a result, Australia will lose the precious intellect and potential of these bright young Australians. There will be a brain drain.

Young people should not have to move overseas to pursue a higher education. They should not have to choose between higher education and home ownership, and they should not have to choose between higher education and starting a family. Under the Abbott government's plan, they will have to make these choices. Let us not forget that, prior to the election the Minister for Education said there would be no increase to university fees. Prior to the election, the Prime Minister said there would be no cuts to education. This legislation is another broken promise from a government whose word means nothing. *(Time expired)*

**National Dog Day**

Mr BROAD (Mallee) (13:43): I rise to talk about dogs. This week, on Tuesday, 26 August, it was National Dog Day. We must be very proud of our dogs. Our dogs keep our borders secure. They look and investigate drug traffickers and terrorist threats. They help our farmers shift their livestock. Great Australian working dogs are famous for their intellect when working with cattle and sheep. They are also very important as companions. Many elderly and senior Australians have dogs that are their companions. I have been involved in the livestock industry and I would not be in this place if it were not for my dog, Duke. In fact, I am sure that my dog, whilst following me around the farm, looked at me and said, 'Stop complaining about how the country is being run and do something about it.' If we had a Productivity Commission report into the value of dogs when it comes to biosecurity, defence, assistance in agriculture and supporting our senior Australians, we would find the value of dogs to be in the billions of dollars. Australians love their pets; they look after them. We should recognise and celebrate National Dog Day this week and be proud of the contribution that animals make to our lives.
La Trobe University

Mr FEENEY (Batman) (13:45): Last Thursday I had the privilege, once again, to visit La Trobe University, which is based in my home electorate of Batman. La Trobe University is an important part of Australia’s higher education sector. It teaches approximately 26,000 full-time students and has a vision to expand to some 33,000 students in the coming years. To my great delight, La Trobe University is a university that began with a mission. It prides itself on attracting students from lower socioeconomic backgrounds, particularly those who are first in a family to succeed in achieving a tertiary education. It has a magnificent footprint across the northern suburbs of Melbourne but also includes campuses in Bendigo and Benalla and is well known to the members for Indi and Bendigo.

I am very proud indeed to be the federal member for a university that provides access to education for those who need it most. I am now appalled by the attack on future students of La Trobe University by this heartless government. This is yet another broken promise by the coalition government of ongoing funding of Australian universities. Reports of university fees rising by 40 per cent or even 50 per cent, reports of there being $100,000 degrees hits the students of La Trobe University hardest and goes to the heart of the mission of the university to extend the opportunity of tertiary education to new populations in Australia. These students do not need any further barrier to accessing tertiary education. They do not need a lifelong debt sentence. Equity in education should remain a key goal of government and this is a government that has abandoned that goal. (Time expired)

Fraser, Councillor Ann

Mr SUKKAR (Deakin) (13:46): It is with great sadness that I rise today to pay tribute to a wonderful friend and community leader from Deakin, Councillor Ann Fraser, who, sadly, passed away just a few weeks ago. Anyone in my electorate who had the pleasure of meeting or working with Ann will know what I mean when I say that she set the gold standard for all of us in public life. Ann worked tirelessly and selflessly for our community, helping countless people over four decades, without any thought of reward or recognition.

She served as a councillor for 12 years, at the former City of Ringwood and then at the Maroondah City Council. As a councillor, Ann made immeasurable contributions, particularly in the areas of transport and road safety, as she also operated a local driving school.

Ann embodied the spirit of volunteerism and she gave her time and energy to schools, churches and community groups such as Meals on Wheels, the Ringwood Chamber of Commerce and Industry, Red Cross and the Country Women’s Association. In recognition of her lifetime’s work, I was honoured to name Ann the overall winner of the 2014 Deakin Community Awards in July, which I know gave Ann immense pleasure.

Our thoughts continue to be with Ann’s husband, Colin, and their family.

Education Funding

Ms RISHWORTH (Kingston) (13:48): We see today another broken promise by this government. Before the election the then opposition said they would make no cuts to education. We have seen a bill in the parliament that cuts education—$5 billion-plus in our higher education system. It is students who will foot this big cut to education, but of course this package goes much further than that. It takes us to a place where only those who can afford to go to university can, not the brightest in this country.
Ms RISHWORTH: I hear the member for Bass interjecting. Of course, he promised at a forum last week that he would lobby the Prime Minister to get rid of real interest rates. Unfortunately, Member for Bass, real interest rates are up to six per cent and are in the bill. Maybe the PUP Party will have more success than the member for Bass in lobbying his own government. We know that this will have a significant impact on low- and middle-income families. It will deter students in many families from choosing to study at university. We know that if, for example, women choose to go to university that their debt will be much larger than that of their male counterparts. This is unfair legislation that targets low- and middle-income families and destroys the dream of so many to get a university education. I ask the government to reconsider this poor package and scrap the whole thing.

Corangamite Electorate

Ms HENDERSON (Corangamite) (13:49): That was an unfortunate contribution from the member for Kingston, who is in the business of scaring students and not sticking to the facts. Let me assure you that the contribution you have just made was reckless, it was untrue and it does not reflect the very strong commitment that we are fundamentally making. Under the previous government higher education international student revenues went from $19 billion to $15 billion over six years. You drove down international revenues by $4 billion. You do not understand that, currently, education is so important to our future. The third biggest export of our nation is education.

Speaking of education, I was delighted that foreign minister Julie Bishop visited my electorate last week. She visited two wonderful schools, Christian College Senior Campus and Belmont High. The students are very positive about their future and about the potential to go to university. I want to particularly thank Christian College principal Glen McKeeman and also Belmont High principal Gary Schultz.

We learnt about the wonderful cultural exchange programs, the wonderful work these students are doing and I want to commend them for the amazing achievements they are making in remote communities throughout the Asian region.

Education Funding

Ms MacTIERNAN (Perth) (13:51): The Minister for Education constantly justifies the increase in the HECS-HELP repayment on the basis that graduates earn, on average, 75 per cent more than people without a university degree. But this research is flawed in two ways. Firstly, he talks in averages rather than means and in this research averages can be distorted by a small cohort of very high income earners.

More importantly, the figure predates the introduction of demand-driven funding. Today, the Minister for Education predicted an additional 80,000 higher education students per year.

The market forces tell us what will happen: as there are more graduates, the income differential between those with and without tertiary qualifications will decrease as having a university qualification becomes more common. Almost certainly because of this the government has incorrectly estimated how quickly graduates will be able to repay their loans and the impact of the higher interest rates on them.

Yesterday I asked the Group of Eight university representatives what the impact would be of this very considerable increase in the number of graduates on their incomes. They could
only refer to research in the UK, where a rapid expansion in the number of graduates is beginning to impact on that differential income, driving graduate wages down. If we are basing our system on a differential we need to understand that that will remain in place. *(Time expired)*

**Hasluck Electorate: Falls Road Primary School**

**Mr Wyatt** (Hasluck) (13:52): I had the privilege of attending Falls Road Primary School—runner-up in the Western Australian primary school category for the Anzac Day Schools' Awards. I presented the school with a cheque for $500, a plaque and a certificate at the assembly.

Falls Road Primary School has a long-standing tradition of empowering their year 6 students with the honour of hosting the school’s Anzac Day service. This year, the students included an Anzac inspired choral reading of Anzac Day and a reflective video of what Anzac Day means to them, as well as a rendition of *In Flanders Fields*.

During the service, representatives from each year level laid flowers, wreaths or a cross. Every student in the school created a hand print with an Anzac Day message on it, and poppies made by students in year 1 were displayed at the service.

In the classroom, year 6 students researched the local servicemen or women, or members of their own family and completed a learning activity ‘Who are the ANZACS?’ These were displayed during the service, along with artwork, letters home and diary entries written by students. The judges were impressed with the high quality of resources, the variety of activities and the obvious involvement of the whole school.

The principal, Mr David Ingle, and deputy principal, Simon Docherty, along with staff have created a dynamic learning environment for children who attend the Falls Road Primary School. That day I saw a re-enactment of stories and ideas that students had from reading the numerous books that they had available to them. What a wonderful government school.

**Higher Education**

**Ms O’Neil** (Hotham) (13:54): Today, higher education reforms were introduced by the Minister for Education that will place a massively increased debt burden particularly on Australian women.

I am still not sure if the coalition gets this. A few weeks ago, on 7.30 the education minister said:

Now, women are well-represented amongst the teaching and nursing students. They will not be able to earn the high incomes that say dentists or lawyers will earn, …

The minister may have since learned that more than half of Australian law and dentistry students are women. In fact, 60 per cent of Australian university graduates are women. We also know that women with the same qualifications as men earn less—less each year and less throughout their lives. So under these education reforms, more women, will earn less, but now pay more for the exact same degree as a man.

The truth is we can expect nothing more from this government, who have as their leader a man who in the past has suggested that the lack of equal representation of women in senior roles in business and politics is due to physiological differences between men and women. The terrifying truth is that this man is now the Minister for Women. That is right, ladies: Tony
Abbott is the one who is watching our backs in cabinet discussions. With the Prime Minister our main advocate it is no wonder that Australian women will bear the massive brunt of these radical reforms to our higher education system.

**Robertson Electorate: First Gosford Scouts**

**Mrs WICKS** (Robertson) (13:55): Today I rise to congratulate the First Gosford Scouts on their 90 years of service to our community.

Last weekend I joined a crowd of around 400 people at the sea scouts hall in Gosford to celebrate the history and the future of this great scouting movement, dating back locally to 1924. It was a fabulous community event supported by many local organisations, particularly the training and concert band from Gosford Public School. May I commend principal, John Anderson, for the school's support for the Scouts. The band that day was excellent and I congratulate conductor, David Dallinger, band coordinator, Ester See, and all the student musicians, who were outstanding.

Chertsey Public School at Springfield loaned the scouts a data projector and audio gear for the celebration. We were also fortunate in that the First Gosford parent support committee chairman, Simon Stevens, is a chef, and he was happy to work with the Scouts Rovers to feed us a great barbecue!

A number of awards were given on the day, including to Felicity MacPherson, Clare Udy, Adam Wakeling and Lincoln Burkinshaw, and eight-year-old who raised $600 for our local homeless shelter, Coast Shelter. Terry Donelly, a former First Gosford scout from 1954 cut the birthday cake alongside the youngest member of First Gosford Scouts, Jarred Andrew, aged just seven.

My congratulations to group leader Greg Denning, whose tireless work over a number of decades, together with his outstanding team, means the scout movement will continue to thrive on the Central Coast, 90 years after it began.

**Higher Education**

**Ms BURKE** (Chisholm) (13:57): More than 50,000 students call my electorate home at the Monash University campus in Clayton and Deakin University campus in Burwood—50,000 students who have been lied to by this Prime Minister.

Before the election he said that there would be no cuts to education. Before the election the Minister for Education said they were not going to raise university fees. Both of these promises were broken this morning and I suspect that they never intended to keep them. They were hollow promises because they have rolled out reform. Reform is meant to benefit someone; there is no benefit in the education packages outlined by the Minister Education this morning.

Now 50,000 students studying in my electorate risk having their HELP debts incur an interest rate of up to six per cent, increasing the cost of their current degrees. This is something they never knew about when they embarked upon this process. Universities will suffer a budget cut of $5.8 billion, forcing them to dramatically increase fees just to cover the costs of this cut. These are fees that could see people spending more on their university education than they will on their mortgages.
No Australian should have to think twice about getting an education. We have had a proud country where everybody, regardless of postcode, could go to university. That is now a thing of the past. The government’s plans mean anybody on middle or low incomes will think twice before they can embark upon a degree. Students are now asking, 'Is it an opportunity for me to go to university?' This should be an opportunity for all.

Ryan Electorate: Education

*Mrs PRENTICE (Ryan) (13:59):* Earlier this week I received a letter from Minister Pyne, informing me of the excellent academic achievements of 18 students in my electorate of Ryan.

Each year the Australian Student Prize has been awarded to only 500 exceptional students across Australia in recognition of their academic achievements. Each prize winner receives a certificate and $1,000 in prize money from the Australian government. High-achieving year 12 students are nominated by state certification and assessment authorities.

Yesterday, I signed congratulation letters to each of the students, and I would like to take this opportunity to place their names on the Hansard record: Theopoula Angelos, Mark Baxendale, Zoe Cameron, Benjamin Foster, Annabelle Ganko, Andrew Haselgrove, William Kowalski, Matthew Lake, Andrew McKinlay, Sonja Panjkov, Sally Rafter, Christina Read, William Rumble, Timothy Sapsford, Rudi Scarpa, Ellen Visscher, Edward Watson, Mia Williams. Congratulations to all of you.

**STATEMENT BY THE SPEAKER**

*Parliamentary Security*

*The SPEAKER (13:59):* I am making a statement today in light of the incident that occurred on Tuesday during question time. A person in the public gallery attempted to disrupt proceedings in the House and was promptly removed from the chamber. I want to personally thank the parliamentary security staff for their professional handling of the situation, and also take this opportunity to thank staff of both the Department of Parliamentary Services and the Department of House of Representatives for their diligent and conscientious work. I know honourable members join me in their appreciation of the excellent work of both departments in ensuring the smooth and effective running of the parliament.

Honourable members: Hear, hear!

**MINISTERIAL ARRANGEMENTS**

*Mr ABBOTT (Warringah—Prime Minister) (14:00):* I inform the House that the Minister for Foreign Affairs will be absent from question time today. She is in Indonesia to sign the Australia-Indonesia joint understanding on a code of conduct with Indonesian foreign minister Marty Natalegawa.

The Deputy Prime Minister will answer questions on her behalf and on behalf of the Minister for Trade and Investment.
QUESTIONS WITHOUT NOTICE

Iraq

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:01): My question is to the Prime Minister. Can the Prime Minister provide an update on the situation in Iraq, and the role that Australia will play.

Mr ABBOTT (Warringah—Prime Minister) (14:01): I thank the Leader of the Opposition for his question, and I do appreciate the spirit in which he asks it. I appreciate the support that he and the opposition have given to the government as we do our bit to deal with the humanitarian disaster now unfolding in northern Iraq.

We have all seen atrocity after atrocity on our TV screens—beheadings, crucifixions, mass executions. This is as near to pure evil as we are ever likely to see. As President Obama pointed out a week or so back, what is at risk in northern Iraq is potential genocide—a humanitarian catastrophe on a scale unparalleled in recent times. To his great credit, President Obama has authorised air strikes against the murderous hordes of ISIL. Those air strikes have lifted the siege of Mount Sinjar. They have apparently stopped the advance of ISIL forces into Kurdish areas.

There are obviously discussions going on between the United States and its friends and allies about what more can be done to avert further disasters in this part of the world. I have to say that Australia has not been officially asked for military assistance. If we were asked for military assistance there would be the standard approvals process, which would involve cabinet decision-making, and consultation with the opposition.

Should we be asked, we would want to look at any request in the light of achievable objectives, a clear role for Australian forces, a full risk assessment, and an overall humanitarian objective. But I do wish to say that I am sure that no-one in this parliament—no human being anywhere—would wish to stand by and watch the preventable slaughter of innocent people. None of us would wish to see a preventable slaughter of innocent people. I am sure that the Leader of the Opposition would not, in this context, mind me echoing the words of Ben Chifley in his 'light on the hill' speech, when he said that our objective is to work 'for the betterment of mankind not only here but anywhere we may give a helping hand', because that is the Australian way—to keep our country safe and to do what we can to build a safer world.

National Security

Mrs WICKS (Robertson) (14:04): My question is to the Prime Minister. Will the Prime Minister update the House on further steps the government is taking to keep Australia safe.

Mr ABBOTT (Warringah—Prime Minister) (14:04): I thank the member for Robertson for her question. I reiterate to this House today, as I have on earlier days, that the safety of the community is our first duty. It is the first duty of government, and I acknowledge the commitment of this parliament—both sides of this parliament—to upholding that duty by supporting strong national security laws and strong national security agencies.

As this House knows, there are, regrettably, a growing number of Australians who are fighting with terrorist groups in Syria and Iraq. There are 60 that we know of, who are...
fighting with these murderous groups. There are 100 that we know of, who are working with and facilitating the work of these murderous groups.

There are people who are killing without compunction in these countries, and the fear is that there would be at least a predisposition to kill without compunction should they return to Australia. That is why we need more resources for our security agencies—hence the government's commitment of an additional $630 million. We need stronger laws to deal with people returning from terrorist activity overseas, to boost agency powers, to strengthen anti-terrorist offences and to retain access to telecommunications metadata for crime-fighting purposes. This is why we need counter-terrorism units at our international airports, such as those units that became operational late last week.

I can inform the House that yesterday the government signed an agreement for data-sharing between the United States and Australia, which will make it easier to monitor people on national security watch lists. I stress that data-sharing will take place in conformity with both countries' privacy laws. I further stress that it is terrorism that is being targeted, not members of any particular community. It is extremism that is our enemy, not religion.

I wish to stress to this House and to the Australian people that this government and this parliament will do everything that is reasonably necessary to keep our community safe.

**Australian War Memorial**

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:07): My question is to the Prime Minister. Before the last election the Prime Minister promised—I quote: "The coalition will take the action necessary to preserve, protect and enhance the Australian War Memorial."

In the year of the Centenary of Anzac, why has the Prime Minister cut the entire funding of the Australian War Memorial's travelling exhibitions program?

Mr ABBOTT (Warringah—Prime Minister) (14:08): As I suspect the Leader of the Opposition might know, while small travelling exhibitions will not be funded over the next few years, a very large travelling exhibition is going to be funded. While $800,000 for small travelling exhibitions has not been paid, $10 million in seed funding for a very large travelling exhibition has been paid. This very large travelling exhibition will be at the very heart of our Centenary of Anzac commemorations right around our country. There is scarcely a centre of any size around Australia that will not receive a visit from the Centenary of Anzac travelling exhibition.

In addition, my advice is that the War Memorial funding will be up from some $40 million last year to $47 million this year, because the Australian War Memorial is the keeper of a sacred flame. It is the place where we cherish the memory, the example and the inspiration of all who have served our country, who have worn our country's uniform. In time of peace and war we honour them, we salute them and we will suitably fund them over the Centenary of Anzac period.

**Malaysia: Missing Aircraft**

Ms MARINO (Forrest—Government Whip) (14:09): My question is to the Deputy Prime Minister and the Minister for Infrastructure and Regional Development. Will the Deputy
Mr TRUSS (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (14:10): I thank the honourable member for her question. The biggest marine search in global history is occurring off the coast of the honourable member's electorate. It certainly has attracted global attention and continues to be a high priority for this government. I am pleased to inform the House that this morning I met with the Malaysian Minister for Transport, Mr Liow, and the vice-minister from the People's Republic of China, Mr He, to discuss the future stages of the search. I was pleased to sign a memorandum of understanding and cooperation between Malaysia and Australia in relation to MH370 for those next stages of the search.

There has been an unprecedented level of international cooperation, and we thank all of those nations that have participated in that search effort. I was particularly pleased that, on top of the valuable assets that Malaysia has contributed towards this search, today the minister committed to match Australia's financial contribution also to the search. The Chinese have also provided important resources, although their last vessel is set to retire soon after 150 days on the water.

We remain optimistic that we will be able to find the missing aircraft. The bathymetric survey, which has been undertaken as a precursor to the deepwater search, has provided significant new information about the ocean floor in this remote part of the planet. New volcanoes up to 2,000 metres high have been discovered and in some places near the Broken Ridge the variations in the sea depth change from 600 metres to 6,600 metres in a very short distance. This is valuable information for everybody for the future.

The deep-water search will commence over the next few weeks with the GO Phoenix, chartered by the Malaysians, and the Fugro Discovery and Fugro Equator, which Australia have deployed for this purpose. Together they will search the ocean floor with towed sonar equipment to seek to identify where the remains of this aircraft may be located.

This is a huge search effort. It continues to be focused on the so-called seventh arc in the southern Indian Ocean, which is where the last communication of this aircraft with the satellite was made. The passengers and family of MH370 have not left our thoughts and we will do everything in our power to help them find closure to this sad event.

Mr FEENEY (Batman) (14:13): My question is to the Prime Minister. Before the election the Prime Minister promised to support the War Memorial. Why has the Prime Minister broken this promise and cut funding to the War Memorial, meaning exhibitions such as the one honouring the service of our diggers in Vignacourt, now on display in Adelaide, are being packed up?

Mr Whiteley interjecting—

The SPEAKER: The member for Braddon will desist! That question is remarkably similar to the one we had earlier; however, I will give the call to the Prime Minister.

Mr ABBOTT (Warringah—Prime Minister) (14:14): As I think I made it clear in answering the last question, we have not cut support for the War Memorial. A series of small travelling exhibitions are giving way to a much larger travelling exhibition that we have
already funded to the tune of $10 million and that will be the centrepiece of the Centenary of Anzac commemorations. Surely, rather than complain, members opposite should be saying: 'Isn't it good that the government is continuing the plans that were put together by the Centenary of Anzac committee, which was put in place with the support of both sides of the parliament.'

The travelling exhibition that was put together by the Centenary of Anzac committee with the support of both sides of the parliament is going ahead. It will very substantially enable millions and millions of Australians right around our country, in centres big and small, to appropriately learn the history of our great—

**Mr Burke:** Madam Speaker, I rise on a point of order: relevance. He has not been relevant the whole time.

**The SPEAKER:** The Prime Minister has finished his answer. The member will resume his seat. There is no point of order.

**National Security**

**Mr BROUGH** (Fisher) (14:15): My question is to the Minister for Immigration and Border Protection. Minister, would you advise the House on actions the government is taking to address the threats to our nation's borders. Has there been any reaction to these government measures to protect Australia from these threats?

**Mr MORRISON** (Cook—Minister for Immigration and Border Protection) (14:16): I thank the member for Fisher for his question.

*Opposition members interjecting—*

**The SPEAKER:** The member for Isaacs will desist, and so will the member for Grayndler.

**Mr MORRISON:** I can confirm the government is taking action to address the threats to our borders—not just on people smuggling, as the House should know through the success to date of Operation Sovereign Borders, but against terrorism and the threat that foreign fighters present to Australia. The Prime Minister has confirmed here again, today, $150 million in new arrangements, including the deployment of 80 counter-terrorism unit officers through the Australian Customs and Border Protection Service across our airport network. They supplement more than 1,300 officers deployed to more than 40 airports across Australia.

The unit has already had some success, as the Prime Minister has mentioned, in intercepting a number of people of national security concern. Two such persons were intercepted, one in Sydney and one in Melbourne, in the past week alone; and I am advised that at least five national security interceptions have now occurred. In these cases there has been evidence of large sums of cash, the possession of objectionable material and other indicators for Border Force officers to take the action they have taken on these occasions.

The Australian Customs and Border Protection Service—which will become, together with the Department of Immigration and Border Protection, the Australian Border Force in July of next year—has stepped up to the challenge that now sits before this country. They have been given the policy backing and the support of resources needed to address this very real threat. In some of these cases it has been the initiative and instinct of our Border Force officers that has solely led to these interceptions—a product of their training, experience and...
professionalism—and I commend them for it. These cases should serve as a warning that we have heightened our vigilance in identifying people who seek to travel to join terrorist fighter activities. They will be questioned, and the eyes of my officers will be closely watching, drawing on the support and the intelligence of our many law-enforcement agency partners who fuse together to make our borders strong.

We have changed the setting on our borders which was in place at the last election under the previous government, and which was still in place when Khaled Sharrouf left the country late last year. We have instructed our officers to place national security above passenger facilitation objectives—

The SPEAKER: The members for Moreton and Wakefield, as a duo, will desist!

Mr MORRISON: which was the setting under the previous government. This may mean that on occasion there may be some inconvenience—

An opposition member interjecting—

The SPEAKER: That is a noisy pair I am talking about. You will desist.

Mr MORRISON: to passengers. This is regrettable, but we must value vigilance over convenience. I am asked about the reaction. I am disappointed that there have been comments by some members opposite, including Senator Lyons, the member for Fremantle and Senator Carr.

Mr Shorten interjecting—

Mr MORRISON: I am disappointed and so should you be.

Qantas

Mr KATTER (Kennedy) (14:19): My question is for the Minister for Infrastructure and Regional Development. In six years, Qantas CEO Joyce has paid himself $22 million; profits of $1 billion a year have become losses of nearly $3 billion. Minister, should the CEO be sacked or does the government know that the financial records have been presented in such a way as to provoke the fear and alarm necessary to force the workforce and ownership of Qantas offshore? For Australia safety is gone, jobs are gone and income is gone—but for yourself and magnate Rinehart, it is ‘proof’ of the necessity for your competitive cost structure vision of $8 an hour and $300 per week—a vision for you and a nightmare for the rest of us. (Time expired)

Mr TRUSS (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (14:20): I recognise the member's interest in Qantas and the services that it provides to his electorate and many parts of Australia. We all know that Qantas has gone through very difficult economic circumstances in recent times and, particularly, its international business is suffering from very heavy levels of competition. The accounts announced by Qantas today reflect some of that background. While the loss was perhaps a little less than the market expected, the changes to the accounting arrangements—and in particular bringing to account the lost value in the 747 aircraft fleet—has led to a spectacular headline loss figure. As I understand it, the 747s were bought at a time when the dollar was at US$56c or US$57c. They are actually on Qantas's books at the present time at a value higher than the price you could buy a new aircraft for. Clearly they had to deal with those sorts of issues.
The reality is there is some encouragement for Qantas shareholders in the report. The CEO has foreshadowed that they expect the airline to return to profit in the first half of next year and that is encouraging; that is, I think, better than the market would have expected. They are continuing with their processes of reform but they believe the airline has turned the corner. I am encouraged by that news. Qantas is a very substantial Australian business and, indeed, a part of our national history, and I welcome their assessment that their worst days are behind them and they will be able to move to profitability fairly soon. My understanding is that a part of the cost cutting that Qantas has undertaken includes the CEO himself taking a pay freeze, and I think that sets an example that many other CEOs in these situations might well like to consider.

The final thing I would like to mention is the acknowledgement by Qantas in their report about how valuable it has been that this parliament has got rid of the carbon tax. The abolition of the carbon tax will save Qantas over $100 million a year, and that will help to return them to profitability so much the faster.

**National Security**

Mr SUKKAR (Deakin) (14:22): My question is to the Minister for Justice.

*Government members interjecting—*

The SPEAKER: There will be silence on my right! The member for Mitchell will desist!

Mr SUKKAR: Will the minister inform the House what measures federal law enforcement agencies are currently taking to secure Australians from the threat of extremists? What can the government do to give our law enforcement agencies the best chance of combating this threat?

Mr KEENAN (Stirling—Minister for Justice) (14:23): I thank the member for Deakin for that question. He, like me, is proud to be part of a government that this week allocated $64 million to enhance the ability of federal law enforcement agencies to combat terrorism. There is no more important priority for this government than to keep the Australian people safe. The $64 million investment is part of a broad-ranging strategy that draws in all of the federal law enforcement community, and other agencies beyond the agencies we discussed in the House yesterday will also play a very significant role.

The Australian Crime Commission has been operating jointly with its national security partners to support the domestic understanding of Middle Eastern conflicts. Over the past 12 months, it has conducted 40 coercive hearings to support partner agencies, and these examinations have resulted in an enhanced understanding of Australians likely to travel offshore to engage in conflicts and about their travel patterns and financing. The ACC employs a range of other collection tools which deliver intelligence on serious and organised crime and also provide current intelligence on individuals and businesses involved in support of the conflict in the Middle East.

AUSTRAC, the agency responsible for detecting money laundering and preventing terrorism financing, will also play a very significant role. It works with partner agencies and industry sectors to identify patterns of suspicious activity, which contributes to the national understanding of terrorism financing, and it will particularly target terrorism financing—money flowing from Australia to fund conflicts in the Middle East. If people are found to have been engaged in terrorism financing, they will face penalties in the Criminal Code of 15
years to life imprisonment. If they are found to have used a false identity to conduct a transaction, they can face up to two years of imprisonment.

Of course, as I outlined to the House yesterday, the Australian Federal Police will continue to play a very significant role in investigating people who have or intend to travel to conflicts in Iraq or Syria. They are working very closely with their state and territory colleagues through the joint counterterrorism task forces.

Anyone familiar with the requirements of modern law enforcement understands that access to data remains a vitally important tool. The value of telecommunications data in protecting public safety is indisputable. It is no exaggeration to say that it is central to virtually every organised crime, counterespionage, cybersecurity and counterterrorism investigation, and it is also vital in every investigation into a serious crime, such as murder, rape or kidnapping. This is why this government seeks to retain this data for two years, and it is going to be a vital element in our strategy moving forward in keeping Australia safe.

Australian War Memorial

Mr CONROY (Charlton) (14:26): My question is to the Prime Minister. The Australian War Memorial has confirmed the Abbott government has cut $800,000 in funding for its travelling exhibitions program. I also note the Department of Veterans' Affairs has recently released details—

Government members interjecting—

The SPEAKER: There will be silence on my right!

Mr CONROY: of this year's contracts for media monitoring and market research totalling $810,000. Prime Minister, why is the Abbott government putting its own spin ahead of public funding of Australia's war memorial?

Honourable members interjecting—

The SPEAKER: There will be silence on my right and left! There will be silence on both sides of the House!

Mr Burke: Madam Speaker—

The SPEAKER: I have not given the call to anyone. I cannot see what point you are rising on.

Mr Burke interjecting—

The SPEAKER: There is no point of order. I give the call to the Prime Minister.

Mr ABBOTT (Warringah—Prime Minister) (14:27): To answer the member's question as best I can, I want to stress that the $800,000 that he refers to has not been cut; it has simply been allocated, as I understand it, to other commemorative events.

The SPEAKER: I say to the Manager of Opposition Business, if he is rising on a point of order, that it had better be a correct one in accordance with the standing orders.

Mr Burke: It is. I am asking the Prime Minister to be directly relevant to the War Memorial's claim that it was a cut.

The SPEAKER: The member will resume his seat. I have told members of the opposition before: if you want to raise a point of order on relevance, it is not an invitation to repeat the question.
Mr ABBOTT: The money in question, as I understand it, has been reallocated from a series of small travelling exhibitions—

Mr Dreyfus interjecting—

The SPEAKER: The member for Isaacs will desist!

Mr ABBOTT: to other appropriate commemorative events such as a service at Lone Pine and commemorative missions to Europe and South-East Asia to mark the 70th anniversary of the end of the Second World War, to fund commemoratives events in France, Belgium and the Middle East and to also mark important anniversaries as part of the centenary of Anzac. This cannot be a relevance—

The SPEAKER: The member for Jagajaga on a point of order other than on relevance?

Ms Macklin: The Prime Minister seems unaware that the minister called it a cut. The minister knows; why doesn't the Prime Minister?

The SPEAKER: The member for Jagajaga will remove herself under 94(a).

The member for Jagajaga then left the chamber.

Mr ABBOTT: This money, as I am advised, has been diverted from one form of commemoration to different form of commemoration. When it comes to travelling exhibitions, an $800,000 commitment to small travelling exhibitions has been subsumed by a $10 million commitment to a very large travelling exhibition.

I say this in conclusion: it really comes odd from the Labor Party to play politics over the Australian War Memorial. It really is odd that the Labor Party should choose to play politics over the Australian War Memorial on two counts.

Mr Shorten: Madam Speaker, I rise on a point of order. The Prime Minister has now just impugned Labor. The exhibitions that have been cancelled are to do with Afghanistan and—

The SPEAKER: The Leader of the Opposition will resume his seat or remove himself—one or the other. That outburst will not be tolerated. The Prime Minister has the call.

Honourable members interjecting—

The SPEAKER: There will be silence on my right as well as on my left.

Honourable members interjecting—

The SPEAKER: The discourse across the table will desist also. The Prime Minister has the call and will have silence for the answer.

Mr ABBOTT: It is actually one-sided abuse that is being hurled across the parliamentary table by the Leader of the Opposition. I have made it absolutely crystal clear that funding for travelling exhibitions in Australia is $9.2 million greater under this government than would otherwise be the case. It really is a little low of members opposite to try to play politics over the Australian War Memorial when funding for the War Memorial is $7 million more this year than last year.

Mr Shorten interjecting—

The SPEAKER: We do not have props.

Mr ABBOTT: In 2010 the Labor government's cuts to the War Memorial saw the War Memorial considering closing one day or charging entry—(Time expired)
Mr Husic interjecting—

The SPEAKER: The member for Chifley is warned.

Economy

Mr NIKOLIC (Bass) (14:33): My question is to the Treasurer. Will the Treasurer update the House on the state of the economy? How will building a strong economy help businesses in Tasmania and around Australia?

Mr HOCKEY (North Sydney—The Treasurer) (14:33): I thank the honourable member for Bass for his question and note that, by giving the Greens in Tasmania the political boot, Tasmania now is starting to see some green economic shoots. How good is that? All they had to do was get rid of the Greens. You would think the Greens exemplified prosperity and opportunity, but instead it was darkness and job losses. Construction work figures released yesterday show that construction in Tasmania is over nine per cent higher than a year ago.

That is a pretty common story across Australia; we are starting to see green shoots—certainly not related to the Greens!—in a number of different areas. Capital expenditure increased by 1.1 per cent in the June quarter 2014 driven by an increase in building and other structures—mainly residential—slightly higher than market expectations.

Mr Burke: Madam Speaker, I rise on a point of order. The clock has been at zero for the duration, and I am drawing it to your attention.

Mr HOCKEY: You want me to keep going!

Honourable members interjecting—

The SPEAKER: We will have some order. I say to the Manager of Opposition Business thank you for reminding me. I draw the attention of those people in the box at the back of the chamber to kindly make sure the clocks are operating correctly. We will ask the Treasurer to begin his answer again.

Mr HOCKEY: I can do it again! The coalition is building a stronger Australian economy. The coalition is helping to build a stronger Tasmanian economy. We are doing so by getting on with the job of delivering the economic reforms so necessary to fix up the mess that was left by Labor. My state colleagues in Tasmania have a similar challenge. They are releasing their budget, I think, today, and it is dealing with another mess left by the Labor Party and the Greens.

Of course, it all starts with a budget. Labor’s legacy here at a national level was to leave $123 billion of deficits, to leave us with a monthly debt interest bill of $1 billion, 70 per cent of which we have to pay to people living overseas because that is who we borrow the money from. Australians have to borrow money from people overseas because we do not self-fund our own economy. When the federal government runs a deficit, it has to borrow money, and a huge chunk of that comes from people living overseas, so the interest goes back to those people living overseas. Unless we take corrective action now on the budget and unless we make the decisions now—urged on by the Governor of the Reserve Bank; the Secretary of Treasury; Moody’s; Standard and Poor’s; the IMF; the OECD, the Parliamentary Budget Office, and just about every economist in the country—and get on with the job of fixing the budget now then the pain for everyday Australians in the future will be far greater. In fact, it will work out at an interest bill of $3 billion a month within 10 years—$3 billion a month!
There will be $667 billion of debt in 10 years unless we take action now. And our budget is about taking action now. Only the Labor Party could possibly be in denial about that—the Labor Party that caused the mess; the Labor Party that did not flinch as unemployment surged past 6 per cent; the Labor Party that did not flinch at $123 billion of excess; the Labor Party that did not flinch about lying to the Australian people about delivering a surplus—

Mr Brendan O'Connor interjecting—

The SPEAKER: The member for Gorton is warned.

Mr Hockey: but in fact delivering more than a decade of deficits.

Dr Chalmers interjecting—

The SPEAKER: The member for Rankin is warned.

Mr Hockey: I know in Paul Kelly's book Craig Emerson nailed the Leader of the Opposition as a hypocrite. Look no further than their budget and economic policy.

Australian War Memorial

Mr Burke (Watson—Manager of Opposition Business) (14:38): My question is for the Prime Minister. Given it was the previous Labor government that announced the $10 million he referred to in his previous answer and given that both the War Memorial and his own minister in the Senate have confirmed that the $800,000 cut was a decision of this government, why is the Prime Minister breaking his promise to the Australian War Memorial?

Mr Abbott (Warringah—Prime Minister) (14:39): This really is desperate stuff from members opposite. Let me make it crystal clear that the $800,000 in question was first provided to the Australia War Memorial for the purpose of travelling exhibitions back in 1996 by the Howard government. For five years that money was provided specifically under a particular program. Since 2001, as I am advised, this money has come out of general Australia War Memorial funding, which is $7 million more under this government than it was last year under the members opposite—$7 million more under this government than under those hypocrites opposite. That is the truth.

Mr Shorten interjecting—

Mr Abbott: This is an opposition who had one of its members try to play politics with national security earlier today and now this is its response. That is what it is. This is a pathetic game from the Leader of the Opposition to cover up for the fact that one of his members tried to play politics with national security earlier on today and had to be pulled into line.

Ms Owens interjecting—

Mr Abbott: Let me make it absolutely crystal clear: when it comes to the Australian War Memorial no-one supports the War Memorial more than the members of this government.

Ms Owens interjecting—

Mr Abbott: In 2010, Labor's cuts to War Memorial funding—

CHAMBER
Mr Shorten interjecting—

Mr ABBOTT: The Leader of the Opposition is groaning and bellyaching on the other side of the ministerial table. When he was a minister in a government, his government so cut funding to the War Memorial that it had to consider closing one day week or charging an entry fee or charging parking fees just to make ends meet. And the War Memorial council had to beg and plead just to get a meeting from the then Prime Minister.

Mr Snowdon interjecting—

The SPEAKER: The member for Lingiari will withdraw under 94(a).

The member for Lingiari then left the chamber.

Mr ABBOTT: So Labor's hypocrisy on this issue is simply astounding.

Higher Education

Dr JENSEN (Tangney) (14:41): My question is to the Minister for Education. Will the minister outline how the government's reform bill will spread opportunity to more Australians to gain a higher education qualification and equip Australian universities to reach their full potential?

Mr PYNE (Sturt—Leader of the House and Minister for Education) (14:42): I would like to thank the member for Tangney for his question. I am very pleased to be able to report that the government introduced the reform bill for higher education into the Parliament this morning at nine o'clock and that bill will be debated next week. I would urge the opposition, the Greens and the crossbenchers in both the House of Representatives and the Senate to consider this once-in-a-generation opportunity to spread higher education qualifications to tens of thousands more students and young people around Australia through the most generous Commonwealth scholarships fund in Australian history by expanding the demand-driven system to diploma and associate diploma courses used typically by first-generation and low-socioeconomic status university students, and by expanding the Commonwealth Grant Scheme for the first time to non-university higher education providers. All of these measures will give tens of thousands more young Australians the opportunity to get a higher education qualification and go on to earn 75 per cent more on average than those people without a higher education qualification over a lifetime.

I remind the opposition what Universities Australia has said about the reform bill introduced today. Belinda Robinson, the Chief Executive of Universities Australia said:

… the Parliament had a once in a generation opportunity to shape an Australian higher education system that is sustainable, affordable and equitable in serving the best interests of students and the nation.

Dr Chalmers interjecting—

The SPEAKER: The member for Rankin will remove himself under 94(a).

The member for Rankin then left the chamber.

Mr PYNE: She went on to say:

With budgets under pressure, governments faced with a myriad of competing priorities for public funding, and successive governments being disinclined to invest at the level that repeated independent reports have shown to be needed, full deregulation of higher education is needed.

She said:
Either the status quo of ongoing inadequate investment, or further cuts without deregulation will condemn Australia’s great university system to inevitable decline, threaten our international reputation and make it increasingly difficult for universities to meet the quality expectations of our students.

Her chairman Sandra Harding, the vice-chancellor of James Cook University, in her press conference today asked the Senate to pass the higher education reforms. She said, ‘The status quo is not tenable, it is not sustainable’ and she said, ‘If it’—the legislation—‘doesn't pass, that is the status quo.’ So these are high stakes for our higher education sector. The opposition should stop playing politics.

Mr Perrett interjecting—

The SPEAKER: The member for Moreton is warned!

Mr PYNE: We had six years of Rip Van Winkle politics under the previous government. It is time to grasp the nettle of higher education reform and allow more opportunity for our students and for our universities to compete on the international stage.

Budget

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:45): My question is to the Prime Minister. This morning I met with Liz St Clare Long. She is a war widow whose husband actually served in Vietnam. Ms Long told me that her husband voted for the coalition at the last election based upon the Prime Minister's promise that pensions would not be cut. Why has the Prime Minister broken his word to war widows and veterans by cutting the indexation rate of war widows' pensions?

Mr ABBOTT (Warringah—Prime Minister) (14:45): Yet again, the Leader of the Opposition is simply wrong. Pensions go up every single year. They go up not once but twice every single year. Next month pensions will go up, as they always go up every September.

Mr Champion: Not by the same rate.

The SPEAKER: The member for Wakefield is warned!

Mr ABBOTT: Next March pensions will go up, as they always go up every March. Every September pensions will go up. Every March pensions will go up. The Leader of the Opposition should stop running around the country scaring people with lies. That is what the Leader of the Opposition is doing—he is running around the country scaring people with lies. He should stop doing it.

Mr Shorten interjecting—

The SPEAKER: The Leader of the Opposition will desist his chatter.

Mr ABBOTT: What he should have said to the lady that he spoke to is not only will pensions continue to go up every six months under this government but this government has abolished the carbon tax. It has kept the carbon tax compensation, so the average household is $550 a year better off thanks to this government. This is a government which keeps its commitments. This is a government which delivers a better deal for all Australians, including pensioners and war pensioners.

Mr Shorten: Madam Speaker—

Mr ABBOTT: I am very happy to occupy this if it stops you from telling more of your outrageous fibs.
The SPEAKER: I call the honourable member for Mallee.

Mr Shorten: Madam Speaker—

The SPEAKER: The Leader of the Opposition, on a point of order?

Mr Shorten: Madam Speaker, I seek to table the cuts to veterans' affairs by this promise-breaking Prime Minister.

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

Broadband

Mr BROAD (Mallee) (14:47): My question is to the Minister for Communications. Will the minister inform the House of the findings of the recent cost-benefit analysis about providing communications to rural and regional Australia? What is the government's commitment to making sure all Australians have access to superfast broadband?

Mr TURNBULL (Wentworth—Minister for Communications) (14:48): I thank the honourable member for his question. It was only a little while ago that we were discussing broadband in rural Australia with young Wendy Tshuma and her classmates from the Son Centre Christian School in Swan Hill who the honourable member introduced me to and asked me about broadband. The cost-benefit analysis considered the cost of providing very superfast broadband to rural and regional Australia. It showed that the net economic benefits of an unsubsidised rollout, which would just be done on commercial grounds without any government subsidy, was $24 billion, but that the government's plan, the mixed technology model, was $18 billion. Of course, the previous Labor government's plan would have had a net benefit of less than $2 billion, which is why our approach is nine times as beneficial to the Australian economy as Labor's. But the difference between the $24 billion net benefit on an unsubsidised model and $18 billion for this government's model is $6 billion. Most of that is taken up with the subsidy that goes to rural and regional telecommunications, essentially the satellite and the fixed wireless networks.

The study demonstrated that the fixed wireless and satellite services, which will cover the last seven per cent, will cost nearly $5 billion, with benefits of about 10 per cent of that. So that is a substantial net cost to the community. But it is absolutely vital that we make that investment. If investment in infrastructure in rural and regional Australia was only dictated by economic cost then the bitumen would stop at the end of the cities, the post office would not deliver. So it is vital that we provide those services. Young Wendy Tshuma has as good an internet connection in Swan Hill as her cousins in Melbourne or Sydney.

Mr Champion interjecting—

The SPEAKER: The member for Wakefield gets his wish and gets an early mark, and will remove himself from the chamber under 94(a).

The member for Wakefield then left the chamber.

Mr TURNBULL: This side of politics are absolutely committed to the bush. We have a track record. We represent most of regional and rural Australia; you cannot say the same thing about the Labor Party. Not only did the Labor Party fail to do anything about mobile services in six years; but due to their incompetence, if there had been no change to policy, the NBN would have been unable to service 200,000 premises in rural and regional Australia—80,000 of those premises were in areas where the Labor government in their supreme incompetence
did not even own the spectrum; they could not even do it. So neglectful of rural Australia—
the bitumen does not end at the end of the cities, but the Labor Party's interest in the bush certainly does.

DISTINGUISHED VISITORS

The SPEAKER (14:51): I advise the chamber that we have with us in the gallery the Northern Australia Advisory Group, led by the Hon. Shane Stone, AC, QC, chair of the group and former Attorney-General and Chief Minister of the Northern Territory. We also have with us an APEC delegation, the 22nd delegation from the People's Republic of China, led by Mr Yizhi Qin. As well, we have with us the Hon. Ross Lightfoot, former Senator for Western Australia, and the Hon. Chris Miles, former member for Braddon and parliamentary secretary to Prime Minister John Howard. We make you all very welcome.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Budget

Ms PLIBERSEK (Sydney—Deputy Leader of the Opposition) (14:52): My question is to the Prime Minister. Exactly one year ago today at a press conference in Hobart the Prime Minister said, 'We can fund the major initiatives that we have announced so far in this campaign without cutting health, without cutting education, without touching pensions.' Why is the Prime Minister breaking his promise by cutting $80 billion from schools and hospitals, and slashing $23 billion from the age pension over the next decade?

Mr ABBOTT (Warringah—Prime Minister) (14:52): Yet again senior members of the opposition are simply wrong. They are simply, simply wrong. Pensions go up every six months every year. They go up this year, they go up next year, they go up the year after that, they go up the year after that—they always go up and they always will go up every six months under this government.

The opposition have, day in and day out, made claims about public hospital funding and school education funding that are simply, simply wrong. For the benefit of members opposite let me repeat: this year public hospital spending goes up nine per cent—

Mr ABBOTT: next year it goes up nine per cent, the year after that it goes up nine per cent and in the final year it goes up six per cent.

The SPEAKER: The member for Sydney will put the prop down!

Mr ABBOTT: The Prime Minister will resume his seat. The member for McMahon on a point of order?

Mr Bowen: The Prime Minister is being mean and tricky. He is misleading the House.

The SPEAKER: The member for McMahon knows perfectly well that is an abuse of the standing orders and will leave the chamber under 94(a). The Prime Minister has the call.

The member for McMahon then left the chamber.

Mr ABBOTT: For the benefit of members opposite, public hospital funding goes up nine per cent this year, nine per cent next year, nine per cent the year after that and six per cent in the final year. School funding goes up eight per cent this year, eight per cent next year, eight per cent the year after that and six per cent in the final year. So every single year school
funding goes up, public hospital funding goes up. The Leader of the Opposition likes to wave around our budget documents, I am pleased that he likes to wave around our budget documents, because that is the closest he will ever get to fiscal responsibility—waving around our budget documents! Because, I tell you what: you will never, ever get fiscal responsibility from members opposite. Remember in 2012 when the absent member for Lilley stood up in this parliament and said, 'The four years of surpluses I announce tonight … Let me repeat that. In the 2012 budget he said, 'The four years of surpluses I announce tonight …' The Leader of the Opposition even claimed it had already happened.

The budget that the Leader of the Opposition waves around is this government's document to address the mess that members opposite created. We have told the Australian people how we will address Labor's budget mess. Now we need to know what Labor will do to address its budget mess.

Child Care

Dr STONE (Murray) (14:52): My question is to the Assistant Minister for Education—doing a fabulous job. Will the minister update the House on this government's actions to make child care more affordable, accessible and reliable? In addition, how does this approach differ to previous approaches?

Ms LEY (Farrer—Assistant Minister for Education) (14:52): Can I thank the member for Murray for her question. She was a previous spokesperson in this policy area. I also commend her for her work in the area of foetal alcohol spectrum disorder and her advocacy, which is terrific.

The Productivity Commission inquiry reported just after parliament rose a few weeks ago, and I would like to update the House. There were 1,300 submissions made and a great body of work is heading toward that final report in October and we will have an opportunity to bring new policy proposals before the parliament early next year. I would like to remind those listening that they have until 5 September to make a submission to the PC inquiry and further have their say. This is a once-in-a-generation opportunity to reset child care policy for the next generation.

The Labor Party did not appreciate the fact that we were having this review, did not support the review when we announced it as our election policy, but once the draft report came down—

Ms Kate Ellis interjecting—

The SPEAKER: The member for Adelaide will desist!

Ms LEY: the opposition spokesperson did creep out from the bunker and did say, 'Well, we might be prepared to embrace change.' I thought: 'Here comes a plan. The Labor Party might have a plan for child care.' But, no, they crept back behind the bunker and retreated into opposition for opposition's sake. And, my goodness, they should have a plan, because under Labor child care costs went up between 2007 and 2013 by 53 per cent and out-of-pocket costs for parents went up 40 per cent—a simply unsustainable situation. All Labor did was all Labor ever does: spend, spend, spend; more money, more bandaids, more attempts to fix the situation and no understanding about the real thing.

Ms Kate Ellis interjecting—
The SPEAKER: The member for Adelaide will either desist or she will leave! The choice is hers.

Ms LEY: We inherited Labor's child care mess—

Ms Kate Ellis interjecting—

The SPEAKER: The member for Adelaide will remove herself under 94(a)!

The member for Adelaide then left the chamber.

Ms LEY: We inherited Labor's child care mess just like we inherited all of their other messes. We do have a plan to fix it. I really want to emphasise that this Productivity Commission inquiry is going to do just that. We know that, for parents who cannot find child care at a price they can afford, in a location they need suited to their work, in the flexible hours that their job demands, this government has a plan. When I consider the Labor approach, what a lazy, wasteful, ignorant lot they were. We should all appreciate this Productivity Commission process and look forward to new policy approaches in the New Year.

Budget

Mr MITCHELL (McEwen—Second Deputy Speaker) (14:59): Madam Speaker, my question is to the Treasurer. Stuart Edwards is a constituent of mine who is a single dad with four young kids. He is studying at university part time while working, and because of the Treasurer's budget he expects to lose more than $3,000 a year from family tax benefit cuts. Why is the Treasurer not only hitting Stuart's family with family tax benefit cuts but also saddling him with a debt sentence for the cost of his degree?

Mr HOCKEY (North Sydney—The Treasurer) (15:00): I thank the honourable member for his question. I, firstly, want to express admiration for the individual you referred to and the fact that he is undertaking study and raising his children. That is quite a contribution to make. But it is also, importantly, an investment in his future and it is an investment in his children's future. Of course, if he is studying at university he is being heavily subsidised by taxpayers to the tune of about 60 per cent. About 60 per cent of his fees are being paid for by everyday Australians paying tax.

Ms Collins interjecting—

The SPEAKER: The member for Franklin!

Mr HOCKEY: Now that is a good start.

Ms Collins interjecting—

The SPEAKER: The member for Franklin is warned!

Mr HOCKEY: The second thing I would point out is that whatever fees he is accruing now he is also going to have to repay under a system that the Labor Party introduced. How about that? The Labor Party is now critical of the higher education system loan scheme that they actually introduced, so I say to the honourable member that if he is critical of that scheme, then he should criticise himself.

The third thing I would say to the honourable member is that when money comes from the government it inevitably comes from another taxpayer. And, ultimately, if it comes from
another taxpayer, that other taxpayer needs to have a job, as does maybe that man need to have a job as well. The bottom line is—

Opposition members interjecting—

Ms Hall interjecting—

The SPEAKER: There will be silence on my left, and the member for Shortland will desist!

Mr Fitzgibbon interjecting—

The SPEAKER: And the member for Hunter will be smoking soon too.

Mr HOCKEY: If he is working part time, then he obviously would have a job as well. It is perfectly reasonable that he is working part time, studying and also raising children. It is not uncommon.

Mr Mitchell: He is working full time and studying part time!

Mr HOCKEY: In the circumstances, and I am not familiar with his specific circumstances, there is someone else who is working and paying taxes who is helping him through his degree and helping him in his everyday life. I would say to that man: 'We want to continue to provide that sort of support. We really do'.

Ms Collins interjecting—

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

The member for Franklin then left the chamber.

Mr HOCKEY: But the problem is that the Labor Party left us with $123 billion of deficits and debt rising to $667 billion and that sort of scheme is not sustainable unless we deliver the decisions now that are going to make sure that that sort of support, through education and welfare, is sustainable into the future.

Carbon Pricing

Ms O'DWYER (Higgins) (15:03): Madam Speaker, my question is to the Minister for Small Business. Minister, will you update the House on how the abolition of the carbon tax is reducing costs for small businesses in my electorate of Higgins and throughout the nation?

Mr BILLSON (Dunkley—Minister for Small Business) (15:03): Thank you to the exceptional member for Higgins for this very important question. I am pleased to report that energy consumers right across the country will soon be getting, if they have not already, a notification just like this one telling them how the Abbott government's abolition of the carbon tax is going to save them money on their gas and electricity bills and how, now that we have done what we said we would do—that is, abolish the carbon tax—they are in a better position, whether it be in their small business or in their household, to manage their budgetary pressures. So while we are fixing the budget of the nation, the abomination of a budget situation left to us by Labor, we are also helping Australian small businesses and families with their budgets. The government went to the election promising a strong and prosperous economy for a safe and secure Australia, and this is part of our economic action plan to do that.

Pleasingly, those substantiation notices or statements, that extensive array of measures that we have worked hard to put in place to make sure those savings are passed through, are
coming in from electricity and gas retailers to the ACCC. They are published on the website, so everybody can see them. That is the requirement that is put in place to support the flowthrough of those savings to Australian small businesses and consumers.

The great news for small businesses in the electorate of Higgins is that they are among some of those who will gain the most in terms of savings from the repeal of the carbon tax. The savings that have been calculated, they range from about 7.4 per cent all the way through to 10 per cent, depending on your retailer, with average savings of just over nine per cent. That is great news—great news for businesses in Higgins, great news for small businesses across the country. So if you are a cafe in Carnegie or in Malvern and you are an AGL customer and your bill is about $4,000 a quarter, that is just under $400 of savings on your costs. And isn't that great news for all cafes, great news for all bakeries, great news for all corner stores. It will be more affordable to run your pie warmer now. You will be able to afford to run your pie warmer and not risk an aggressive customer, unhappy about a cold pie.

As we build, as we put in place that economic action plan to recover those 519,000 jobs in small business lost under Labor, this is part of our re-energising enterprise. For anybody who has some concerns about whether those carbon tax savings have been passed through, get onto the tough carbon cop at the ACCC. We have funded it so that it can keep doing its work. It has the tools that we have worked hard to provide through this parliament, and anyone who is anxious about it, give the 1300302502 helpline a call. And if you want to keep those pressures out of your business, those cost pressures out of your household, you have to keep Labor out because they love the carbon tax. They want it back and they want to put pressure on a small business about whether they can run their pie warmer or not.

Budget

Ms BRODTMANN (Canberra) (15:06): Madam Speaker, my question is to the Treasurer. The coalition promised no new taxes and no cuts to health. I refer to Lauren Allen, a single mother in Canberra whose child has a rare autoimmune condition. What is the impact of the GP tax on people with rare autoimmune conditions and why is the Treasurer making parents like Lauren pay for his government's broken promises?

Mr HOCKEY (North Sydney—The Treasurer) (15:07): I thank the honourable member for the question. I obviously understand how challenging it would be for that mother to raise her child. I do not know the particular circumstances that you have provided. Of course, she may well be receiving a single-parent pension and might be receiving carer payments. I am not sure if she is also receiving family tax benefits. I am not familiar with the circumstances. I would be happy to entertain them.

I do note that, if she is a single parent on a pension, it was the previous Labor government that removed 60,000 single mothers from the single-parent pension onto Newstart. In fact, I remember the Leader of the Opposition sidling to me over there and saying, 'Please help me to take 60,000 women off the single mothers pension to put them onto the lesser payment in Newstart.' How about that, Bill? Do you remember that?

The SPEAKER: The Treasurer will resume his seat.

Mr Shorten: Your budget is a success!
Mr Burke: Madam Speaker, on a point of order, it is not unreasonable to ask the Treasurer to be directly relevant to the situation of a single mum who has a child in this situation.

The SPEAKER: It is very wide ranging. The member will resume his seat.

Mr Burke: No, Madam Speaker, it is about—

The SPEAKER: The member will resume his seat! The preamble to the question makes it a very broad question. The Treasurer has the call.

Mr HOCKEY: So I would say to the honourable member that everything we are doing is about trying to make the welfare and health systems sustainable into the future. Everything we are doing is about ensuring that that lady's child is going to have a better quality of life than might have happened. Everything we are doing is about ensuring that we can try and lift the opportunities for everyday Australians, rather than be in a situation where we end up with a lesser quality of life in the future than that which we enjoy now. That can only happen if, as a generation, we as Australians pay our way. That can only happen if we ensure, as Australians, we live within our means, because we currently have—

Ms O'Neil interjecting—

The SPEAKER: The member for Hotham will desist!

Mr HOCKEY: a health system where the Labor Party buried costs into it that they never provided the money for, and they built a welfare system that has costs built into it which they never provided the money for, and they built an NDIS—which we support—which is not fully funded. The Labor Party went and built a National Disability Insurance Scheme and claimed that they were going to fund it. And, of course, they never fully funded it. We will pick up the pieces of a reckless Labor government. We will ensure that tomorrow is better than today for that lady. And we will ensure that we can sustain our quality of life, sustain our quality of education—

Mr Shorten interjecting—

The SPEAKER: The Leader of the Opposition will desist!

Mr HOCKEY: sustain our welfare system and give her hope that her child will have an excellent quality of life.

Road Infrastructure

Ms HENDERSON (Corangamite) (15:10): My question is to the Assistant Minister for Infrastructure and Regional Development. Will the assistant minister update the House on the status of the East West Link project in Melbourne and the benefits this vital infrastructure project will deliver to people in the Corangamite and Geelong region? Are there any impediments to additional infrastructure projects being built in Victoria?

Mr BRIGGS (Mayo—Assistant Minister for Infrastructure and Regional Development) (15:11): Thank you to the member for Corangamite for her question. She is a great fighter for her electorate, particularly when it comes to infrastructure. She is a regular correspondent with the Deputy Prime Minister and me about improving infrastructure in her electorate and, more broadly, in Victoria. She is a huge supporter of the government's commitment to the second stage of the East West project—the western side of the East West project—which we
committed to in the budget with an additional $1.5 billion on top of the $1.5 billion we have
committed to the first stage, which is moving along.

Ms Chesters interjecting—

The SPEAKER: The member for Bendigo will desist!

Mr BRIGGS: Last week, the federal government and the Victorian government
announced that the second stage moved along another step, with the appointment of Ernst &
Young as a business adviser. This is a vital infrastructure project for Victoria. It will lift the
productivity of Victoria. It will have a huge benefit to the people of Corangamite and
Geelong.

The SPEAKER: The minister will resume his seat. The member for Grayndler on a point
of order.

Mr BRIGGS: Just retire, Anthony; just retire, seriously.

Mr Albanese: I rise on a point of order. The question went to the benefit of the East West
project in Victoria—a project for which the second stage $1 billion has already been paid.
Therefore, in order to be relevant, can the minister—

The SPEAKER: The member will resume his seat. And, if he wishes to ask a question,
he should seek from his own side an opportunity to ask that question. The minister has the
call.

Mr BRIGGS: The picture of relevancy! The benefits, of course, include a 15 to 20 minute
time saving from Geelong to Melbourne, a reduction in congestion on the West Gate Bridge,
something that I would have thought members in western seats in Melbourne would
support—reducing congestion on that bridge, which at the moment carries an unsustainable
200,000 vehicles a day—and providing an alternative route to the West Gate Bridge. It will
remove 20,000 trucks each day from local roads.

The eastern section will allow 100,000 vehicles each day to bypass 23 sets of traffic lights.
It is a hugely important project for the development of Melbourne and Victoria. Unfortunately, the ALP in Victoria is opposed—although former Premier John Brumby
supports it. In fact, even the Leader of the Opposition, in 2008, said:

… there is a shortage of east-west links … I think the Eddington report is a good one.
The Eddington report, of course, recommended the East West Link. Now, of course, he has
been told by the bosses of Victoria to be opposed to it. The questioner also asked about what
is stopping additional—

Opposition members interjecting—

The SPEAKER: The caterwauling on my left will cease!

Mr BRIGGS: infrastructure investments in Victoria. I can say that Labor's ridiculous
opposition to the asset recycling bill will stop a very important public transport project going
ahead in Victoria which the federal government supports. The Melbourne Rail Link will be
stopped if the Labor Party continues with its ridiculous opposition to the Asset Recycling
Initiative.

Last week Labor's spokesman talked about what Labor would do if they were re-elected at
the next election. He said that he would put more money back into public transport, which is
interesting, because he does that by cutting projects—this is without the Asset Recycling Initiative—raising taxes or he does what Labor always does and borrows more.

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

DOCUMENTS

Presentation

Mr PYNE (Sturt—Leader of the House and Minister for Education) (15:14): Documents are 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 the Leader of the Opposition proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The Government’s Budget of broken promises and wrong priorities hurting Australians.

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

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

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (15:15): It was a year ago today that the Prime Minister, the then opposition leader, visited Rooty Hill and he made a promise to Australians—what will go down as one of the most outrageous and egregious lies in Australian political history—where he said, 'No cuts to health, no cuts to education, no cuts or changes to pensions.'

A year on we know and, more importantly, Australians know that the leader of the Liberal Party misled Australians at the last election. The Prime Minister got up here in high dudgeon in question time, outraged, and he said, 'Stop going around, Opposition, and scaring Australians.' We do not scare Australians; we tell them the truth of their unfair budget. And the budget scares Australians.

Then I listened to that blowhard of Australian politics, the puffed-up Treasurer, saying, 'Everything we do is good for Australia.' Oh no, it isn't, Treasurer, not by a long shot. To remind the people of Australia, because this mob sitting opposite us have stopped listening to people a long time ago, the government have in the last 12 months broken promise after promise. They have a pathology for breaking promises and the victims of their broken promises are legion. They talk about taking the pressure off the cost of living, so then they cut child care, family support and increase the cost of petrol. Of course Tony Abbott is all against putting a price on carbon in Australia, but he is sitting down with President Obama, saying, 'Oh yes, Mr President, we've got a carbon tax, because we are putting up the price of petrol.'

The government said there will be no new and increased taxes. There is the GP tax and the higher cost of medicine. They say they do not want to cut health. But $50 billion has gone from health. No cuts to education, they say. No-one believes them. We see $30 billion gone, $1 billion from schools and $5 billion from universities. Look at this self-satisfied mob opposite me. They think that if they repeat the lie long enough, people will believe them. Do
not underestimate the wit and wisdom of the Australian people. They will certainly remember your lies at the time of accounting.

The coalition talk about jobs. They say they are going to create one million new jobs and yet they have now given us North American unemployment rates. They have done nothing to defend shipbuilding, the aluminium sector or a whole range of manufacturing jobs. They do nothing at all. They almost seem to dislike blue-collar manufacturing jobs. But it is not only in the big issues that they are a mean government. The government are addicted to random acts of parsimony and small gestures of random meanness. The bar can never be too low for this lot. They are petty and there is no group that they do not go out of their way to lie to, mislead and deceive.

What about the cleaners in Parliament House? Remember Tony Abbott saying, 'I'm the best friend the cleaners in Parliament House have?' He was gracious enough to remember a couple of their first names, as if that is enough. That is a regal way from the Prime Minister and a cheerio from the green benches of parliament. That does not put bread and butter on the table. Cutting their wages is the real judge of someone's words.

Look at the ABC. What did the ABC ever do to the government except occasionally criticise them? They attack the national broadcaster. No-one struck home.

Who else does this government not talk about? We waited all question time this week for one question from the government to the Prime Minister about the budget. We did not wait for two questions or three. Even one question would have done. A cursory survey of the government questions to the Prime Minister shows that this brave bunch say nothing about the budget to the Prime Minister. I am sure they leak about it to other journalists. I am sure that perhaps in the dark of the night, as they sit there wondering what is to become of their parliamentary careers, they realise this unfair budget is indeed deeply unpopular.

Mr Sukkar interjecting—

Mr SHORTEN: I would not laugh, Member for Deakin. Take it from me: I would not laugh. But when we look at other acts of random meanness, this MPI is important because there are other groups who never get the attention of this government. What did the full-time Disability Commissioner in Australia, Graeme Innes—a distinguished Australian, who has done more for people with disabilities than this mob combined together ever did—do wrong? They got rid of him.

Then we look at the War Memorial. I love what the government said today about the War Memorial. They said, 'Labor promised $10 million for Anzac. That gets us off the hook for breaking our promises.' Oh no, it doesn't. When Brendan Nelson is criticising cuts to the War Memorial, this Prime Minister, who lives in a sufficiently parallel universe, says, 'The War Memorial does not know if they are being cut—what would they know?' His own minister, Minister Ronaldson, says, 'Yes, it's a cut,' but not this Prime Minister. This Prime Minister is very good at denying the truth in front of him.

This travelling exhibition, which the Prime Minister says can be replaced in one year by a Centenary of Anzac, is a map of Australia—3.8 million Australians have seen it over 17 years. What John Howard started, Tony Abbott has ended.

Then we go to another area, which I vow on behalf of the Labor Party we will ensure every coalition member lives to regret. It is the privatisation of Australian Hearing services. There
are nearly 500 outlets of Australian Hearing services. We asked a question this week of the Treasurer: 'Why are you privatising Australian Hearing; why are you doing this to families in regional Australia?' He got up, as he loves to do, and gave a pious speech. He said, 'How dare you criticise my credentials? I was a good minister for Human Services.' Certainly, he might have been better at that than at being Treasurer!

There are good minded people over there on that side. There are people who care about the profoundly deaf. What I say to them is: it is time that you awaken. It is time that you stand up for families in regional Australia. I love getting a lecture about the bush by Comrade Turnbull from the eastern front of Sydney! What about all the Australian Hearing Services centres in the bush? What about in regional Australia? The fact of the matter is that families are contacting Labor and asking, 'Is it really the case that this government will privatise Australian Hearing Services?' And we say, 'We're afraid that's right.' Then we get this B-grade acting—this ham acting—from the wannabe poor man's Hamlet of treasurers, 'Woe unto me,' and then he says that it is a good thing.

Please, I ask the government—and I will even use the word 'please'—please reconsider the privatisation of Australian Hearing Services; 450,000 kids use this service, as well as adults. Why on earth do you want to wreck something that is working so well? You know, and there are good National Party members here sometimes—I do not mean to make eye contact with a couple of them—but I say this: do not sell out the bush and let the city based people privatise Australian Hearing Services, because it is your voters who will miss out most of all.

But it is not just Australian Hearing Services, it is not just the War Memorial and it is not just many other small voices. Today, Labor wants to put on the record here the attack on legal services in this country in this unfair budget. What does this government have against advocates? They got rid of the disability commissioner—well, that is a shame. They are going after Indigenous legal—

Mrs Wicks interjecting—

Mr SHORTEN: Half these people over here, including the member interjecting—I do not know if she has ever been to an Indigenous legal service—let me tell you, you are weakening the protections for ordinary Australians by cutting the funding to legal services, including Indigenous legal services.

There are topics which do not make the front page of the newspapers of this country. There are pockets of misery which you are inflicting upon ordinary Australians by cutting the funding to legal services, including Indigenous legal services.

The Prime Minister quoted Ben Chifley in some words earlier today. Let me remind this party about a term that Robert Menzies coined—‘forgotten people’. Your unfair budget has many forgotten people. You are unfair budget robs people of aspiration, it robs people of opportunity and it takes away the mobility in this country. You are a party who seek to punish the many for the few. I love looking at the outraged eyebrows being raised by coalition members, saying, 'How dare he say that!' Well, how dare you give this budget to Australia! I cannot wait until you are defeated on your reforms in higher education. I cannot wait until
you bury that GP tax—I am sure some of you cannot wait either! I cannot wait until we defeat the unfair taxes that you are imposing.

I look forward to you on the other side saying one day, after the battle has been had, after the pensioners' indexation rates are not cut, I look forward to you saying— *(Time expired)*

**Mr CIOBO** (Moncrieff—Parliamentary Secretary to the Treasurer) *(15:25)*: Once again we see the extraordinary hypocrisy of the Australian Labor Party. Once again we see the man who is meant to be the alternative Prime Minister of this country stand at the dispatch box and make comments about what he believes to be fair and unfair, and to slander those on this side of the chamber.

And for what purpose? For the single purpose that the Australian Labor Party is unwilling to confront the truth about their legacy. We on this side of the chamber understand Labor's legacy. We on this side of the chamber perhaps are more willing to be up-front with the Australian people about the challenges that we as a nation face. But not the Australian Labor Party. They want to bury their legacy underneath the carpet. They want to pretend that the problems that they bequeathed not only to this government but also to future generations of Australians do not exist and, in fact, possibly the person with the most invested in the betrayal of the Australian people is none other than the opposition leader.

That is why we see the Australian Labor Party stand up and rail about the unfairness of the budget. The fact is, there is no bigger unfairness on the national debate across the country right now than the unfairness of the Australian Labor Party, which says, 'We would rather leave to future generations of Australian children all the problems of paying back the multi-billion dollars of debt and deficit than we would face up to the reality.' We as a government are proud of this budget because this budget actually does have the right priorities, because they are anchored around one central tenet. That central tenet is that we can only afford to do what we can afford to achieve in terms of our fiscal priorities. We can only undertake reforms if we can pay for them. We can only undertake policy spending if we can pay for it. We can only engage in new initiatives if there is a way to pay for them. And if there is no ability to raise the money necessary it is not appropriate to say that it is good enough to kick the can down the road. It is not appropriate to say to Australian children, 'We don't care what the impact is going to be on you; we're going to undertake this particular proposal because we think there are a few votes in it.' That is Labor's approach.

That is not the coalition approach. That is not our approach, and we will stand in this chamber each and every day and defend decisions that we know are not the most popular decisions. We did not undertake this budget reform process because we thought it was going to make us 55-45 in the polls. No. We undertook these decisions because these are decisions that are in the national interest. We undertook these decisions because these are decisions that are financially sustainable. We undertook these decisions because we know in the long term that the Australian people can see through the salesmanship of the Australian Labor Party—they can see through the falseness of the confected outrage that we see from Labor members opposite. And they fundamentally know this: that no promise from the Australian Labor Party is worth anything if they cannot afford to pay for it.

That is why as a government, to tackle the fact that we have an ageing population and to address the fact that we have a tax base that is getting smaller relative to the size of the population, we have said that one of our very top priorities must be investment in
infrastructure. And the Prime Minister has made it clear that he wants to be remembered as an infrastructure Prime Minister—and he will be. He will be, because the government, together with the private sector and state government partners, will allocate $125 billion for productive infrastructure for this nation.

Compare the coalition's approach to infrastructure with that of the previous, Labor government. There has been $125 billion put into productive infrastructure across the nation, including the East-West Link, the Gateway duplication, the expansion on the northern side of the Gateway Bridge in Brisbane, and the freight route in Perth—a whole host of projects. Compare that to Labor's grand infrastructure projects. Perhaps none was more grand than Building the Education Revolution. Who could forget Labor's $16 billion Building the Education Revolution vision, which saw school halls and covered out-door learning centres rolled out across the country. Sure, there were a couple of examples where schools already had one and they did not want another one, but that did not matter because it got in the way of Labor's grand vision. Sure, there were a couple of examples where the Australian Labor Party, through their haste to roll out this program, where paying two or three times the going rate, but that did not matter; it was just taxpayers money! They did not need to worry about that!

We have seen the Australian Labor Party's approach with their $900 cash splash. Labor said, 'There's some wastage, sure, but don't worry about it; it's necessary.' But the fact is that it has been left to this generation and future generations to pay back all of that spending. And when Labor says that they are opposed to this government making reforms around, for example, pensions, they are actually saying, 'We will sacrifice future generations of Australians and make them pay that debt for decades in order to secure ourselves a couple of extra votes today.' That is Labor's central massage.

As a government we will not stand idly by, so I say to the Australian Labor Party, on behalf of the coalition, 'We will stare you down in every single debate, because there is one thing that we know about—and that is good fiscal governance.' We know that we do it better than Labor. And if you ever want an example of that, look no further than the facts. The Australian Labor Party is very big on rhetoric but very poor on actions. We know that they promised over 500 times to deliver a budget surplus. How many did they deliver?—not one.

We know that the former Treasurer in the Labor government, the member for Lilley, stood here at this very dispatch box, in 2012, and said, 'The four years of surplus I announce tonight…' only to deliver four more years of deficit. Labor's legacy is $123 billion of deficit and $667 billion of gross debt. And all of the huffing and puffing from the Leader of the Opposition and from Labor members opposite will never undo one fundamental fact: that that debt trajectory—the fastest growing level of spending in the 17 developed nations monitored by the IMF; the fastest growth rate of debt, basically, on the face of the planet—was Labor's legacy at a time when our terms of trade were among some of the best this nation has ever seen.

With the policies that Labor continues to espouse today, they would sacrifice the future by ensuring that we have another four years of budget deficits, which would mean that, as a nation, we have had 10 years of budget deficits—the longest single period of budget deficits in over 45 years, since budget records were kept in 1971. That is Labor's approach, and that is why, as a coalition government, we are committed to economic reform, productive
infrastructure and to being upfront and frank with the Australian people in saying, 'We know that not everything we say is good news but—do you know what?—it is the truth.

We will always level with the Australian people and tell them what we can afford and what we cannot afford. And the only thing that Labor's shonky approach—the snake-oil-salesman approach that says, 'Don't worry about it; we'll kick the can down the road'—will bequeath is a situation where Australian kids are poorer tomorrow than they are today. It might be acceptable for the Australian Labor Party to say: 'We don't care about $25,000 of debt for every man, woman and child. We don't care that an Australian family of four will have a starting point of being $100,000 in debt thanks to Labor's policies.'

But in the coalition we do care, and we will not stand by and allow that failed Labor Party approach to continue. We saw the consequences of six years of Labor ineptitude when it comes to good governance. As a coalition government we may not always do what is popular but we will always do what is right. And in the fullness of time I would rather go to the electorate every day of every week and look the constituents in the eye and say to them, 'We make decisions because they're the right decisions in the national interests, and we prioritise the right kinds of spending, and not the cash splashes which might, in the short term, be a nice little sugar hit.' Those things might, in the short term garner a couple of extra votes for the Australian Labor Party but in the long term they will betray the single most important trust the Australian people put in us—the future of their children.

Mr RIPOLL (Oxley) (15:35): Everybody loves an anniversary, except maybe the one today, because on this day last year, at Rooty Hill, Tony Abbott made a very big promise to Australians. He stood up there, looked people squarely in the eye, and said:

No cuts to health, no cuts to education, no cuts or changes to pensions …

We have heard a diatribe coming from the other side about making tough choices. They say they are all about caring and sharing and they will do the right thing by Australians, but they are just words. The evidence of what happens in practice is completely at odds with the words—just words, written on a bit of paper and regurgitated. But if the truth is thrown right in front of you, how can you deny it? Maybe the Prime Minister can continue to deny it but Australians are not fooled. A year later we all know that all those promises that were made 12 months ago—and the promises that continue to be made—were just lies. It just was not true. It is as simple as that—they were uncaring, calculated lies.

We have heard from members opposite that it is not about popularity. They say things like, 'I'd rather stand in front of the people,' and 'We'll march until we take the beaches,' and other types of garbage, but none of it was about tough choices

Think back to 12 months ago. It was not about making a tough, hard choice. It was just about winning votes. It is pretty simple politics—it really is. You do not need to pay someone millions of dollars to consult and give you this advice. It was just about winning votes: 'That is what the focus groups want, that is what people say they want and that is what we will say we will do.' Unfortunately, what they actually do—that is the Liberal Party and this government—is something completely different. In less than a year the Prime Minister has set a new standard of lows, a new standard for dishonesty and a new standard for breaking promises. The Prime Minister has broken, on his own record, more promises than probably any other Prime Minister in history. For example, what happened to the promise of a million new jobs? I see jobs actually going in reverse gear. We just heard the Treasurer admit that is
true, but he says, 'It's somebody else's fault.' The Liberal Party promised a million new jobs and it then goes into reverse. Every time they break a promise, it is somebody else's fault. It is the media's fault. It is the ABC's fault. It is probably some of the other ministers' fault. It is always somebody else's fault—but their broken promises stand as broken promises. That is what they have to live with.

This is an unfair budget and there is no question about that. Why is it unfair? It is simple: because people right across the country are telling Labor—I am sure they are telling the Liberal and National parties too—that this is unfair. No-one remembers being promised a new GP tax. I cannot remember that promise. I cannot remember a promise of a new fuel tax. That may have been unpopular, but I would have loved to see you stand up and make those promises. No-one remembers a promise to change pensions and to cut pensions. No-one remembers a promise to cut school funding. In fact, I remember the exact opposite.

Ms Rowland: The unity ticket!

Mr RIPOLL: Yes, the unity ticket. Tony Abbott and the coalition just will not listen and they will not listen to the Australian people. Why? Because they do not care. Tony Abbott just does not get it. It is as simple as that. You cannot dress up this budget with another three-word slogan. There is no three-word slogan that could get you out of trouble on this one. But I have got one for you: dump this budget. It is no good. It is rotten. No group, big or small, is safe from Tony Abbott's cuts and broken promises. There were promises to take the pressure off the cost of living, and what do we see? We see the exact opposite. The cost of living is going up. The cuts to child support, family support and the increasing cost of petrol—these are called increasing the cost of living and that is not what was promised. You promised no new or increased taxes. What did we get? The GP tax and higher cost of medicines and petrol. You promised no cuts to health, and what did we get? A $50 billion cut to hospitals. What do the states think about this? They are not too happy about this. There were all sorts of promises. The Liberal Party kept saying there was a fire, a budget emergency, a crisis. That is what they say on one day, and then on the next day they say, 'It is actually all okay; the Australian economy is actually in good shape.' In fact, 23 years of uninterrupted economic growth is not too bad at all.

The Labor Party will stand for something. We will stand for families, for fairness, for universal Medicare, for family support, for the aged, for the sick and for all of those people who expect us, as an opposition, to do the right thing by them—because the government will not!

Mr FRYDENBERG (Kooyong—Parliamentary Secretary to the Prime Minister) (15:41): The member for Oxley has a very short memory, because after six years of the worst government we have ever seen in this country the Australian people delivered a verdict on 7 September last year. That verdict saw the Labor Party get its lowest vote since 1903, and then when it came back to this place it turned its back on its people's choice and selected the member for Maribyrnong as its leader. Since then we have had negativity and opposition for opposition's sake. When we went to the last election we took three key policies: we were going to stop the boats, and we have done that; we were going to repeal the carbon tax, and we have done that; and, most importantly of all, we were going to repair the finances of this country. Do you know why? Because the legacy that the Labor Party left the Australian people is debt and deficit as far as the eye can see: $667 billion dollars of debt is where we are
heading if we do not take corrective action. We are currently spending $1 billion a month on
the interest bill just to finance the debt. Do you know what $1 billion a month—$12 billion a
year—equates to? That equates to half the defence budget of this country or all the aged-care
spending of the Commonwealth. That is just meeting the debt and deficit legacy that Labor
left us.

We have to take corrective action. It is not just the Liberal Party and the coalition who are
saying that. It is independent players like the Parliamentary Budget Office; it is the IMF, who
have pointed out that of 17 advanced economies Australia has the fastest growing level of
spending in the world; and it is the Commission of Audit. The Commission of Audit, amongst
its many important findings, found that Australia faces a major demographic challenge. That
major demographic challenge means that, while today we have five working Australians to
every single retired Australian, that ratio will fall to 2.7 to one, and that is a problem.

Government spending in this country as a proportion of GDP has risen from 23.1 per cent
in 2007, when we left government, to 25.9 per cent today. Again, if we do not take corrective
action, that will go to 26.5 per cent of GDP equivalent to government spending. Why is this a
problem? Because the government's tax revenues as a proportion of GDP are only around 22
per cent, so we are in structural deficit. We are spending more money than we are taking as a
government, and that needs to stop.

In this budget we do a number of important things. First, there is the fiscal consolidation—
paying back about $300 billion of Labor's debt and saving about $16 billion a year in interest
over the next 10 years. That is critical. Second, we are putting a record spend on
infrastructure, equivalent to about $125 billion a year if you take into account the private
sector and the state governments' expenditure on infrastructure, which is stimulated by this
budget, including through the Asset Recycling Fund. We are getting more young people and
more older people into work than previously has been the case. Our 'earn or learn' strategy for
under 30s is vital if we are going to reduce youth unemployment from the stubborn number of
around 13 per cent, which continually went up under Labor. For over 50s who have been out
of work for more than six months, we will provide an incentive payment to employers to take
them on. This is absolutely critical. We are making a record spend investing in education and
innovation. The medical research fund—where we are world's best—is now going to be
stimulated by up to $20 billion as a result of those initiatives. We are giving real support to
apprentices for the first time with a HECS-type loan of up to $20,000. This is making a real
difference. Our universities will be unshackled with the deregulation of university fees,
allowing them to compete with the world's best. This is what we are doing in this budget and
this is critical to Australia's future.

Those opposite are hypocrites because they know that when they were in government
under Bob Hawke they supported a Medicare co-payment. They know they support a PBS co-
payment. They need to take their heads from under the sand and support our important
measures contained in this budget. (Time expired)

Ms BRODTMANN (Canberra) (15:46): The member for Kooyong went through a range
of promises. He talked about promises; well, I just want to remind him of some other
promises that were made 12 months ago by the Prime Minister of today. He promised
Australians there would be no cuts to health, no cuts to education and no cuts or changes to
pensions.
Perhaps the Prime Minister thought those words were meaningless, or perhaps he thought it was just a throwaway comment that no-one really paid much attention to. I can assure the Prime Minister that Australians believed him—they trusted him and took him at his word. So you can imagine the betrayal felt by millions of Australians when he became the Prime Minister and, through his horror budget, broke each and every one of those promises. He cut health, he cut education and he cut pensions.

Perhaps the worst betrayal was felt by our war veterans—those who have selflessly served our country. The Abbott government has shamefully betrayed our war veterans by slashing Labor's fair indexation system for veterans' pensions, which will impact more than 280,000 for veterans including 140,000 service pensioners and 84,000 war-widow pensioners. Under the Abbott government's cruel budget, veterans' pension indexation will be linked to CPI only from 1 September 2017. The current indexation system, as we all know, links pensions to whichever delivers a higher pension out of the CPI, the MTAWE or male total average weekly earnings, or the pensioner and beneficiary living cost index. This indexation was introduced by the Labor government to reflect the actual daily cost of living for those on veterans' pensions—those who selflessly served our country.

If the Abbott government's indexation system had been in place for the last four years, a veteran on a single pension would be $60 a fortnight worse off. That is $1,560 a year worse off, and that is only over four years. In addition to these cruel cuts to veterans' pensions, veterans will also have to cope with other budget measures including: axing the three months backdating of veterans' disability pensions for new recipients, costing new recipients up to $8,405; scrapping the $870 seniors supplement for some veterans; and cutting $217 in annual payments for the children of war veterans—which is just outrageous. We have seen the response to that in this chamber and right across the nation. They will also be hit with a GP tax, the petrol tax and the increased cost of prescriptions and pathology. Veterans rightly feel betrayed by the Prime Minister's broken promises.

Do not just take it from me: I have had plenty of conversations with veterans over the course of the last five weeks and since this cruel budget was released, and there have been a number of statements made by veterans that show they are not happy. They feel incredibly betrayed.

There was this statement from 26 August—this week. The national spokesman for the Alliance Of Defence Service Organisations, David Jamison, said in his media release that the veterans' disability pension budget is a disaster. He said:

… The leaders of the national veterans' organisations are bewildered by the Government's budget proposal to wind back the level of indexing the Veteran Disability Pensions to the pre 2007 formula of CPI only.

He says in this release that this:

… means that the incomes of our most disabled will no longer keep pace with community income standards.

Jamison says:

… there was no justification for this unfair proposal because after all, the Veteran Disability Pension is a long-recognised compensation entitlement not a social security payment.
He also says he has written to the Prime Minister asking for this proposal to be dropped and calling on all parliamentarians to reject it in the name of fairness for our veterans.

The Vietnam veterans peacekeepers are not happy either. They regard these budget measures as: 'A slap in the face for veterans: pensions under attack'. They say: 'Service pension concessions under attack' and: 'Backdating of pension claims scrapped'. They are so not happy.

They are also very concerned about DVA offices in regional areas and Centrelink services being scrapped. They say: 'Senior supplements scrapped'. "Is this the thin edge of the wedge?" they ask.

It is unacceptable and shameful that the Abbott government has betrayed those who have served our country. Veterans took the Prime Minister and the Minister for Veterans' Affairs at their word when they promised no cuts to pensions before the election.

Mr PORTER (Pearce) (15:51): The MPI today talks about wrong priorities and I suggest that with the use of that word it conceals at least one accurate observation—that is, that budgets are all about priorities. It recalls to mind some advice that was given to me in preparation for a Treasury role. The advice was tongue-in-cheek, admittedly, but I found it very depressing. The advice was from someone who had experience in this matter. They said it was very easy to be a Treasurer because people knew with particular individual precision exactly what they wanted from government. Firstly, they wanted increased spending on services and infrastructure of every type and secondly, they wanted lower taxes, fees and charges.

I think that is depressing and, in my observation, not entirely true. The reason it is not entirely true, although it may be pithy and perhaps to some amusing, is that, if you accept that no Australian likes paying more in revenue for anything or paying more for a service or receiving less of something than they expected to receive—if you accept that, and it is not difficult to accept—there is a truth that it does not necessarily follow from that that this natural part of human nature somehow seamlessly translates into a situation where people's No. 1 priority in Australia for a federal budget is for it to run at a deficit. Poll after poll reveals this fact: what people want consistently from the federal government, and what they wish for and what they want prioritised in federal finances, is exactly the same thing that they wish to have prioritised in their own household budgets, and that is that they be able to maintain a situation where they earn more than they spend on a consistent basis. That is the single, primary, overarching priority of this Treasurer, and it accords perfectly with the single overarching priority of the Australian people with respect to this budget.

Interestingly, it used to accord with Labor's priority. They promised a surplus 500 times, but why was it that the No. 1 priority for Labor, stated over 500 times, turned into the priority that dare not speak its name? I suspect it was because Labor made a mistake in judgement. They first of all made a mistake in terms of the nature and quantum of the expenditure that they embedded in the budget after the GFC, but then they made the fundamental mistake, which occurred to them as reality only very late in their term of office. That was that it would somehow straightforward or easy to return that embedded level of overexpenditure to a position of surplus without serious criticisms of unfairness or in a way that was somehow magically popular. That was never going to be the case.
If you look at the Labor position, as far as I can determine what it is, there are two primary problems in the position that they have consistently put in response to the coalition's, in my view, very responsible budget. The first is this: if you label anything by way of a slowing of any growth in any transfer payment or departmental budget as a cut and thereby unfair, you resign yourself to the governmental position that it is impossible to return to surplus by expenditure restraint. You simply say it is impossible to do so. If a little boy stands to be measured next to the kitchen door and expects to grow 3½ centimetres in a year but only grows three centimetres, and you say to him, 'You've shrunk'—if that is your logic—then you say to yourself as a government, 'You cannot restrain expenditure in a manner which is fair at all.' The second major problem is this: if you label any expansion in revenue as unfair on the basis that it is unfair if it represents a high percentage share of a total lower compared to a total higher income—if that is the measure for fairness in any revenue measure—you rule out any broad based revenue measure at all. If you say that 40c a week from a low-income household on the re-indexation of the fuel excise is unfair, then you effectively say no to every single conceivable broad based revenue measure, whether it be re-indexation or an increased fee for service that attaches to all Australians. You rule that out.

So, if you still believe, as seems the case after 500 promises, that you wish to return to surplus, and all expenditure restraint is unfair and any broad based revenue measure is unfair, what does it leave you with? It leaves you with targeted revenue measures against Australia's 'top' income earners—that is, those earning over $70,000. That must be the only thing that Labor can leave in its kitty if it were ever in the position of trying to return Australia to surplus. Before anyone ever contemplates that, they need to realise that we rely now more on income tax than we did in 1950. The top two per cent of taxpayers pay one-quarter of all income tax. The top 10 per cent pay two-thirds. Our effective income tax rate is three per cent higher than Canada, five per cent higher than Sweden and 10 per cent higher than the USA. That is not fair.

Mr GRIFFIN (Bruce) (15:56): Twelve months ago, what did the now Prime Minister say? At Rooty Hill, he said:

No cuts to health, no cuts to education, no cuts or changes to pensions …

To pick up the member for Pearce, it is very much like that child he was talking about, standing in the doorway, focused on how much he was going to grow. Twelve months ago the Prime Minister, in effect, just stood there and said: 'I'm already three centimetres taller. I'm already bigger than I said and it doesn't matter what happens after that.' That is the point.

The very advice that the member for Pearce has given today is the very advice that the Prime Minister should have been following before the last election—but he did not. What he did was indulge in the sort of activity he has been known for over the years. In fact, he has admitted it himself. He said: 'Don't believe what I say; only believe it if it's written down.' The fact is that he knows, as we do, that much of what he says means nothing.

When we go to that question of there being no cuts to health, no cuts to education and no cuts or changes to pensions, I particularly want to focus on the pensions issue. It happened again today, from a number of speakers, including again from the Prime Minister himself. They say: 'What do you mean cuts to pensions? Pensions will increase every six months, as they do now. The difference is only the indexation method.' Again, that does not make sense because it misses the point about what a pension actually is. A pension is an income support
payment. It is an income support payment in the context of what we mean what we talk about social security pensions—the age pension et cetera. It is a payment designed to try and give people a chance to live. Of course, we all know, we all accept and we all understand that the cost of living increases over time. When it increases, therefore the cost to live increases. In those circumstances, the situation is that benefits alter accordingly.

The thing about that is that now, all of a sudden, the coalition have discovered CPI—that is the actual way you measure this. That is the way you know what the change is. Funnily enough, only a matter of a few months ago, you passed legislation about fairer indexation of military pensions, where the whole basic premise to it was that CPI was not sufficient. The whole basic premise was that it was not fair. The whole basic premise was that the cost of living was not taken care of by CPI changes on a six-monthly basis. You needed to make it more, and that is what you did. You sat there—in fact, many of you did not sit there; many of you got up and railed about what an unreasonable bunch of so-and-so's we were because we had not done this when we were in government.

The fact is that the very system that you legislated for some military pensioners only a matter of weeks ago is the very system you are now legislating to remove. What it will lead to is a significant cut in what would have been the pension people would have been trying to live on in the years ahead. If you do not get that, maybe have a bit of a think about it; because, when you go out there and say, 'There will be no cuts to pensions,' you are relying on grammatical fallacies. You are relying on untruths and mistruths. You are relying on trying to con and confuse people with regard to the actual changes you are legislating. You need to understand that.

When you go to those senior citizens groups, you need to tell them that the pension value under this system that you will implement is going to be significantly lower in the years ahead. If the same system were in place over the last four years, you are talking about a situation where pensioners would have been something like $1,500 worse off every year. ACROSS has estimated that in about 10 years time a pensioner will be worse off under this system by some $80 a week. That is a lot of money if that is what you have. That is a lot of money if that is what you are relying on to live. As we also know, the Parliamentary Budget Office has come out with figures which have shown that, in terms of the estimated cost of pension benefits into the future, there will be massive loss—billions of dollars gone over time. In fact, as I recall, there will be a cut in 2024-25 from $74.8 billion to $67.9 billion—a cut of $6.9 billion in just that one year. Over the next 10 years you are talking about something like $23 billion out of the hands of those who rely on benefits to live.

The fact is this is unfair. It is completely unfair to the people who really need assistance within this community.

Mr HOGAN (Page) (16:01): It is a very interesting topic we are talking about today. A federal budget sets the parameters of our economy, and one of the most important things the federal government can do is make sure the economy is in good shape. The budget is about jobs. The economy is about jobs. It is about cost of living and a lot of other issues that are very dear to everyone's hearts.

This budget is a very important word used by the other side of politics on a lot of different issues: 'sustainable'. We hear a lot of people on the other side of politics talk about other
sustainable things, but what we need to hear more about from the other side is the sustainability of this country's finances, and that is what this budget is about.

I was thinking about the different culture or history of different political parties as well. I probably look a lot older, but the first Prime Minister I have a conscious memory of is Gough Whitlam. I am sure Mr Whitlam is a lovely character, but economic management certainly was not part of his repertoire. The history of the Labor Party and the economic management of the Whitlam years are well documented. Our country was in a very bad way at the end of it with the Khamlani Loans Affair and other issues.

When I left university, in 1984 we had the Hawke-Keating governments. I am not going to talk about the physical limitations of either of those gentlemen—other people have been doing that in the last couple of days—but they did many good things. They made some reforms of our country. But, again, when it came to the budget and longer-term economic management, they left this country with 'the recession we had to have' and interest rates at one stage of 18 or 19 per cent. And then they left us with that lovely $96 billion deficit.

So what did a coalition government do for the next 11 years of Howard? As we on this side knew—and it was not easy—long-term sustainability was more important than short-term populism. That is what this debate is about. So we paid back the $96 billion and put $50 billion aside to fund unfunded Commonwealth public servant superannuation. Again, it was all about long-term sustainability.

Part of the word in this somewhere is 'hurting'. I know what hurts Australians and what hurts normal mums and dads. What hurt was that we then had the Rudd-Gillard-Rudd fiasco, which has been well documented again and commented on again today. This side will never mention the debt that they ran up—one of the fastest growing debts in the Western world? What hurt did that cause the normal mums and dads of Australia? The hurt is the billion dollars that was spent on interest every month. That might just sound like a figure to that side, but what could that billion dollars be spent on? All these wonderful programs that we all love.

There is nothing nicer for a politician than to run around handing out money. We can see around the world the problems that gets you into if you are not doing it sustainably. We can see countries in Europe where they do not have a lot of choice about what they have to do with austerity measures. They are forced upon them because of the short-term populism of handing out money. But, if we were not spending $1 billion a month on interest, there would be a lot of wonderful projects we would love to spend that money on rather than just paying it back on interest—not paying back the debt; just paying back interest on that debt.

It is very easy for politicians to run around and hand out money for short-term popularity, but this budget is about long-term sustainability. And there are a lot of good things in this budget. One that I want to comment on that is very important to my electorate is the duplication of the Pacific Highway. They will not tell you this either, but the Labor Party wanted to withdraw the 80 per cent federal funding of the Pacific Highway and were only committing $3 billion to it. This side of politics said it important, federal funding will remain 80 per cent and we will fund it at $5 billion. That is an extra $2 billion this side is funding for the Pacific Highway when compared to that side, because we know it is important to save lives and we know it is important for the economy such as that in my electorate and in the areas that it goes through. (Time expired)
Mr KELVIN THOMSON (Wills) (16:06): The government has gone back to the three-word slogans. We are hearing about Operation Budget Repair. I know that the three-word slogans worked a treat in opposition, but they are no way to run a government. But, if it is going to be three-word slogans, how about Operation Cut Unemployment? We now have unemployment at 6.4 per cent nationally, the highest level in 12 years, with 789,000 Australians out of work. In my home state of Victoria unemployment has now reached the quite unacceptable level of seven per cent. Youth unemployment in Victoria is at an even more disturbing 15 per cent.

The Liberal government is undermining young Australians looking for work with its savage cut of $1.2 billion to income support for people under 30. From 1 January next year, job seekers under 30 who need Newstart and youth allowance will be forced to wait six months before receiving any support. As a delegation from the Australian Council of Social Service, who visited me this week, pointed out, 'What will they live on if they cannot find a job?' Requiring job seekers to apply for 40 jobs each month is ludicrous. The jobs simply are not there. It is simply a recipe for red tape for business. This budget risks condemning a generation of young Australians to a vicious cycle of poverty.

If it is going to be all about slogans, how about 'operation keep your word'? They promised to take the pressure off the cost of living, but then they cut child care and increased the cost of pharmaceuticals. They promised no new or increased taxes and then gave us a new GP tax and raised the tax on petrol. They promised no cuts to health and then cut $50 billion from hospitals. They promised no cuts to education and then cut $30 billion from schools, $1 billion from skills and $5 billion from universities. They promised no increase in university fees, but fees are set to double and triple. They promised to create a million new jobs, but unemployment is on the rise and youth unemployment in Victoria is at 15 year highs. The Prime Minister promised to be the Prime Minister for Aboriginal affairs and then cut $500 million from essential health and services. They promised no cuts to pensions but then cut pensions by $23 billion over the next 10 years—$80 a week from the pockets and purses of pensioners.

On this day last year at Rooty Hill, the then opposition leader, now Prime Minister, promised Australians 'no cuts to health, no cuts to education, no cuts or changes to pensions'. What a difference a year makes. And Education Minister Pyne said in a media release of 26 August last year, just over a year ago:

While we welcome debate over the quality and standards in our universities, we have no plans to increase fees …

What is he saying a year later? Last weekend he said student protesters should 'get some perspective' because the government is 'not exactly asking for their left kidney'. Well, I checked this out, and it turns out to be even worse than that. I looked up the Transplant Australia website. It says the cost of a kidney transplant from a live donor is $75,000 and the cost of a kidney transplant from a deceased donor is $65,000. So getting a new left kidney would be less costly than the debts many graduates are going to pay if this government's budget passes.

Under this budget, university fees are set to double and triple. The government wants to cut funding for undergraduate places by up to 37 per cent, deregulate fee levels and allow universities to charge what they like and, outrageously, introduce a compounding real interest
rate of six per cent for all student debts. We will see science degrees increase from the current average of $44,000 up to $170,000 over 20 years; nursing degrees rise from $23,000 to $62,000; and teaching degrees rise from $32,000 up to $87,000.

This is not a government of adults. This is a government of intergenerational warriors taking the under-25s off Newstart and fitting students up with 60 per cent of the cost of their education. It is a shameful way to treat our young people, and this government should be condemned for this unfair, short-sighted, incoherent dog's breakfast of a budget.

Mrs WICKS (Robertson) (16:11): I am really pleased to speak on this matter of public importance today because, far from what members opposite claim, this budget is one that is not only delivering on our commitments that we took to the last election but also delivering on the right priorities that will benefit our nation for all Australians and for future Australians.

Let me remind members opposite of the size of the task we face—I know other members have also reminded members opposite of this. We borrow $1 billion every single month just to pay the interest on Labor's debt. Members of the Labor Party have no plan. Our budget is the only plan to fix Labor's debt and deficit disaster.

We have already improved the budget by around $15 billion over the forward estimates. In contrast to the assertions made by those opposite, let me state that this is not only a responsible budget but also a budget that is delivering on the commitments and priorities that we took to the people of Australia and that we particularly took to the people of the Central Coast. They are the commitments and priorities that reflect the heartfelt concerns that the tens of thousands of people that I spoke to in the lead-up to the last election asked us to address. Let me restate what we said we would do: we said we would stop the boats; that we would build the roads of 21st century; that we would scrap the carbon tax; and that we would get the budget under control. And we are doing just that.

We are not the party with wrong priorities. We are doing what we were elected to do, and in my electorate of Robertson many of the commitments that we made to the Central Coast are already being delivered in less than 12 months. We are delivering on our growth plan for the Central Coast, and the first priority in that growth plan is local jobs. We are determined to generate more local jobs on the Central Coast because we want to see our region thrive. That is why this government is committed to delivering 600 new jobs in the Gosford CBD, including a purpose-built Commonwealth agency building. The ATO has advised that the building is expected to be completed by the end of 2017. As further evidence of our right priorities, we have recent modelling from Regional Development Australia, Central Coast NSW, indicating that the 600 Commonwealth jobs in Gosford will create an additional 1,400 new jobs on top of that. That is 2,000 new jobs in the heart of Gosford and in the heart of the Central Coast within a few short years. As the Treasurer said when he joined me in Gosford last week, this is what the budget is all about. It is about creating jobs. It is about stimulating growth, and everything we are focused on is about jobs and more prosperity for Australian and future Australians. This government is also building NorthConnex, another key item in the growth plan and the missing link that has been talked about for decades and never built. Now, with $405 million from the federal government, it will be finished by 2019.

With 30,000 to 40,000 commuters leaving their homes early in the morning and returning late at night to their families, these commitments have the potential to be a game-changer for the Central Coast. But it is not all we are doing. There is $675,000 in this budget to help
address the accident-prone black spot at Langford Drive and Woy Woy Road in Kariong. There is also $3.5 billion to help make Woy Woy oval a civic centrepiece, with a 600-seat grandstand rather than a crumbling structure for our local sporting heroes and sporting clubs.

Unfortunately, we are seeing more and more just how much Labor failed our region, even on so-called signature policies like the NBN. Despite Labor’s great fanfare in Gosford in 2013, despite the big red buttons that the minister and the Labor member liked to push, when we came to government last September only 203 premises were actually connected on the Central Coast. We now have 2,600 premises connected to the NBN, more than 7,000 premises passed and work currently underway to connect an additional 10,200.

Last week, the Minister for Communications Malcolm Turnbull joined me to announce that the NBN will expand its rollout in Umina to pass 54,000 homes in our region in the next 12 months, including in Woy Woy, Umina Beach, Ettalong Beach, Killcare, Kincumber and Saratoga. This is a government that has the right priorities for my electorate of Robertson and the right priorities for Australia. This budget delivers on many of those and it will make the Central Coast a place where I can proudly say we not only live in the best part of the best country in the world but also work in the best part of the best country in the world.

The DEPUTY SPEAKER: Order! The time allotted for this discussion has now expired.

BILLS

Competition and Consumer Amendment (Industry Code Penalties) Bill 2014

Report from Federation Chamber

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

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Mr FRYDENBERG (Kooyong—Parliamentary Secretary to the Prime Minister) (16:17): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

COMMITTEES

Joint Select Committee on Northern Australia

Parliamentary Library Committee

Membership

The DEPUTY SPEAKER (Hon. BC Scott) (16:44): Madam Speaker have received messages from the Senate informing the House that Senator O’Neill has been appointed a member of the Joint Select Committee on Northern Australia, and Senator Moore has been appointed a member of the Joint Standing Committee on the Parliamentary Library.
Joint Select Committee on Northern Australia
Appointment

The DEPUTY SPEAKER (Hon. BC Scott) (16:44): Madam Speaker has received a message from the Senate informing the House that the Senate concurrs with the variation to the resolution of appointment of the Joint Select Committee on Northern Australia.

BILLS

Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill 2014
Classification (Publications, Films and Computer Games) Amendment (Classification Tools and Other Measures) Bill 2014
Meteorology Amendment (Online Advertising) Bill 2014
Returned from Senate

Message received from the Senate returning the bills without amendment or request.

Land Transport Infrastructure Amendment Bill 2014

Consideration of Senate Message

Bill returned from the Senate with an amendment.
Ordered that the amendment be considered immediately.

Senate's amendment—
(1) Schedule 1, item 20, page 9 (line 8), after “efficiency,”, insert “integration,”.

Mr TRUSS (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (16:19): I move:

That the amendment be agreed to.

This government are committed to building the infrastructure of the 21st century and we are getting on with the job. We have committed $50 billion to infrastructure in our cities, our regional centres and our outback communities. This is $16.4 billion more than those opposite promised and without the deal-destroying conditions Labor imposed on its funding. I do not want to take up the parliament's time any more on this bill. It was a simple bill; its objectives no-one opposed. But because of the antics of those opposite, it has taken up far too much of the parliament's time already. The only result of the deliberate delays by those opposite has been to create uncertainty for important local government road maintenance and upgrade programs. After the passage of the Land Transport Infrastructure Amendment Bill 2014, local government will have its R2R money, including a double payment in 2015-16, and can plan for the future with confidence.

I am pleased that today the opposition has had the good sense not to vote against the government in the Senate. That will enable the continuation of the Roads to Recovery program, despite the fact that they voted against it in the House of Representatives earlier. Passing this bill now in the House will provide funding certainty for local government by continuing the vitally important Roads to Recovery program, created under the Howard-Anderson government. There is $2.1 billion committed over the next five years of the program. That is an increase of $350 million.
Concern about the continuation of the Roads to Recovery program has been reported in the media in recent weeks and has been expressed by local government and industry bodies, and in our discussions about this bill. This concern reflects how critical this program is to all Australians. I am pleased that with the passage of this bill the government will be able to make possible the project funding to all local governments.

The bill as passed in the Senate has incorporated one amendment, to insert the word 'integration' in section 11(b) after 'efficiency'. This will mean that considerations as to the extent to which a project will improve the integration of transport operations will be a matter to which a minister may have regard. The government sees no reason to oppose this simple amendment.

Australia's future growth will be significantly influenced by our capacity to deliver a more appropriate, efficient and effective infrastructure. The amendments in this bill provide a framework to better and more efficiently deliver the infrastructure Australia critically needs. Let us now get on and pass the bill so the money can flow to government. I commend the bill to the House.

Question agreed to.

**Australian Renewable Energy Agency (Repeal) 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 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:

(1) the Government’s plan to abolish the Australian Renewable Energy Agency (ARENA) is contrary to the advice of experts;

(2) the ARENA adds a great deal of value to efforts to tackle climate change in Australia and around the world by supporting new commercial models and new technology developments to reduce carbon pollution;

(3) the ARENA has invested $940 million and mobilised over $1.8 billion in private investment, totalling $2.75 billion in total value since 2012;

(4) the ARENA is a critical part of a suite of policies implemented to address dangerous climate change and to accelerate renewable energy infrastructure;

(5) the role of the ARENA along with the Renewable Energy Target and the Clean Energy Finance Corporation are vital to a clean energy future; and

(6) the ARENA has been a clear success in driving investment, reducing carbon pollution and boosting the Government bottom-line.”

Ms CHESTERS (Bendigo) (16:23): In the short time I have remaining, I would like to continue where I left off on the importance of having a government that invests in clean energy—that supports our community and economy transition to a cleaner and greener economy. The government's backflip on its support for ARENA shows the deep-seated opposition that they have towards clean energy and energy efficiency, as well as their
continued denial of the effects of climate change—further evidence that the coalition said whatever they needed to say to get elected.

The ARENA abolition bill is part of the government's wider attack on the renewable energy industry. It also shows, as we have seen from some of the contributions in this debate from the other side, that they fail to understand this vital industry. These are the jobs not only of the future but also of today. In my area, which is a regional area, jobs are on hold in this industry—a future industry that we want to see further investment into, not less.

The renewable energy industry has been devastated by uncertainty created by this government and a public scare campaign against renewable energy. We need to have clarification and confirmation that this government will actually support the RET, the Renewable Energy Target. Every other day when I have home when I am in the electorate, I talk to somebody who is actually concerned about not only what this could mean for the jobs in their area—in areas like Castlemaine and Woodend—but also concerned about what will happen to our environment. People in our country accept that climate change is real. They also accept that the government has a role to play to ensure we have the policy settings right so we can tackle the effects of climate change. Investing in renewable energy, ensuring that you have an agency to support that investment, is a piece of the puzzle.

I support the second reading amendment because it clearly seeks to reaffirm this country's commitment towards renewable energy. The amendment also highlights the advice of the experts—the fact that the industry and the experts support the renewable energy agency. It also talks about the need for there to be a great deal of value for the efforts in tackling climate change and in supporting new commercial models and technology developments in reducing carbon pollution. The amendment also highlights that driving investment and reducing carbon pollution will actually help boost the government's bottom line.

If we are serious about tackling climate change, if we are serious about transitioning our economy to have jobs in the future, then investing in renewable energy is the right direction to go. This government likes to talk about creating a million new jobs, yet fails to really demonstrate a jobs policy. This is one area where we can continue to create jobs, particularly in regional areas.

I will finish on a little town in my electorate called Newstead. Their goal is to be 100 per cent renewable energy powered. They are ready to power themselves. They have worked out in their town a map where to place the solar panels to help power each other. All they ask is for their government to join them in that challenge—to work with them to achieve their goal. They have businesses ready to sign on and the council ready to sign on. The only players not joining this small town in their plan to become 100 per cent renewable energy powered is the state coalition government and the federal coalition government. I urge the House to support the second reading amendment because it talks about real action on climate change and the need for renewable energy.

Mr CRAIG KELLY (Hughes) (16:22): I rise to speak on the Australian Renewable Energy Agency (Repeal) Bill 2014. This bill repeals the Australian Renewable Energy Agency Act 2011. The bill also provides for the transfer of all of ARENA's existing contracts and commitments to the Commonwealth and for the Department of Industry to assume management on the commencement of this bill. It is also anticipated that this bill will deliver savings of almost $1.3 billion, as identified in the 2014 budget.
During this debate it has been very clear that the opposition simply do not get it. They are in absolute, complete denial of the budgetary mess that they have created. They still seem to believe that there is some magical money tree or some magic pudding out the back that they can just keep pulling the money from and spend, spend, spend, spend. They do not seem to understand that one person's subsidy is another person's tax increase.

Just look at the mess we are in. We have to go back to the previous coalition government, who paid off $96 billion worth of Labor's debt. What is often forgotten is that along the way they paid back $50 billion in interest repayments and put $50 billion in the bank. The last Labor government to deliver a surplus was back in 1989. So anyone who is under 24 has never, ever seen a Labor government deliver a surplus in this nation. I thought it was very sad yesterday to see former Prime Minister Keating attack former Labor leader Mr Hawke. It was very sad to see such a bitter and twisted man attacking a former prime minister, especially given that former Prime Minister Hawke was actually the last Labor leader to deliver a budget surplus in this nation—albeit 24 years ago.

Debate interrupted.

**ADJOURNMENT**

The SPEAKER (16:30): Order! I propose the question:
That the House do now adjourn.

**National Science Week**

Ms BRODTMANN (Canberra) (16:30): Last week we celebrated National Science Week, Australia's annual celebration of science and technology. During Science Week, in fact on Saturday, I was lucky enough to open the VEX Robotics Competition at Dickson College. This was a fierce and exciting competition where robots built by high school students from Australia and New Zealand battled it out for supremacy. It was Oz bots versus Kiwi bots. It was a wonderful example of the types of activities that can encourage high school students to continue to maintain an interest in and passion for science throughout their education. Unfortunately, in Australia at the moment not enough high school students are studying science and related subjects. Between 1992 and 2010 the percentage of year 12 students enrolled in biology fell from 35 to 24 per cent, in physics from 21 to 14 per cent, and in maths from 77 to 72 per cent.

Also during Science Week some 10,000 people attend Geoscience Australia's open day at Symonston, which is in my electorate. They learnt about Geoscience Australia's wide range of work in the fields of petroleum, mineral, marine mapping, groundwater and natural hazard research. They learnt about working as a surveyor in Antarctica, they learnt about using a super computer and satellite imagery to understand flood risk information, and they learnt everything they had ever wanted to know about dinosaurs. There was also a targeted campaign that focused on women and trying to get female scientist into the great work that is done at Geoscience Australia. National Science Week is a chance to reflect on the wonderful work that is done in Australia in the fields of science, technology, engineering and mathematics, such as the work, as I said, that is done at Geoscience Australia.

Science Week is also an opportunity to reflect on where we as a nation stand in the world in terms of science and innovation, a chance for us to work out what we need to do to be a world leader in these fields. Unfortunately, under the Abbott government, Australia has a
very, very long way to go. Science has never really had a fair go under this government. In fact the Abbott government's record in science, innovation and research to date has been disappointing. In fact, it has been unacceptable: from the member for Mayo's press release prior to the election, in which he called the Australian Research Council's grants 'increasingly ridiculous', 'completely over the top' and a waste of taxpayer dollars to the revelation on the very eve of the election that $103 million in ARC funding would be 'reprioritised' over four years under a coalition government. Then there was the decision to not appoint a minister for science, the abolition of the Climate Commission and the significant cuts and job losses at some of our leading scientific institutions. Under this government, nearly 900 scientists will lose their jobs. At least 500 jobs will be going at CSIRO, 96 at Geoscience Australia, 64 at the ANSTO and 58 at the Bureau of Meteorology.

I hope that some government members heard the wonderful speech given by our Chief Scientist, Professor Ian Chubb, ahead of National Science Week. Professor Chubb spelt out a vision for an Australia in which our economy is 'organised to support our aspiration and not to limit it'. He pointed out that 'Australia is now the only OECD country that does not have a contemporary national science and technology or innovation strategy'. Today, as we all know, the Minister for Education introduced legislation into this parliament that will make the dream of higher education unaffordable for thousands of Australians, and science will be one of the areas worst hit. Currently, a science degree in Australia costs an average of $44,000. But modelling shows that under the Abbott government's new higher education policy, the cost of a science degree could go up to as much as $170,000. How will we ever reach our aspirations to be a world leader in science if young people cannot afford to study science at university? What is the point in encouraging students to study STEM subjects—that is, science and technology, engineering and mathematics—at high school if they won't ever be able to afford to follow their passion and study it at university?

As Professor Chubb said:
… science is a long haul. It is not something that can be turned on or off when we feel like it. And it isn't like a tooth brush: something you can buy when you get there because you forgot to pack one.

If Australia wants to be a world leader in science, and we should want this, we need to support our young people, because they will be the world-leading scientists of the future. The Abbott government just does not seem to get it. This government's inaction, ambivalence and carelessness when it comes to science are irresponsible and reckless and will jeopardise Australia's future prosperity. This Science Week, members opposite should be ashamed. (Time expired)

Robertson Electorate

Mrs WICKS (Robertson) (16:35): Recently I was privileged to attend the album launch of *The Coast Sessions*. It is a double CD of fantastic hit songs from famous artists living on the Central Coast, along with some undiscovered original songs and I have no doubt includes a few future hits from music stars in the making as well. The album is a joyous mix of well-known artists now living on the Central Coast and young musicians whose talents remain undiscovered so far, but whose great potential shines through on this CD. The launch was held at a famous music venue on the Central Coast, Lizotte's at Kincumber, and I was privileged to hear some of these musicians in action live on stage.
They were simply fabulous. There were anthems such as Joe Coffee's song *Stand Tall*—a great reggae mix that had us all singing along to his engaging and entertaining performance. Chrissi K's song *Goodbye* is another highlight on the album. But for me it was not so much 'goodbye' as 'hello' because I had a great chance to catch up with Chrissi King and her sister Eliza, who sang backing vocals for her on the night. In fact, Chrissi reminded me that I had taught her history class when I was a teacher at my old school in Narara some 20-odd years ago. Now she is in the process of making her own piece of music history.

Another young local singer, Daisy Sherwood-Miller, delivered a great live version of her pop song *Does This Move Make You Tingle*, and just for a moment I thought perhaps Bob Dylan had appeared on stage when the irresistible Dr Goodvibe performed his original song, *Price Tag*. Other local artists who are on the CD and who were just amazing on the night include Jess Hind, Kelly Griffith, Jake Folbigg, Alicia Brock, Ellen Mara, Sarah Lanser, Amba Mercuri, Smokin' Mirrors, New Regulars, Annabelle Clark and Liz Kitney. We also heard Hannah Smith perform her original track *Ghost of You*. Her voice is truly mesmerising, and I am sure she is one of our future country music stars.

When I watched *Countdown* in the eighties, when I was growing up, I do not think I ever imagined that one day I would get to see Central Coast-based star Billy Field perform live on stage, as I did that night at Lizottes. Billy's debut album, *Bad Habits*, shot to the top of the Australian charts, and his title track is one of the songs on the *Coast Sessions* CD. We owe this success to Innov8 Central Music. It is a group of locals determined to make the Central Coast a place where musical talent is fostered, where creativity abounds and where excellence flourishes.

The album launch was made possible thanks to the leadership of the chairman of Innov8 Central Music, David Bacon, whose vision and drive for this project helped to make the record a reality. My congratulations must also go to Graham Baker, Chris King, Dexter Moore and Grant Walmsley. And I give a special thanks to Brian Lizotte and his wife, Judy. Their place at Kincumber and now, of course, also their places in Dee Why and Newcastle are renowned as superb live music and entertainment venues which have fantastic food to go with it.

Innov8 Central Music is a genuine, vibrant grassroots initiative. In their determination to source the very best talent from the Central Coast, a live judging event was held last November, offering dozens of local musicians a shot at being included on this album. Fourteen local artists were selected in this way, with the remaining two performers being selected in a people's choice event in December last year. But the heart and soul of this project, and so much of our home-grown musical talent on the Central Coast, come from Rod McCormack and Gina Jeffreys. The guitar player you hear in *The Coast Sessions* is Rod McCormack—an outstanding musician who has played on a number of hit records over the years. I heard his band jamming on stage. Their spontaneous improvisation was actually second to none. We could have been listening to a performance at the ARIAs!

Gina Jeffreys, of course, has also been reigning supreme at the top of her industry since her debut single, *Two Stars Fell*, shot to the top of the charts in 1993. Gina is a four-time Golden Guitar winner, and she has become one of our most in-demand performers in the country. Many of the artists featuring on the CD were actually trained by Gina. You can hear the benefits of her master class in the depth of the voices and the skills of the musicians.
I actually have copies of this landmark double album in my office, if anybody wants to purchase a copy. I will be playing it often in my office reception, and I invite you to come and listen—not just because it is great new music but because it promotes the people, the talent, the opportunity and the creativity on the Central Coast. *The Coast Sessions* is about creating more cultural and economic opportunity for the Central Coast to the tune of world-class talent and the songs of some of the best musicians in Australia.

**Domestic Violence**

Mr WATTS (Gellibrand) (16:40): I was pleased to see the launch of the No More Deaths campaign in Melbourne this week by a coalition of groups seeking comprehensive political action in response to the scourge of men's violence against women in our community. The scale of men's violence against women in our community is shocking. It does not respect wealth, age or ethnicity, but hurts women in all walks of Australian life. One in three women in Australia have experienced physical violence. One woman is killed by a partner or a former partner in Australia every week. Think of these statistics; think of all the women that you know and just imagine.

Speaking on behalf of the No More Deaths Coalition, the CEO of Domestic Violence Victoria, Fiona McCormack, outlined a series of concrete measures that government can take to protect women and children from this violence. Ms McCormack wrote:

> It is not just violent men who have failed at-risk women and children in Victoria. Our systems and responses are riddled with gaps and contradictions.

She is right. Our failure to protect women from violence reflects on all of us in this place.

In an era of partisan rancour, it is, however, notable that our response to men's violence against women has retained strong bipartisan support. At the last sitting, I congratulated the government on continuing the Gillard government's National Plan to Reduce Violence against Women and their Children through the launch of the Second Action Plan. Unfortunately, despite its exceptional political status, so far the response to family violence has not delivered exceptional results for Australian women. That is why I recently hosted a roundtable on this issue with the Leader of the Opposition, Bill Shorten, and experts in this area. This roundtable gathered key advocates, including many members of the No More Deaths Coalition, who understand the causes and the impacts of men's violence against women in our community. It included national bodies, such as White Ribbon Australia and the Foundation to Prevent Violence Against Women and their Children, as well as local service providers from Melbourne's west, who see every day what men's violence against women does to individuals and families in our community.

What was clear from the roundtable is that we need a coordinated long-term response to this issue that links up primary prevention, early intervention and crisis response policies. For example, one of the early objectives of the national plan was to ensure that women were confident enough to report incidents of violence to the police. Research suggested that around two-thirds of women did not even contact police after being the subject of an assault. In light of this, the First Action Plan of the national plan aimed for an increase in the rate of women reporting domestic violence and sexual assault. Thanks, in part, to increased community awareness and important changes in the way that the media has approached these incidents, reporting rates have, as intended, increased since the launch of the national plan in 2010. Yet, despite this success, a failure of policy and resource coordination across government and...
portfolios has meant that we are still failing vulnerable women. Women's Health West, a major service provider in my electorate, has seen the number of referrals received from police increase by 286 per cent since the launch of the national plan in 2010, while their funding has increased by barely 50 per cent in this time.

Similarly, while reporting rates have gone up, reoffending rates remain high. The men's behaviour modification counselling programs that offenders are referred to by our courts have not received the increased funding needed to respond to this hoped-for increase in demand. Even worse, many who have confronted the fact that their behaviour is threatening their families and have themselves sought help from these programs are facing waiting lists of many months to seek this assistance. We have also seen the impact of cuts affecting our community legal centres and legal aid, which provide important support for women who are vulnerable to this kind of violence.

The rare bipartisan support for addressing this issue does present us with an opportunity to offer a better coordinated response to this issue than many other wicked problems facing our community. The challenge for policymakers is to convert the extraordinary bipartisan support from politicians into extraordinary progress on this issue for women.

The Leader of the Opposition said at the round table last week that he wants to start a national dialogue on family violence. We will not stop speaking out until this scourge is eliminated. But we need a chorus of voices to join us if we are going to achieve lasting change. We heard repeatedly today in the context of international terrorism: 'There is no more important obligation for government than to keep its citizens safe.' This is a worthy principle. However, all of us need to honour this sentiment with respect to the terror that is being inflicted on women and children in homes across Australia every day of the year and in every one of our electorates all across the nation. I call on members of this chamber to join with me in speaking out on this issue, not remaining silent, and supporting the important work of the No More Deaths campaign currently being undertaken in Victoria.

Indonesia

Mr BROAD (Mallee) (16:45): I would just like to associate myself with the words of the member for Gellibrand on a very important topic. Two weeks ago I undertook a self-funded tour of Indonesia. Indonesia is a valuable country in the Asia-Pacific region and for much of our history Australia has tended to look over Indonesia and talk about China, Japan and Korea, while Indonesia has tended to look north. I take a strong view that a stable, strong, growing and wealthy Indonesia is in Australia's national interests. Two-way trade between Australia and Indonesia is in the order of $15 billion per year. Australian farmers know that we cannot feed the people of Indonesia but rather through partnering with our producers can complement their farmers and their production systems and that, ultimately, we can have some good outcomes for both countries.

The live cattle export business is an example of that. I visited three feedlots in Sumatra and was very pleased to see the results of the ESCAS system that the previous government had introduced and the fact that it has been taken up. Lifts in animal welfare for both Australian cattle and Indonesian cattle and the standard of feedlots was First World. We should be commending the Indonesians on that and be proud of our involvement in the trade and of what it has done. Australia exports beef, wheat, dairy and horticulture. I have a large agricultural electorate and over 10 per cent of Australia's grain harvest goes to Indonesia.
Australia partners with Indonesia to lift their standards of living. Indonesia has a population of 240 million people. Out of that, 110 million still live on less than $2 a day. Things are improving. However, there are still significant challenges with HIV, childhood education and children's life expectancy. Australia spends $600 million a year in aid to Indonesia. It is a significant investment. We are investing in economic growth, finance programs, justice reforms, education, health, disaster relief and rural development. I do wonder whether we can better badge our investment so that we can further win hearts and minds of everyday Indonesians. That is something we should look at.

I met with newly elected members of the Indonesian Democratic Party of Struggle, which is the party of President-elect Joko Widodo. It is important that we develop those relationships because, ultimately, country-to-country relationships start with people-to-people relationships. We look forward to a strong working relationship with President-elect Widodo after he is sworn in as President on 20 October. We commend the Indonesians for embracing democracy. A man or woman in the street now has a strong say on how his or her country is run. Democracy is something we value in this place and it is increasingly being valued by the people of Indonesia. It is great to see their ongoing attack on corruption. Corruption is the enemy of prosperity. Individual honest endeavour has to be rewarded within an economy if communities are to increase wealth. Allowing and supporting corruption blunts that endeavour.

Whilst I was in Indonesia I had a look at the issue of terrorism, something that is very dear to my heart. I visited the Australian embassy where, on 9 September 2004, 11 deaths occurred as a result of an attack there. I also visited the Bali bombing memorial where 202 people were killed by Indonesian terrorists. Of those, 88 were Australians. I had a particular personal interest in that, my first cousin having been one of the people who were killed by that bombing. In a very personal way I did something that my cousin, Kristen Curnow, would have appreciated. I bought her some Rip Curl thongs and wrote on those thongs: 'We still grieve for you; we still remember you.' I left those thongs there at the memorial. Something my cousin would have also appreciated very much is the fact that, very shortly afterwards, those thongs were knocked off. Someone made off with them. My cousin was very well known for ‘random acts of kindness’—that was her favourite saying. So she would be more than happy to know that someone took those thongs, probably someone who could not have afforded them, anyway, and is now sporting a pair of Rip Curl thongs, walking around Bali.

Indonesia is going to be very instrumental to our prosperity in the future. A strong and stable Indonesia is in our national interest. It was a worthwhile trip and I hope that members of parliament continue to build good relationships with countries in our region.

Lingiari Electorate

Mr SNOWDON (Lingiari) (16:50): On Friday, 22 August, along with Senator Nova Peris, I was privileged to attend the 48th anniversary of the walk-off by Aboriginal stockmen and their families from Wave Hill Station in the north-west of the Northern Territory. This walk-off, as you Madam Speaker would know, was led by the charismatic Vincent Lingiari. This action and the subsequent nine-year long strike eventually, as a result of recognition by Gough Whitlam when he handed back the sand to Vincent in that dramatic photograph of Courier legend Mervyn Bishop, who recorded this fine moment, led to the promulgation of the Aboriginal Land Rights (Northern Territory) Act 1976.
The stockmen who were in this walk-off were predominantly Gurindji but included men of the Mudburra, Walpírri, Ngaringman and Bilinara language groups. I have attended most of these celebrations that the Gurindji refer to as Gurindji Freedom Day over the last two decades. The highlights last week included: a visit to Vincent's grave at Kalkaringi Cemetery; traditional dancing by Gurindji women and girls; a Karungkarni art exhibition, including children's art; woodcarving exhibitions, led by the redoubtable Jimmy Wave Hill Nawanja; speeches, including a great one by elder Peanut Bandiari, who is a veteran himself of the walk-off; footy, softball and basketball competitions; and a battle of the bands. It was a really good weekend.

A superb community barbecue was held at Policeman's Hole on the banks of the Victoria River, on an old camp site of the walk-off participants to Vincent's traditional lands at Dagaragu, otherwise known as Wattie Creek. The meat was generously supplied by the Kalkaringi Meatworks and cooked by Gurindji rangers.

It was a great weekend, well organised by an all-Gurindji committee led by Robert Roy and Roz Frith. Congratulations and thank you to all those concerned.

Next year will be the 40th anniversary of the 1975 hand-back by Gough Whitlam to Vincent, and in 2016 we will see the 50th anniversary of that dramatic walk-off. It is sure to be a big celebration, not only for Gurindji and other Indigenous peoples but for all right-minded Australians. I am so pleased that I was able to be there.

I would also like to congratulate the Anyinginyi Health Aboriginal Corporation in Tennant Creek for achieving its 30th year of operation. Anyinginyi is a multidisciplinary organisation which provides primary health care services to the people of Tennant Creek and the surrounding Barkly region. It consists of six different sections, which allows it to have an holistic approach to health, ensuring that clients' physical and emotional health and wellbeing are given the utmost priority.

Anyinginyi was created in 1984. Its constitution then and now is focused on the central objective through various community based strategies and programs to relieve the poverty, sickness, helplessness, serious social and economic disadvantage and social distress that affects the Aboriginal population. The health service delivery area stretches north of Tennant Creek to Elliott, across to the east almost to the Queensland border and south to Ali Curung, an area of almost 150,000 square kilometres.

It is a very important organisation. Its mission is to provide high-quality holistic primary healthcare services, featuring prevention and treatment, in the Barkly region in a culturally responsible way. I want to commend them for their wonderful and fine work. And I want to congratulate my mate, Rossie Williams, who is chair of the board; Trevor Sanders, who is the CEO, and who has done a magnificent job; and the management and staff both past and present. I hope that you will all continue to be rewarded for your work, making Anyinginyi an established and vibrant organisation—the pride of Tennant Creek and the Barkly.

Lastly, I want congratulate and recognise Shepherdson College on the island of Galiwinku in north-east Arnhem Land, which this year celebrates the 40th anniversary of the provision of bilingual education at Galiwinku. I will feature some of those fine people—those educators—who are behind this. I want to congratulate those people—the people and the thousands like them—who deliver high-quality education, health and other services, day in
and day out, year in and year out: they are our unsung heroes. Their contribution to the wellbeing of Australian children, their families and Australian society deserves our greatest acknowledgement and praise.

Galiwinku is a wonderful place, the home of singers like Geoffrey Gurrumul Yunupingu; the founding member of Warumpi band, who is deceased, so I cannot use his name—I am sorry about that; and the Chooky dancers—a wonderful outfit!

I wish the Galiwinku community, the staff and students of Shepherdson and everyone joining in the celebrations all the best for their celebrations tomorrow.

**House adjourned at 16:55**

**NOTICES**

Mr E. T. Jones to move:
That this House recognises:
(1) the importance of the Australian Defence Force (ADF) cadets organisations in building the responsible citizens of tomorrow;
(2) that cadets:
   (a) learn important life and work skills, team work, leadership, confidence and responsibility through participation in the Navy, Army and Air Force cadets organisations; and
   (b) assist local communities through volunteer engagement, community services and fund raising, which is fostered and encouraged through the ADF cadets organisations; and
(3) the important role that ADF cadets play in contributing to our Defence Force of the future and building a stronger Australia.

Mr Williams to move:
That the House:
(1) acknowledges small business as a major driver of economic growth in Australia;
(2) notes that:
   (a) small businesses are time and resource poor and face significant obstacles in securing government contracts;
   (b) the government has allocated $2.8 million over four years to assist small business to access the Commonwealth procurement market;
   (c) the establishment of a new unit providing specialist advice on contracts will ensure small businesses are not disadvantaged when dealing with the Commonwealth; and
   (d) under Labor, 519,000 jobs were lost in small business;
(3) commends the government for removing the regulatory imposts that apply to more than 20,000 annual tender processes for Commonwealth agency work; and
(4) recognises the benefits that will be achieved for small business in being able to competitively compete for Commonwealth tenders.
Thursday, 28 August 2014

The DEPUTY SPEAKER (Hon. BC Scott) took the chair at 09:41.

CONSTITUENCY STATEMENTS

Holt Electorate

Mr BYRNE (Holt) (09:42): Last week I had the pleasure of visiting the Casey Regional Veterans Welfare Centre and met with John Hopkins and Peter Godfrey to present the organisation with a $3,000 grant under the Building Excellence in Support and Training—with the acronym BEST—program. The BEST program is administered by the Department of Veterans’ Affairs, and it provides support and resources to ex-service practitioners for pension and welfare work to assist veterans and war widows and widowers. The Casey Regional Veterans Welfare Centre is made up of a wonderful group of volunteers that include people like John Hopkins, Peter Godfrey, Terry Busk, Dennis Warnecke and David MacNamara. Each volunteer spends around one or two days a week at their office in Cranbourne, or driving around visiting veterans to assist them with getting support, and at times compensation, from the Department of Veterans’ Affairs. Each volunteer benefits from training provided under the TIP program before they assist veterans. John Hopkins has said that the TIP training has been fantastic for volunteers who get welfare training, e-learning welfare training, compensation course training and advocacy training.

After completing the training, each volunteer is better able to assist veterans, serving and ex-serving members of the permanent reserve forces, cadets, officers of cadets, and other persons nominated by the Australian government, and their dependants, to access benefits and services from the Department of Veterans’ Affairs. However, one of the things that John, Peter, and other local veterans have been concerned about is the recent changes to the Veterans’ Access Network shopfront services, announced in April 2014, by the coalition government. In particular, local veterans were concerned about the Morwell VAN office now being co-located into the Department of Human Services in Morwell, and the Frankston and Bairnsdale VAN offices basically closing—with veteran information support services being provided from DHS service centres in Frankston and Morwell respectively. I appreciate the government's decision to consolidate its services. However—and I had a detailed conversation with one veteran in particular—a number in our veteran community experience PTSD. We know that with the new cohort coming out of Afghanistan and Iraq—Afghanistan in particular—accessing a specific VAN network shopfront is much easier for them than going into a DHS service. My view is that these people have sacrificed, or have been prepared to sacrifice, their life in defending of our country.

I think that we owe it to them, notwithstanding that we understand the Australian government's decision, as I said, to consolidate its service, to provide accessible shopfront services so members of our veterans community who have served our country so well in conflicts feel comfortable accessing these services. If I could, on behalf of the Casey Regional Veterans Welfare Centre, I respectfully ask the government to reconsider its decision. It is in the best interest of our veterans that it does so.
Bennelong Electorate: Max Potential  

Cancer Council's Daffodil Day

Mr ALEXANDER (Bennelong) (09:45): I rise to inform the House of some recent goings-on in Bennelong. Max Potential is an initiative of Clubs New South Wales and the Future Achievement Australia Foundation and for the past few years high school students in my electorate have benefited from this fantastic and unique program. Focusing on leadership development, Max Potential runs over 22 weeks and matches high school students with community coaches. Over the duration of the program they work together to develop personal goals during group and one-on-one coaching sessions.

Recently I attended the 2014 Max Potential showcase, in which these young leaders exhibited the programs they had implemented in their schools and beyond to help other members of the community. One created a confidence-boosting program for teenagers—something that he had personally developed throughout the program. Another created a Facebook guide for seniors, helping older members of our community stay in touch with their grandchildren. Others created fundraising drives and information programs about existing charities and causes to educate and challenge their school communities.

Overall these young adults all developed confidence and skills that they will be able to take forward with them into the future. I commend the hardworking efforts of Mel Hanger, the Max Potential team, Club 6 and the community coaches in implementing this program and inspiring our leaders of the future.

As you would all know, last Friday was the Cancer Council's Daffodil Day. I spent part of the day joining members of the local community selling daffodil merchandise to raise funds for the Cancer Council, both at Eastwood station and Top Ryde City shopping centre. I was so impressed by the generosity and willingness of the public to open their purses and wallets in support of this great cause. Cancer is an insidious disease that will touch each and every one of us in some way at some time in our lives. The Cancer Council raises vital funds for cancer research, patient support and prevention programs. I wish to personally thank the coordinators and volunteers who so selflessly gave their time in support of the Cancer Council.

Animal Testing for Cosmetics

Ms PARKE (Fremantle) (09:47): During the 2013 election campaign, Labor promised to lead a national consultation on phasing out the importation, manufacture, sale and advertising of cosmetics or cosmetic ingredients tested on animals. As part of the national consultation we scheduled forums in every state and territory around the nation, in addition to inviting stakeholders and the public to make written submissions, giving Australians the opportunity to tell us what they think, allowing the community to be part of a dialogue and to be the force behind the change that we hope will result.

As a community with a large number of people concerned about animal welfare, Fremantle was the obvious location for Western Australia's meeting, which occurred last Monday and which was hosted by the member for Hotham and me. The Fremantle community cares deeply about animal welfare matters, most prominently the live export issue but also issues such as the need for an independent office of animal welfare and better product labelling. These are among the most frequently raised topics of all the correspondence to my electorate.
office by constituents, so it was no surprise that cosmetics and animal testing would be of interest.

Animal testing of cosmetic ingredients is not conducted in practice in Australia. However, the majority of cosmetic products sold in Australia contain ingredients that have been tested on animals. Animal testing for purely cosmetic purposes is barbaric and archaic. Science has come so far, yet we continue to inflict unnecessary cruelty on animals. We have seen with regard to eggs and pork production that as consumers gain awareness of cruel practices they increasingly put their money towards ethical and humane alternatives—so too with cosmetics. It is in the industry’s own strategic interest to move to non-animal methods when testing new products. It is estimated that less than five per cent of new beauty products contain new ingredients. With advanced non-animal based tests now available and around 5,000 ingredients known to be safe, the cruel practice is redundant.

The European Union introduced a ban on selling newly animal tested cosmetics in March 2013. Norway, Israel, India and Brazil have done the same. It is our hope that there will be multipartisan support for legislation here in Australia to enforce a ban on the sale of new cosmetics that have been tested on animals. Consideration of the impact, practicality and effectiveness of legislation is necessary to ensure a successful transition to cruelty-free products in Australia, so industry and animal welfare stakeholders are also being consulted.

The public forum in Fremantle was a great success. We had two local guest speakers sharing their knowledge and insight: Dr Philip Matthews, Acting Dean of the School of Philosophy and Theology at Notre Dame University, and Lesley King, representing Humane Research Australia. A large number of people braved the wild weather to ask questions and to share their concerns. I am thankful for their participation and proud that I represent an electorate that is so fiercely conscious of animal welfare. It is clear from this consultation that it is time to take the ugliness out of the beauty industry.

Asylum Seekers

Mr SIMPKINS (Cowan) (09:50): There is no greater human tragedy taking place currently—and, probably, there has not been in recent history—than what is happening in the conflict in Iraq and Syria. It is timely that this country, through the Minister for Immigration and Border Protection, has brought the integrity of the immigration system and the humanitarian intake back under control. Now is the time when we need to concentrate on what is important, and that is the need of people to be brought to this country as refugees, as part of that humanitarian intake and not under the past arrangements where means were the determinant, where people bypassed the system. It is an absolute disgrace that we have so-called refugee advocates such as Ian Rintoul, Gillian Triggs and Senator Sue Lines—and others on that side—who want to dismantle this integrity, who want to restore the arrangements whereby means were the determinant for people coming to this country.

There are people stuck in refugee camps right now, all the way around the world and particularly in those conflict zones, that do not have the means to come to Australia. They cannot buy airline tickets through Dubai, Singapore, Indonesia or anywhere like that. They do not have the means to do that. They are stuck there. Those are the people that we need to be looking after. It is an absolute disgrace that there are those people out there—those people that I named before—who want to reinstall a system whereby cash, and not genuine need, is the determinant for people coming to this country. It is an absolute disgrace. I hope they just
get out of the way and allow the government to get on with looking after the people that really need help in this world, and those are the people without means. They are the ones with the greatest need, and I support them completely. I again congratulate the minister for his excellent work in this area.

Blair Electorate: Five Bridges and the Ipswich Community Justice Group

Mr NEUMANN (Blair) (09:52): I speak today about the great work being undertaken by Five Bridges and the Ipswich Community Justice Group in relation to young Indigenous people in contact with the criminal justice system in my electorate of Blair and about the need for that work to continue and the need for the government to finally respond to the correspondence which I sent in February this year. There has been no response from the responsible minister, the Hon. Nigel Scullion, the Minister for Indigenous Affairs, in relation to the request for funding.

In Blair, Indigenous people are particularly vulnerable and overrepresented in the criminal justice system. Indigenous youths are 28 times more likely to be incarcerated than non-Indigenous youths. Indigenous young people are 15 times more likely to be incarcerated than non-Indigenous young people. I am a former chair of the House of Representatives Standing Committee on ATSIA, and I oversaw the inquiry into Indigenous youth and the criminal justice system. The Doing time—time for doing report made 40 recommendations, many of them taken up by the former federal Labor government. But that report, with its recommendations, seems to have been ignored by this government.

The Ipswich Community Justice Group came together in March 2013 through the tireless efforts of Uncle Rod Fuller, Auntie Carmel Bedford and, shortly after, Auntie Faye Carr. The group partnered with John Pearson consulting, which acts as their administrator. In early 2014, the group established an office in Limestone Street in Ipswich CBD, close to the Ipswich Magistrates Court. The group now provides legal support services to the Ipswich Indigenous community, assisting victims, offenders and their families at all stages of the legal process. The group provides assistance at court five days a week. An elder is always present in court and in the office to assist clients. The group assists in making appropriate written and oral cultural submissions to court. It fosters diversionary processes. It encourages offenders to engage with the Indigenous Sentencing List and the Queensland court system. It assists people when they leave prison or the system with which they are dealing.

This group runs a number of culturally appropriate programs which seek to reduce recidivism. A number of young people have really enjoyed the women's and men's yarnig circles, a youth group and an accredited training and employment program to help offenders gain skills and employment. The Queensland Department of Justice and Attorney-General have provided $110,000 to the group, and the Queensland Attorney-General, Jarrod Bleijie, visited the group recently and said that this is a standout community justice group and one of the best in Queensland. Despite the terrific outcomes being achieved by this group, which is exceeding its KPIs under the Queensland government funding, the current federal coalition government refuses to provide any form of assistance. The group has developed strong working partnerships with government and community groups in Ipswich and the funding needs to be given. Sadly, this government seems to be ignoring the very reasonably requests.
Corangamite Electorate: Petrol Prices

Ms HENDERSON (Corangamite) (09:55): I rise this morning to speak out on a very important issue for the people of Colac and the broader Colac-Otway region. For far too long, petrol prices in Colac have been far too high. Year after year, residents of Colac have been forced to pay a significantly higher price for petrol than arguably anywhere else in south-west Victoria. This is not an issue of distance from capital cities. Further afield from Melbourne, in places like Camperdown and Warrnambool, prices are routinely lower than they are in Colac.

This situation appears to be driven by a lack of competition in the Colac petrol market. In 2011, two Colac residents, Mr Phil Edge and Mr Bill Brown, simply had enough. They collected 6,409 signatures on a petition, which was tabled in parliament by my good friend the member for Wannon.

There seems to be little doubt that petrol operators in Colac are taking people for a ride. That is why our government's competition law review, chaired by Professor Ian Harper, is so important. For the first time in 20 years, our government's root and branch review of competition law is demonstrating that we are determined to fight for a better deal for consumers and small businesses. We are determined to take on the big supermarkets and to examine the ways in which this duopoly is operating to hurt their small business competitors. We are determined to ask the hard questions. We are determined to stand up for small business operators who for too long have been banging their heads against a brick wall.

Petrol prices must be a central consideration of the Harper review. This in itself should give the Colac community confidence that we take the job of delivering a fairer go for consumers and small businesses very seriously. I wish to commend the Minister for Small Business, Bruce Billson, who was championing this review well before our government was elected. I wish to acknowledge his assistance in arranging for submissions to be accepted by the review panel prior to the handing down of its draft report in September. I will also be providing a copy of Mr Edge and Mr Brown's petition to the Harper review and to the minister to demonstrate the importance of this issue in Colac.

In the late 1980s and early 1990s I worked for a wonderful program called The Investigators on the ABC—a highly respected program—when the then Trade Practices Act was in its relatively early days. In my work I rallied against rip-offs, unfair trade practices and misleading and deceptive conduct. I continued that work as a lawyer and I continue that work today in this parliament.

In the lead-up to the 2010 federal election, I campaigned for better competition in the Colac pharmacy market. Labor were dragged kicking and screaming on that issue and eventually they took the appropriate action. Petrol prices are a much tougher challenge, but I commit to the people of Colac and the broader Colac-Otway district that I will do everything to stand up for them on this important issue.

Shortland Electorate: Centrelink

Ms HALL (Shortland—Opposition Whip) (09:58): My office has been inundated with complaints from elderly people about Centrelink. There are three Centrelink offices within the Shortland electorate—one on the Central Coast and two in the Lake Macquarie part of the electorate. In fact, the Belmont Centrelink office is just behind my electorate office. People have been walking down from the Centrelink office to my office to lodge complaints that
Centrelink will no longer accept their documents and no longer provide appointments. This has also been the case with the Charlestown Centrelink office. This has been a great concern, because it is an elderly electorate. Anyone needing to supply documents to Centrelink must either post the documents to an address in Canberra or open an account with Centrelink and scan the documents in and send them to that account.

As I stated, there are so many elderly people in Shortland electorate, and they are finding this really challenging. They are finding it very difficult not to be able to have face-to-face service at Centrelink. It is also raising concern within the community that maybe the government has a hidden agenda, and that hidden agenda is the closure of the Belmont Centrelink office. It is a combined Centrelink and Medicare office. When the Howard government came to power, one of their first acts was to close the Belmont Medicare office. One of our first acts that we did when we came to power in government in 2007 was plan to reopen that Medicare office in Belmont. Not only did we reopen the Medicare office but we put in a Centrelink office, which has provided an excellent venue for older people within the electorate.

This is really worrying. Charlestown Centrelink office is also unable to accept lodgements. It raises issues around whether or not this government has a plan to close both those Centrelink offices in Shortland electorate. If the officers are doing no face-to-face work with their clients, with those elderly pensioners that come in, what is the purpose of having that office? Wouldn't it be better for them to rationalise their services, close the Centrelink offices and get everything done by post? This is unacceptable. I will stand up and I will fight for these Centrelink offices to maintain these services until such time as this government gives me an undertaking that there will be no change. (Time expired)

Capricornia Electorate

Ms LANDRY (Capricornia) (10:01): In the past month, I have travelled about 4,500 kilometres to meet people in my electorate of Capricornia. This included a recent trip inland to Clermont, Moranbah, Dysart and the Middlemount areas in the agricultural and coalfields region. I flew out to inspect Adani's Carmichael mine site, about 185 kilometres west of Clermont, which will become Queensland's largest coalmine. The company is spending $200 million on developing the mine, plus contributing almost as much again in a rail corridor to take coal to the coast for exporting. I want to reassure the region that in my meetings with Adani I continue to press the need for local people to be employed during both construction and production stages of the mine. I made it clear that I do not want to see all the jobs farmed out to people in Brisbane, the Gold Coast, the Sunshine Coast and Cairns, as has occurred with other Queensland coal projects.

I met with landholders in the Clermont area about the issue of a coal rail corridor that will run 300 kilometres to Abbot Point, to where the coal will be shipped out by sea. These farmers are not against progress, but fear the height of the rail line on the flat flood plain will cause inundation. I have been assured by the company that there will be more negotiations and better communication and planning with landholders in the coming months.

While visiting Clermont, I had the pleasure of being a special guest at a community afternoon tea hosted by the Clermont branch of the Country Women's Association. The event at Clermont's historic CWA hall offered the chance for rural and town women to discuss issues concerning the community. It was also a chance to share a cuppa and a delicious
afternoon tea, for which the CWA is famous. This insightful discussion shed light on many issues affecting people in the bush, including access to health care, aged care and accommodation, and employment in the mining sector. I would like to thank some of the women who engaged in a roundtable discussion, including Elaine Grubb, Denise Campbell, Sandra Strohfeldt, Barbara Nicholson, Margaret Henn, Anne Anderson and Jenny Wilby. I thank the ladies at Clermont CWA for their amazing cooking and hospitality.

Clermont is a great community about five hours drive west of Rockhampton. While there, I took the time to visit local legend Dorrie Appleton. Mrs Appleton recently turned 90, and has been running her local gift shop, Gum Tips, for the past 50 years. I posted a photo of us on my Facebook site, and the reaction proved that Dorrie is a superstar out that way. The Facebook post attracted over 13,000 views and dozens of comments. It is people like Mrs Appleton that have helped to make our rural and regional towns what they are. I also visited Clermont's Monash Lodge for aged residents and met up with 90-year-old Charlie Oats and his wife Margaret, 88. They have been married for 68 years. Charlie is a World War II veteran and donated his war memorabilia collection to— (Time expired)

Parramatta Electorate: 1st/15th Royal New South Wales Lancers

Ms OWENS (Parramatta) (10:04): Parramatta is known for its colonial and convict heritage, but perhaps it is less well known for its extraordinary military history. We have in the heart of Parramatta a unique part of Australia's military history dating right back to Macquarie. The Lancer Barracks was built between 1818 and 1820 to house the colonial troops and it is still in use. It is the oldest working barracks in Australia and home to the 1st/15th Royal New South Wales Lancers and to the Lancer Museum, which documents the regiment's extraordinary history.

The 1st/15th Lancers is Australia's most decorated unit, with 21 honours, and is currently a light cavalry regiment in the Australian Army Reserve. Its history will be on display on Saturday when our very own lancers parade down Macquarie Street in the first of the commemorations of Anzac in Parramatta and probably in Australia. It is fitting that they be the first. The Royal Lancers are not only the most decorated regiment in Australia but also the oldest, being the first colonial volunteers to land and see action in the Boer War mounted on 13-hand high Cape Colony ponies as the famed Light Horse. In 1914, when World War I broke out, militia could not serve overseas, so members of the regiment enlisted en masse when the first Australian Imperial Force was raised. They enlisted into the first Light Horse. They served in Gallipoli, in the Suez Canal and as part of the ANZAC Mounted Division to Beersheba, Jerusalem, Jericho and Amman. Through those battles in World War I, 224 lancers died and 679 were wounded in action.

The '1st' in the 1st/15th Lancers' name was added and designates the lancers as the successors to the 1st Light Horse Regiment of the AIF. The '15th' in their name was added in 1956 and marks the regiment as a successor to the 15th Light Horse Regiment formed in Palestine in 1918 from the Camel Corps. As the horse was replaced with machines, the regiment became the first motorised machine gun regiment in the British Empire. With the outbreak of World War II, the lancers were incorporated into the AIF as an Army regiment, where they pioneered the use of tanks in the New Guinea jungle. It was the lancers that drove the first Matilda tank off the landing craft in the assault by the 7th Division of Balikpapan in Borneo, which is now known as the heaviest Australian tank attack of the war. It was the only
armoured regiment of militia origin to go overseas and the only Australian armoured regiment to be sent twice.

On Saturday we will see the regiment's history on parade. That first tank off the landing craft, known as 'Ace', one of only three restored Matildas, will make its first public appearance in 70 years. We will also see a 50-tonne Centurion main tank drive along Macquarie Street in Parramatta. The parade commemorates 100 years since the raising of the 1st Light Horse in August 1914. It is an opportunity for us all to remember and commemorate all those men and women who volunteered to serve in what is now known as the 1st/15th Royal New South Wales Lancers. (Time expired)

Robertson Electorate: Mushroom Industry

Mrs WICKS (Robertson) (10:07): I rise to speak on what may seem at first glance to be quite a humble food source: the mushroom. But today I also particularly rise to speak about a great local business in my electorate, Margin's Mushrooms. Yesterday I joined a number of my parliamentary colleagues to hear directly from Australian mushroom growers about the important and potent health benefits of mushrooms. I would like to pay tribute and give thanks to the hardworking member for Casey, Tony Smith, for organising this lunch and indeed a series of horticultural lunches this year.

The health benefits of mushrooms are absolutely astounding. They even contain compounds that have been proven to lower the risk of a range of cancers. For example, three population studies have shown that women who eat an average one button mushroom a day have a 50 to 60 per cent lower risk of breast cancer compared to women who do not eat mushrooms at all. The power of mushrooms does not end there. The mushroom also has a significant and positive impact on insulin production, as it is a low-GI food and does not raise blood sugar levels. Mushrooms have been shown to help lower blood cholesterol and blood glucose as well. They naturally generate vitamin D, which enhances calcium absorption and bone strength. Many mushroom growers are now producing vitamin D mushrooms with one to two seconds of UV light which actually contain your complete daily vitamin D needs. This is particularly important because many Australians just do not get enough vitamin D, especially through the winter.

With all of these benefits it is not surprising that four out of five Australians are hooked on mushrooms, to the point that our nation's consumption per person per year is now 3.2 kilograms. Mushrooms are one of the fastest growing horticultural industries and our sixth most valuable.

That is why I am so proud of Margin's Mushrooms, a fantastic small business in my electorate of Robertson. Robertson has a strong and vibrant agricultural industry, with an output of $131 million in the Gosford LGA at the last census. Margin's is a small but growing family business based in Woy Woy and produces white and swiss brown mushrooms. Every week Margin's produces around one tonne of mushrooms, and it is a great food because it can be grown and harvested all year round, which also means employment all year round. Margin's may be small by industry standards but it produces top quality produce. It sells to the public and to our local cafes, restaurants and fruit and vegetable shops, direct from the farm.

They set it up as a bit of an experiment five years ago to see if they could do something with an old coolroom from their ice cream factory, but the experiment paid off and they have
now expanded into an old abattoir site in Woy Woy which had been unused for eight years. The business has grown from strength to strength and I commend Kim, his wife, Christine, and their son, Charlie, who now hire six full-time workers and 20 staff at Woy Woy. I know that many people in my electorate of Robertson are proud of their achievements and their contribution to our local economy.

The DEPUTY SPEAKER: In accordance with standing order 193, the time for members' constituency statements has concluded.

BILLS

Competition and Consumer Amendment (Industry Code Penalties) Bill 2014

Second Reading

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

Dr HENDY (Eden-Monaro) (10:11): I rise to support the Competition and Consumer Amendment (Industry Code Penalties) Bill 2014. I do not intend to speak for very long because I just want to make a few points. This bill is a significant advancement on the existing laws regarding franchising. As the Minister for Small Business stated in his second reading speech introducing the bill, the purpose of this bill is to enable the government to include civil penalty provisions in a forthcoming new franchising code. He noted that a breach of civil penalty provisions will expose a franchisor or franchisee to an infringement notice issued by the ACCC or a pecuniary penalty imposed by the court.

As I have previously told the chamber, as a former chief executive of the Australian Chamber of Commerce and Industry, I know a bit about this topic and I am well aware of the difficult balancing act that government regulation—rightfully, I might add—has to play in the relationship between franchisors and franchisees. Indeed, further to that I was personally involved in the introduction of the Franchising Code of Conduct, which was introduced by the Howard government in 1998. In 1998 I was the Chief of Staff of the Minister for Small Business. I was involved in a lot of the negotiations and know how difficult this area can be.

The franchising sector has been the subject of eight reviews at either the federal or state level over recent years. The last was an independent review by Mr Alan Wein in 2013. As the Wein review summarises it:
The Code is a prescribed, mandatory industry code under Part IVB of the CCA—
The Competition and Consumer Act. The report states:
Broadly, the Code requires franchisors to disclose specific facts to franchisees and to follow set procedures in their dealings with franchisees. The Code also provides a cost effective dispute resolution scheme for franchisors and franchisees.
The coalition government recognises that the franchise industry is a significant and growing part of the small business sector. A recent Griffith University survey indicated that franchising contributed more than $130 billion to the national economy and employed over 400,000 Australians. There are over 70,000 franchise business arrangements in Australia today.

The difficulty in dealing with regulation in this area is highlighted by the fact that there have been those eight reviews. This has created a high level of review fatigue and in moving
forward in light of the recent review we are very cognisant of that fact. Indeed, the coalition government is committed to generating certainty in the sector and strengthening the effectiveness of the franchising code.

Mr Wein's 2013 report stated, 'We have a good franchise industry model in Australia,' but nonetheless recommended some reforms. Thus Mr Wein made 18 substantive recommendations in relation to the code and the Competition and Consumer Act 2010, which is the renamed Trade Practices Act 1974. He also recommended about 24 technical amendments to improve and clarify the code rather than change the underlying policy. He was examining issues such as good faith in franchising, the rights of franchisees at the end of the term of their franchising agreement, and provisions for enforcement of the code. The government has been considering those recommendations in coming to its conclusions.

Importantly, the Wein review also concluded that there was widespread industry support for introducing pecuniary penalties to deter breaches of the Franchising Code. Of course, the question of pecuniary penalties for breaches of the code has been considered many times in the past. The government believes that this will promote better practice in franchising, which will in turn make the sector more attractive to investors, both locally and internationally. It is an example of the government's pragmatic and balanced approach to industry regulation.

It also highlights our abiding commitment to support small business. That is vital to my electorate of Eden-Monaro. Eden-Monaro is a predominantly rural seat and as such it is heavily dependent on small business for jobs. The provision of sustainable jobs is the No. 1 issue in my electorate, along with cost-of-living pressures. We believe that these reforms will support the creation of jobs and small business in regional and rural Australia.

The key part of this bill is to allow for the introduction of penalties to give teeth to the Franchising Code. Substantial penalties of up to $51,000 will apply. However, while the bill will allow the potential for penalties in other industry sectors, it will not apply to other industry codes unless separate policy and regulatory action is taken to specifically introduce penalties under those codes.

The minister has noted that this bill is the first step in a new era of regulation for the franchising sector. The bill is part of the government's comprehensive package of reforms to improve the way the franchising sector is regulated, and we will bring forward a new Franchising Code of Conduct to be progressed later this year, subsequent to the passage of the bill that we are discussing today. The new code will enhance and update the current code and will introduce an overarching obligation for parties to a franchising agreement to act in good faith in their dealings with each other. This is something that many of those in the franchising community have been calling for over many years. It will provide a mechanism to deal with the diversity of issues that often stem from the unique interdependent relationships in franchising.

As the minister stated, the term 'good faith' under the code will have the same meaning as in common law, but we will be providing some guidance for participants around what might be considered good faith. These measures go to the heart of strengthening business relationships and will underpin the wider reforms that we are making to the franchising regulation. It is expected that the new Franchising Code of Conduct will be finalised soon and will take effect from 1 January 2015.
I conclude by noting that, under the last Labor government, 519,000 jobs were lost in small business, while the number of employing small businesses declined by 3,000. When Labor came to government, small business employed some 53 per cent of the workforce. It is now just 43 per cent. That is a devastating blow to small business. Do not forget that most franchise businesses are small businesses. In the end, the story is very simple: we highly value the franchising industry. As a result we have been going through the issues in a purposeful and methodical manner. We will get it right and will provide for a sustainable and strong franchising sector. I commend this bill to the House.

Mr CRAIG KELLY (Hughes) (10:18): I rise to speak on the Competition and Consumer Amendment (Industry Code Penalties) Bill 2014. It is a great pleasure to follow the member for Eden-Monaro, who has such wide knowledge in this particular area. I would like to briefly talk about the franchising sector. There are currently 73,000 business units employing over 400,000 Australians, with estimated sales of $131 billion annually. It is an enormous section of our Australian economy. Here we are introducing a bill to improve that section.

How many speakers do we have from the opposition on this? A duck egg. Not one single member of the opposition here in this parliament today is prepared to speak on this bill about an important franchising sector. It is a sector of the economy that employs 400,000 people, and we cannot get one single speaker from the opposition. I think that says it all.

But we have seen this during the past six years. As the member for Eden-Monaro correctly said, we saw the small business sector in this country shed 518,000 jobs. I will say that again: 518,000 jobs. If you are at the MCG and you look up and there are 100,000 people there, you see enormous, vast crowds. To think that, under the previous Labor government, we could have filled that MCG five times over with the number of people from small business who lost their jobs and still have 18,000 people left over!

But, really, is it any wonder, when we look at what we were served up under the previous Labor government? There was a revolving door of small business ministers who did not have a clue about the subject that they were talking about. We had the good Dr Emerson, an economist and public servant. We had Mr Nick Sherry; his background was as a state secretary of an employees' union. Then of course there was Senator Arbib; his background was as the general secretary of the Australian Labor Party, and he was from the good old New South Wales Sussex Street branch. Then we had Mr O'Connor, whose background was as the assistant national secretary of the Australian Services Union. The current member for what used to be Prospect was an industrial officer for the Finance Sector Union and a ministerial adviser. And it goes on. Now we have the current opposition leader, who is now the spokesman for small business—though we hardly hear him mention the words—whose previous background was as the national secretary of the Australian Workers Union. So is it any wonder that, under the past six years of Labor government, those small business ministers seemed to think that their job was to make small business smaller? And they succeeded remarkably.

So now the coalition is proud to have, in Minister Bruce Billson, a minister for small business, in cabinet, actually getting on with the job and trying to get small business moving again. Just look at some of the things we have done in the short 12 months that we have been in office.
We have repealed the carbon tax, because the carbon tax was probably one of the things that hurt small business the most. That is gone. But we need to be ever-vigilant on that point, because we know that, should Labor ever come to power again, as sure as night follows day, that carbon tax will be coming back and they will be smashing small business with it; it will be the small business sector that will pay.

We have also established the $484 million Entrepreneurs' Infrastructure Program which will provide practical support for businesses, including advice for people with relevant private-sector experience, and small co-contributions for re-engineering or regrowth opportunities for business.

We will provide an additional $304 million over four years to boost wage subsidies for mature-age job seekers, to get those mature-age workers with all that experience back in the workforce. I am sure that a lot of small businesses will be taking that up.

Most importantly, we have started the root and branch review of our competition act. That is an act that, under the previous six years of Labor government they said was—and they say now is—all fine, and that nothing needed or needs to be done. We need to look at that act seriously. We also know that the old section 46 of the Trade Practices Act on the misuse of market power is simply not working. We are seeing more and more concentration in industry, in almost every sector of the economy, squeezing out small business because of anticompetitive practices that are allowed here in Australia under our laws but would not be allowed to occur under the laws in other countries. And that is harming the most innovative, productive sector of the economy—the small business sector, which we need to provide those jobs in the future.

We have made changes to the tax thresholds, saving small business $56 million a year in red tape. We have also put money back into the ACCC so that they can actually run cases and look after the interests of small business. We saw the previous government basically let the ACCC's funding run out, because they had simply run out of money. Despite the difficult budgetary situation, we have put an extra $80 million into a funding boost to the ACCC so that they can actually get on and do their work.

Also important for small business is the export market development awards. It is most important to encourage small business to go out there and tackle that international economy. After all, over 98 per cent of the world's economy is beyond our shores. Small business has to look not only in Australia but also beyond our borders—especially to those growing areas of China, South-East Asia and India—to see what products we can sell to them. That is what we want to encourage our small business sector to do. We have also removed $48 million worth of red tape burden from small business by removing the burden on small business to have to be the pay clerk for the Paid Parental Leave Scheme.

Of course, with this bill, we are working to improve the franchising sector. The franchising sector does need some regulation because of the information imbalances—or information asymmetries, as they are often called—where the franchisee does not have the same information as the franchisor. Back in 1998, the previous coalition government brought in an industry code, and if you were setting up a franchise system you had to provide that code and certain disclosure documents to a potential franchisee. But one of the weaknesses of this code—and it has been developing and it will need further development as we go—is that if you broke the code there were no penalties involved.

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This bill brings in a pecuniary penalty for breaches of the code. The penalty will be 300 penalty units, which is currently $51,000 maximum. I think this is a fair balance. People who want to use their money to go into a franchise system need to be sure that the person running that franchise is doing everything correctly, that they are acting in good faith and that, if they break the code, there is some mandated penalty. This should reinvigorate our franchising system throughout Australia and should give encouragement to people to actually take on a franchise and go into business and take those risks.

One of the big areas of concern for franchising, especially, in the retail sector, is the cost of retail rent in Australia. That is where a lot of disputes and business failures arise from. Fortunately, the Treasurer asked the Productivity Commission to undertake an inquiry into the relative costs of doing business in the retail sector in Australia. The Productivity Commission handed down an interim report, as at June 2013, which had some quite concerning information.

Firstly, the Productivity Commission did an international comparison of the costs of running a retail business in Australia. Why that is probably more than ever is that, in the past, we were almost like an island continent but today, with the internet, people can by fashion, books, clothing and many different products over the internet from overseas retailers. So like never before in our nation's history, our retail sector is actually competing with retailers overseas. We need to ensure that our retail sector and our Australian retailers—many of whom are in franchising—are internationally competitive. If they are not, they will lose business and the nation will lose business, lose employment and lose innovation.

The Productivity Commission's inquiry found a bit of good news. It found that the cost of rent for our supermarket sector is less than the cost of rent in the United Kingdom and the USA. That should be good news for consumers, but it still does not explain the reason that, when you go to a supermarket in Australia, you pay a higher price for a jar of Vegemite, which is made in Australia, than you would pay if you bought that same jar of Vegemite in the UK or in New Zealand. It does not explain why the price of Coca-Cola—probably the most basic supermarket staple in everyone's shopping trolley—is so much higher in Australia than it is elsewhere in the world. An excuse that has been given previously is that the cost to operate these supermarkets in Australia is much higher. But that excuse no longer holds up.

It is also concerning when we look at the comparison the Productivity Commission has done with respect to the clothing and fashion retailing sector. The Productivity Commission found that, on average, if you are a fashion retailer here in Australia, the cost of your rent is almost three times higher than it is for a retailer in the UK and the USA. That simply means that you have to have higher retail prices, which are paid for by the consumer.

Although I am glad that the Treasurer got the Productivity Commission to go ahead and look at this, back in 2007, before I came to this place, I put together a paper along similar lines, called International retail rent comparisons: are Australian retailers at an international competitive disadvantage? In that paper in 2007, I detailed how occupancy costs and rents in Australia are three to four times higher than in comparative countries, whether we look at Europe, the USA, Canada or even Japan. This is something that we need to address.

One of the great problems we have and the reason why this occurs is our local zoning laws. We have been trying to protect some of our large retailers from competition and shopping centres from our zoning laws. As when the government interferes in the market, when it puts
those artificial restraints in, it distorts the market. The result is that our retail rents in Australia are three times higher than in the rest of the world. The ultimate victim of that? Yes, it is those small business people in the franchise sector. But the ultimate victim is the Australian consumer. If we do almost any international price comparison, the Australian consumer is paying far too high a price for the goods in retail shops in Australia.

This is a problem we must address, as I said previously. With the advent of the internet and the growing amount of online sales, we have to address this because we have to make our Australian retail sector competitive, and the way to do that is to allow the forces of the free market to operate. We simply cannot interfere to try and protect inefficient retail centres and retail shopping centres. We must allow people to set up new businesses, to establish new businesses, because that is the only way we can bring these retail rents back to the true market price. If we do an international comparison of office rents, our office rents are very similar to those in the rest of the world and in fact lower on a city-to-city comparison with the USA. But, when it comes to retail rents, we are out of step. That is harming our franchising sector. It is harming our consumers. These are some of the issues we have to address. I have great faith in our minister for small business, and these issues will be addressed, hopefully, in that root-and-branch review of our competition policy.

The bill before us today, the Competition and Consumer Amendment (Industry Code Penalties) Bill, takes an important step towards strengthening our franchising sector. It will strengthen the relationship and the trust between the franchisor and the franchisee, introducing the provision that they both act in good faith and bringing in penalties for a breach of the code. This will strengthen the sector, it will strengthen small business, and I commend the bill to the House.

Ms SCOTT (Lindsay) (10:33): I rise in support of the Competition and Consumer Amendment (Industry Code Penalties) Bill 2014. This amendment bill introduces a new franchise code of conduct into the Australian business sector. The franchise industry is a critical pillar of the small business community, particularly within retail, and includes amazing brands that we all know and love. Battery World, Gloria Jean's, McDonald's, Hungry Jack's, Subway, Hairhouse Warehouse, Pie Face, OPSM, Total Tools, Boost Juice, Grill'd, Bakers Delight, Terry White Chemists and Laser Clinics are just some of the brands that all Australians know and use every day of the week. All too often, it is these brands that fill our urban shopping centres, our high streets or even Queen Street in St Marys, and are local icons within the retail and shopping sector in Australia.

According to the NSW Business Chamber, 90 per cent of franchise businesses are in fact Australian and most franchise businesses are small businesses. So many Australians dream of owning and running their own small business. Often, when you talk to them about this dream, it involves a franchised coffee shop or a franchised clothes shop—a franchise where they think they can have autonomy, running their own life and running their own business.

My upbringing was no different to many other types of families. My family started their own business in 1936.

When a large multinational business decided to come into our area, in fact, to directly challenge my father's business and the life of our family,—our family home was mortgaged against the business—my father went with 10 other local businesses across the Sydney basin and started his own franchise. This franchise grew from being just a Sydney basin to right
across Australia and then, eventually, into New Zealand. The business he started was, of course, the Auto One business. My experience within the franchise sector is not unique. It was through the Auto One business that we were able to compete with Federal Mobil at the time, hold onto our business. The business still exists to this day as does the Auto One group, although we have now sold the business on.

This sector has such great capacity. It has great capacity of nurturing small businesses. It has great capacity of our entrepreneurial community binding together, working together, being competitive against some of the multinationals. Today the franchise businesses in Australia number some 73,000, and employ over 400,000 Australians producing a sales turnover in excess of $131 billion annually. In fact, Australia is one of the most heavily franchised countries per capita in the world.

Since its introduction in 1998 the franchising code of conduct has been reviewed many times—eight times in fact. When the Howard government introduced this important piece of legislation it was to regulate the conduct of participants in franchising towards other participants in franchising. As the Minister for Small Business identified upon introducing this legislation in July, the code is now 16 years old and in the minister's words is beginning to look its age. This is why the coalition government is introducing a new franchising code, one that simplifies and modernises the way franchising is legislated, one that fulfils our election commitments to refine the franchising code, to strengthen its effectiveness, improve its responsiveness to the sector's unique commercial characteristics and tensions and also to guard against additional state based regulation.

The new code of conduct aims to strike the balance between the needs of franchisors and franchisees while understanding the unique nature of the relationship between them. We want to promote growth in this sector, reduce red tape and make sure all participants in the industry follow best practice principles. The reforms will give the ACCC greater flexibility in how it enforces the franchising code to encourage increased compliance and reduce disputes within the sector. Further, they will result in an estimated compliance saving $8.6 million annually for the sector.

In 2013 Mr Alan Wein conducted the most recent review of the franchising code. This independent review involved comprehensive stakeholder consultations across the franchising community and found that there was widespread industry support for introducing pecuniary penalties to deter breaches of the franchising code. The coalition welcomed the Wein review and its recommendations and at the time stated that it was a useful roadmap to franchise reform. Building on the recommendations and the strong feedback from stakeholders, in April 2014, this government took swift action to develop and release exposure drafts of the bill and the new franchising code for public comment. Feedback on the proposed reforms was very positive and received widespread support across the sector.

The ability to include civil penalty provisions in the franchising code is a key component of the reform package. The Competition and Consumer Amendment (Industry Code Penalties) Bill 2014 will facilitate a change to the way the franchising code of conduct is enforced by amending the Competition and Consumer Act to, firstly, allow regulations to be made that prescribe a pecuniary penalty not exceeding 300 penalty point units for a breach of a civil penalty provision of an industry code and allow the industry regulator, the Australian Competition and Consumer Commission, to issue an infringement notice where it has
reasonable grounds to believe a person has contravened a civil penalty provision of an industry code.

These measures will more effectively deter breaches of the code and enhance the enforcement tools available to the ACCC, by allowing it to take rapid action when breaches of the code do occur. This will facilitate greater compliance across the sector and may assist in reducing the number of protracted, costly disputes. This better practice in franchising will in turn make the sector more attractive to investors both locally and internationally.

The bill sets the limit for pecuniary penalty for contravention of an industry code at 300 penalty units, currently $51,000. The amount of an infringement issued by the ACCC for the code breach is 50 penalty units, $8,500, for a body corporate and 10 penalty units, $1,700, in any other case. The new code will also: improve disclosure by including the introduction of a short, easy-to-understand information statement for prospective franchisees; cut red tape by clarifying and streamlining provisions; improve the transparency of marketing funds; make franchisors more accountable to franchisees and required to pay for significant capital expenditure; and, finally, offer protections to franchisees by limiting, in a fair and balanced way, the enforceability of restraint-of-trade clauses at the end of a franchise agreement in special circumstances.

I am very passionate about this legislation, not just because of my family business background but because I also have had the privilege of working for Westfield, at Westfield Penrith, which was a post-acquisition development and rebranding of a billion-dollar shopping centre, and I met pensioners, or people who had just retired, who had taken their entire super and dumped it into a franchise. These were people that invested their whole future in getting that Donut King or that Gloria Jean's up and running. These are the people we need to protect. We need to make sure that they have the best possible go. These provisions will help so many of these businesses. They will help these businesses to be so much more competitive. We need to protect small business in this country. We need to protect the employment that small business creates. I commend the bill to the House.

Mr EWEN JONES (Herbert) (10:42): I have got some text I need to read first, and then I would like to make some comments, so bear with me, because the first bit is a bit dry. I rise to speak on the Competition and Consumer Amendment (Industry Code Penalties) Bill 2014. The amendments in this bill form part of the government's election commitment to refine the franchising code. The bill outlines the government's franchising policy reforms and builds on the 2013 Wein review, including: ensuring that franchisees and franchisors act in good faith—and that is the key term in these things and I will be speaking a little bit more about 'in good faith'—in their dealings with each other; introducing penalties for breach of certain provisions of the franchising code; improving the transparency of marketing funds; improving disclosure by including short-form, easy-to-understand information for prospective franchisees; and cutting red tape by clarifying and streamlining the Franchising Code of Conduct, reducing unnecessary and sometimes unclear provisions.

The coalition promises to reduce red tape for business. Tony Abbott's plan is to build a strong, prosperous economy. Small business owners told us that red tape was harming business across Australia. I see that in my electorate all the time. This government will ensure the franchise industry has the support it needs to flourish. That is why, before the election, we said we would refine the national franchising code. We want to promote the growth in the
sector. We want to reduce red tape and we want to make sure all participants in the industry follow best practice principles. The government has also committed to guard against separate and additional state regulations.

We are the government helping small business, not hindering it. Just as an aside, I think that having a stand-alone Minister for Small Business in cabinet, under the Treasury portfolio, is a huge statement to the business community. I know there are a few complaints around the country about where our priorities lie in relation to portfolios, but I think it makes a massive statement to the people of small business that it is not just an adjunct to another portfolio. In my time in the parliament, we had the one person in that portfolio. Bruce Billson takes this thing very seriously. When he speaks about the pillow talk of having to fill out the BAS and that sort of thing when he speaks to you in your electorate, you know that he has been there.

In relation to being a friend of small business: I think we have to get down to what we actually have done so far. We have axed the carbon tax and we have scrapped 50,000 pages of red tape, saving over $700 million this year. The government has committed to saving $1 billion each year. Josh Frydenberg, as the member for Kooyong and Parliamentary Secretary to the Prime Minister in relation to red tape, is in charge of this repeal. We are having a second repeal day—it is coming up. The first one was a tidy-up of the books, if you like. What we are looking for a practical examples of where we can help business and get rid of that red tape, making sure that we are not ceding an area where a state government or a local authority can come in and crib some money back. So we are making sure that business will be protected on the way through.

We have implemented a dedicated small business support line, which has had over 100,000 calls in just eight months. Small business operators are now able to rely on advice from the Fair Work Ombudsman without fear of prosecution should the information provided by the Fair Work Ombudsman be incorrect. We have developed a 'Your First Employee' guide to help time-poor business to understand what to do when they hire their first employee.

The first franchising code was brought in by the Howard government in 1998 with the idea to regulate the conduct of participants in the franchising industry. Despite many reviews, the code is fraying at the edges and needs to be reviewed. The former government commissioned an independent review by Mr Alan Wein in 2013. The report found from evidence received that there was widespread industry support for allowing a court to impose a pecuniary penalty for some breaches of the code. But despite the then government supporting this and despite the then government asking for the report, Labor just failed to act. They failed to implement any policy before the last election. Labor once again left the work of the heavy lifting for the coalition.

Every speaker on this side has made the comment that under Labor 519,000 jobs were lost in small business. We faced the GFC and banks—everything like that—made it very hard for small businesses. But at the end of the day, it does not matter what the circumstances were: the facts speak for themselves—519,000 jobs lost. That is the challenge for us to get back.

The Abbott government supported Mr Wein's recommendations to make more flexible enforcement options available to the ACCC. Following the recommendations from the 2013 Wein review and ongoing consultations with the franchising sector, the government has committed to ensuring franchisees and franchisors act in good faith in their dealings with each
other. We are use to the term 'in good faith' and we hope that the common law meaning of 'in
good faith' is held as a central principle to these negotiations.

Currently, the Competition and Consumer Act 2010 does not allow pecuniary penalties to
be imposed for a breach of the industry code. Nor does it allow the ACCC to issue an
infringement notice in respect of a contravention of an industry code. The amendments will
allow regulations to be made for a pecuniary penalty not exceeding 300 penalty points or
$51,000 for a contravention of the industry code. The ACCC will be able to issue an
infringement notice to the amount of 50 penalty points, or $8,500, if the person is a body
corporate, and 10 points or $1,700 in any other case.

Franchising gives the public access to recognisable international and Australian brands. It
is a great way for people—as the member for Lindsay was saying—who do not really have a
business background to get a business model that works. That is the beauty of it. That is why
you pay the fees to get into a franchise. It is not about starting something from scratch but
taking someone else's business model which has been proven to work and you try to make it
work. That is the value of a franchise. So each party to a franchise agreement must act
towards the other in good faith in respect of any matter arising under or in relation to the
agreement of the franchising code.

A franchisor must provide a disclosure statement in the form set out in the franchising code
to a franchisee or prospective franchisee and within the time frame set out in the clause.

A franchisor must provide a franchisee with an annual financial statement for marketing
and for other cooperative funding, along with a disclosure document following a written
request. A franchisor must give a franchisee reasonable notice where it proposes to terminate
the franchise agreement for breach and give the franchisee a reasonable time to remedy the
breach. A franchisor must give a franchisee reasonable written notice where it proposes to
terminate the franchise agreement and the reasons for the termination.

The hard part about all this is that a franchise agreement between a franchisee and a
franchisor is pretty much like a marriage. There has got to be a lot of trust, and when there is
trust between people who are not married to each other and there is money involved, there is
a lot of tension there and this is where you need to get in—and I know the member for Hughes
was jumping up and down about this as soon as he was elected in 2010, he has been speaking
to me about franchising agreements.

The pressure to get the thing working and to start seeing an income leads people to try and
reinvent the wheel. This is a two-way street: this is not just the franchisor cutting corners and
getting the money and running; this can be the franchisee reinventing the wheel, moving away
from that business model and not committing to the formula. We have to ensure that both
parties act in good faith, that both parties understand the pressures that are involved here and
work towards a great resolution.

There are 73,000 businesses employing over 400,000 people in Australia contributing in
excess of $131 billion annually. The number of business franchisors has grown over the last
four years, a period that spanned the peak of the global financial crisis. In contrast, the
broader small business sector is recovering more slowly from the GFC.

When people are talking about banking to me, they say that getting money out of banks for
small business is incredibly difficult. The banking regulations, the systems they use, the

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pressures they put on small business to perform and the interest rates they are charging for small business loans are very, very tough and onerous. There has been constant criticism in newspapers and journals in relation to the way the banking system has worked.

In my seat of Herbert in the City of Townsville, there are over 11,000 small businesses. Townsville has a very strong small business sector. We need to back small business and support the people who are willing to lose it all to get ahead. That is the thing: to go into business—I was never in my own business; I never had a ticker but I was also very, very aware of my strengths and weaknesses. I am a very good manager of somebody else's business, but I know my weaknesses when it would come to running my own business. I was never prepared to risk my house, my family's future and that sort of thing on that prospect.

Townsville has a very small business sector, but we need to back small business and support the people who are willing to lose it all to get ahead. We have a diversified economy in Townsville, and that is under threat. Retail and franchising in particular is a major employer, and we need to make sure they have got that there.

These amendments will deter breaches of the code and enhance the work of the ACCC by allowing it to act, if a breach occurs. The government's changes strike the right balance between the needs of the franchisors and franchisees that reflect the unique nature of the franchise relationship. This will promote better franchise in business and will also make the sector more attractive to investors. The government must get out of the way of small business and get their hands out of their pockets.

Franchising is not easy. I have always said, with free trade agreements, that Minister Robb has been able to score. There are too many people in this world who think that with a free trade agreement, we just have to sit back once we have signed the agreement and the money will just keep rolling in. It is the same with a franchise: signing up for a franchise is the start of the hard work. It is not the end of the hard work. Deciding which franchise you want to be in is the beginning. After that comes a lot of hours, a lot of organisation and a lot of commitment. As the member for Lindsay was saying, people retiring from wage-earning businesses where they were not in business for themselves can find it a very, very rude shock of just how much work is required to run a franchise, a small business.

A friend of mine is an accountant and he does transitions when people get their superannuation. He says that, quite often, people will come and see him and say, 'We have got some money here and we want to invest in a business. We want to be able to work a couple of days a fortnight; be able to write our travel off to tax; and make $100,000 to $200,000 each on the way through.' Troy then leans across the table and says, 'If you think that business exists, do you really think that I would be here talking to you?' Those sorts of businesses do not exist.

All businesses require a lot of hard work to get them up and running. That is what the franchise arrangement is. The franchisor has to act in good faith to make sure that they are picking the right person to go into that business and that they are prepared for it. The franchisee has to understand that this is the start of the hard work and that putting the sign up over the front door is not a guarantee that people are going to come in. They must make sure that they stick to the business case—that they are doing everything right, that they are participating in the community, and that they are doing the extra things. You cannot cut corners when you own your own business; you must commit wholly. The one thing that you
can go without when you are a small business owner is sleep. The business takes up a lot of
your time and you must be prepared for that.

That is the whole thing about 'in good faith'. What the minister wants to do here is make
sure that people on both sides of this arrangement understand their responsibilities. A
franchisor cannot just sit there and say, 'Give me $50,000 and I will set you up in a business
and that is all the work that has to be done.' I know the minister is a Richmond supporter, but
Bruce Billson is a good man and he understands what people are going through in business.
That is the thing: you do not have to have cancer to cure it. When you have been in a situation
where you have seen a business struggle or you know how much work has to be done, that is
when you really understand what needs to go into these negotiations. So when the minister is
standing in front of these people and explaining what he wants, he is coming at it from the
perspective that he knows how much work is involved. I like these amendments. I think they
are common sense. I want all parties to understand that they are about working in good faith. I
commend the government for this bill and I thank the House.

Mr IRONS (Swan) (10:57): I am always pleased to follow the member for Herbert and
listen to his experience in business. I rise to speak on the Competition and Consumer
Amendment (Industry Code Penalties) Bill 2014. This bill will act as a first step in a series of
much-needed amendments to Australia's franchising code. I have spoken previously in this
place about the need to reform current codes of practice to ensure that the franchise industry is
operating both fairly and ethically, particularly with regard to the
conduct of franchisors
towards franchisees. It has been obvious for a long time that reform is needed, but
governments on both sides of the political divide have shied away from implementing the
necessary amendments that will hold franchisors and, to a lesser extent, franchisees to account
when unconscionable conduct takes place, such as nondisclosure. This is despite eight official
reviews of the code taking place in the past eight years at the federal, state and territory levels.

As members in this place would know, franchises are predominantly small businesses.
They are owned by families in each of our electorates, and these families quite often put their
life savings into these businesses—believing that, by being part of a larger corporation, they
will have the support they need to see their business thrive, rather than trying to develop their
own business from the ground up. In the majority of cases this concept works well and
Australia's franchising code provides the necessary mechanisms to facilitate contract
agreements between franchisors and franchisees and sets out the procedures for dispute
resolution when those instances arise. The national regulator for the code is the Australian
Competition and Consumer Commission, or ACCC.

As I have said before, one reason that people go into a franchise situation is that they do
not have the necessary experience that they need to be able to run a business. They have the
money—they might want to invest their superannuation or take a loan out against their
house—and they rely on the franchisors to give them the experience and the necessary
disciplines. But where there is churning or situations where they are in conflict, the
franchisors always seem to have it over the franchisees, because they are the ones with the
experience and the franchisees have gone to them in the first place. A number of these issues
have been identified in the most recent review of the franchising code, by Mr Alan Wein—
particularly in regard to the practical applications of the code, as I just said, unnecessary red
tape impositions and concerns surrounding levels of disclosure in this unique business relationship.

Many of the issues outlined were not new to me, and I am sure they were not new to many of my Western Australian colleagues who, like me, have supported the plight of constituents in their electorates who were faced with severe financial distress and hardship as a direct result of franchisor conduct. I acknowledge the member for Canning, Don Randall, who has introduced two private member's motions to this place calling for amendments to be made to the franchising code in relation to dispute resolution. Like Mr Randall, I have witnessed how the current franchise model and behaviour and the conduct of some franchisors have the ability to send franchisees into bankruptcy.

By way of background, in 2008 three Western Australian franchise owners came to my electorate office in a state of distress, as they were on the verge of financial ruin after purchasing and continuing to run a franchise business from a company called Michel's Patisserie. I then proceeded to find out that this was not an individual case where the ability of the franchisees to run their business could potentially be questioned, but in fact five out of the 16 franchisees in Western Australia were in exactly the same position of distress, along with at least another 10 in Queensland. These middle-class, hardworking Australians placed their homes and financial lives at risk when they signed this franchise agreement based on the flawed business model where return on investment, without sufficient profits, was not forecast in the model provided.

As a result of this flawed model my constituent left the business and was left with a huge debt to the franchisor because the franchisor continued to trade with him when his business was clearly insolvent. When they did come to me they brought the necessary figures that were used to go to the bank in this situation and I looked and them and thought: I would never invest into a business on these figures. That is what their bank said as well when they went to the bank: they said, 'We won't invest on those figures.' So they went back to the franchisor and said, 'We can't get any finance,' and the franchisor said, 'Our bank will finance it for you.' That is the model that is actually flawed and this is what I am hoping this bill will help address. The purpose of those franchisors clearly trading with the business while it was insolvent could only have been to drive him back into a position where he would have to sell the franchise back to the franchisor for a 'walk away' sum of money and then they could sell the franchise to another potential client—a concept, as I just mentioned before, known as 'churning'.

I have previously joined my Western Australian colleagues in calling for reforms to the Franchise Code to ensure there is greater accountability for unconscionable conduct, particularly in regard to nondisclosure, and to ensure the franchise industry is operating both fairly and ethically. The coalition government has a strong record of supporting small business and we are progressively rolling out key policy measures such as the $484.2 million Entrepreneurs' Infrastructure Programme to provide practical support for businesses, and $304.1 million over four years from 2014-15 to boost the wage subsidy for mature age job seekers. We have started the root-and-branch review of competition laws and have implemented a dedicated small business support line within Fair Work, to name a few of those new programs.
The government has implemented these key measures because we understand small business and the vital contribution this sector makes to our communities and the economy. I know from looking at our side of the House that there are many people with small business experience and other business experience—so the coalition gets it.

Franchises are a significant part of this small business sector, which the coalition government recognised in 1998 when the Howard government introduced the original franchising code. However, as I have previously stated, reform is needed. This view was endorsed by Mr Wein in his review of the code, and by industry following significant stakeholder consultation during the review process and when exposure drafts of the bill were released for public comment by the Minister for Small Business.

I am pleased the government has swiftly acted on Mr Wein's recommendation by introducing the bill before the House today, which will directly respond to my call for greater accountability for unconscionable conduct. The government will achieve this by giving the ACCC greater enforcement tools to appropriately regulate this industry and determine its conduct by allowing it to apply fines to businesses which breach prescribed industry codes.

The ACCC does need more teeth on this particular issue. When I went to them in the first instance with the people who came to my electorate they said, 'We can't really help in franchise situations when they are already in court.' I said, 'I've got five live cases that aren't in court. Let's go for it.' Unfortunately, the ACCC failed to act and these people ended up still in bankruptcy. Hopefully this legislation will improve that situation and allow the ACCC to act on a far quicker and far more efficient basis.

Currently, there are a range of possible consequences for a breach of the franchising code, which includes arbitration in court. The types of orders that a court can make in these instances are, however, limited to providing a remedy. During the review process, stakeholders indicated that these remedies do not suitably deter breaches of the code and that sanctions imposed do not appropriately compensate for the harm that has been suffered. As I noted when assisting my constituents in their plight against a franchisor, some franchisors have been experts in creating a history of evidence that supports their argument that the franchisee was not performing to their model and therefore the franchisee deserves no protection or compensation from the authorities or the legislation in its current format.

The implementation of Mr Wein's recommendation to introduce pecuniary penalties and infringement notices as remedies for contraventions of the franchising code, which this bill will facilitate, will directly respond to this ongoing issue in the franchising sector. This is not a new recommendation in reviews of this code; however, it has never been introduced despite it being a necessary measure to effectively deter ongoing misconduct in the industry. Although statistics relating to the number of disputes and enquiries to the ACCC support the belief that problems in the sector are moderate to low, that does not mean issues do not exist and that appropriate amendments do not need to be made to resolve these issues.

It is clear from the types of complaints and enquiries that have been received that greater enforcement tools are necessary to effectively regulate the franchise industry. In 2013, the ACCC received 595 complaints and 189 enquiries relating to franchising. The Office of the Franchising Mediation Adviser reported 504 enquiries from 1 July 2012 to 30 June 2013. The highest level of complaints and enquiries in these instances related to exit and misrepresentation or deception, followed by other key issues including moneys owed by the
franchisor, termination or renewal, and inadequate support. The amendments before the House will provide the legislative framework to allow pecuniary penalties to be imposed by the courts and infringement notices to be issued by the ACCC for breaches of the new code.

The bill sets the upper limit for a pecuniary penalty for a contravention of an industry code at 300 penalty units, which is currently $51,000. The amount of an infringement notice issued by the ACCC for a code breach is 50 penalty units, or $8,500 for a body corporate, and 10 penalty units, or $1,700, in any other case. Infringement notices provide a timely, cost-effective enforcement alternative to commencing court proceedings and give the recipient the option of paying the penalty amount to avoid further action by the ACCC in relation to the alleged contravention.

Seeing these key reform measures implemented is important to me, not just because of the plight of my constituents but because franchises make up a significant part of Australia’s small business sector, with the most recent Griffith University survey indicating that franchising contributed more than $130 billion to the national economy in 2012 and employed over 400,000 Australians. In 2012 there were approximately 8,400 franchises operating in my home state of Western Australia alone. Although figures are not available on an electorate level for franchises, as of June 2013 there were 16,153 small businesses in Swan. As a former small business owner myself, and Swan being home to many franchises—particularly in the automotive, retail and manufacturing sectors—I take a very keen interest in ensuring that government policy is aimed at facilitating their future success.

Although the bill before the House today will amend the Competition and Consumer Act 2010 to introduce pecuniary penalties and infringement notices, which will commence on 1 January 2015, a new franchising code will be put to the House at a later date to facilitate the implementation of other key recommendations by Mr Wein.

These changes to the code will result in an estimated compliance saving of $8.6 million annually across the sector by removing red-tape impost, which is particularly important for the small business sector. As the Productivity Commission noted, small businesses feel the burden of regulation more strongly than any other business due to a lack of staff, time and resources, presenting challenges in understanding and fulfilling compliance obligations, so it is important that an unnecessary regulation is removed. As I previously stated, disclosure is a key concern amongst stakeholders in the franchising industry and reform is needed to improve transparency between franchisors and franchisees.

The new code will respond to this concern by including a requirement for franchisors to remind franchisees of their entitlement to a current disclosure document when notifying them that they intend to renew the franchising agreement. It will also include a short, easy to understand information statement for prospective franchisees to increase due diligence, and it will extend to online trading activities so that franchisees can assess the viability of their business if they also have to compete with franchisors conducting online sales. The new code will also respond to the concerns surrounding dispute resolution to ensure franchisors cannot impose their costs of dispute resolution on franchisees or require them to resolve disputes in a state other than the state in which the franchisee's business is based. An overarching obligation for franchisors and franchisees to act in good faith will also be introduced. It will remove confusion in the industry about whether the concept of good faith, as applied in
common law, also applies to all aspects of a franchise contract by including this obligation in the legislation.

Greater transparency with regard to marketing funds will also be introduced to ensure franchisees receive meaningful information about expenditure of marketing and other cooperative funds. There will also be a specification in the code that marketing funds can only be used for expenses such as legitimate marketing or advertising expenses. The new code will also address concerns regarding onerous contract terms, including a franchisor's ability to impose unforeseen capital expenses such as refurbishments to retail premises, and concerns relating to trade clauses in instances where a franchisor chooses not to offer a franchisee a renewal of their agreement.

I look forward to the government's new Franchising Code being introduced in this place to improve the ACCC's ability to regulate the industry. I commend the bill to the House.

Mrs PRENTICE (Ryan) (11:12): I rise today to speak on the Competition and Consumer Amendment (Industry Code Penalties) Bill 2014 which implements the coalition government's policy of strengthening effectiveness and improving compliance with the Franchising Code of Conduct. The object of the Competition and Consumer Act is to promote competition and fair trading and to provide for consumer protection. The code aims to strike a balance between mandating best practice in relation to disclosure and not unduly constraining the operation of the market. The franchising relationship is rarely balanced. The franchisor generally has greater power because they are better resourced; they own or control the intellectual property, including trademarks, relating to the franchise business; they prepare the franchise agreement, which may be offered to a potential franchisee on a take-it-or-leave-it basis; they have broad and detailed knowledge of the business and its prospects; and they may control the supply of materials and other inputs to the franchisee.

Despite the popularity of franchising in Australia, there have been significant and often very public complaints about the operation of the franchising sector. In particular there has been widespread criticism about the lack of enforceability of the code. My electorate of Ryan has a strong small business population—upwards of 1,200—and a number of constituents who are franchisees have met with me to discuss the problems they have with their franchisor. It is this ongoing level of complaint within an apparently popular business model that has given rise to a number of high-level reviews. Between 2006 and 2008, there were five inquiries at the Commonwealth and state levels into franchising which sought to address allegations of misuse of power by franchisors. The most significant of these inquiries was carried out by the Parliamentary Joint Committee on Corporations and Financial Services. The report, entitled Opportunity not opportunism: improving conduct in Australian franchising, called for significant legislative amendments.

Amendments were made to the code in 2007 and 2010, following which the previous Labor government stated that it did not intend to conduct any further reviews before 2013.

In January 2013 the government appointed Mr Alan Wein to review the code with particular focus on the efficacy of the recommendations that had been made to the code in 2007 and 2010, and other matters such as good faith in franchising, the rights of franchisees at the end of the term of their franchise agreements—including recognition for any contribution they had made to the building of the franchise—and the operation of the provisions of the act as they relate to enforcement of the code.
Currently, it is the problem of information between franchisors and franchisees that is the basis of the concerns about disclosure. The importance of accurate and up-to-date disclosure cannot be overstated. Its purpose is to give to a prospective franchisee or an existing franchisee, who is proposing to enter into a new franchise agreement or renew or extend the scope of their franchise agreement, information from the franchisor that will allow that person to make a reasonable and informed decision, not the franchise. In addition, it concedes the fact that there are often difficulties for franchisees attempting to carry out due diligence before entering into a franchising agreement as would occur, say, with the purchase of an existing business.

As Jenny Buchan of the Australian School of Business explains:
If the franchise is owned by a public company, there will be very little information that is specific to the wholly owned franchisor subsidiary in the published annual returns of the public company. While it is not difficult to conduct a search of proprietary company, franchisors often operate different aspects of their businesses through more than one legal entity. The more entities there are, the more expensive and difficult it becomes to conduct a robust due diligence.
If any of those entities, including the franchisor, is in a trust, it is not possible to objectively verify the identity of the beneficiaries from the public records. The franchisee, faced with the high cost or the impossibility of conducting a thorough due diligence for itself, will decide to trust the franchisor information more or less on face value. Or walk away.

The code is designed to ensure that franchisees are given information that is material to the running of the franchise business and provide access to a fast and relatively inexpensive way to resolve any disputes. Broadly, it achieves this by requiring the franchisors to disclose specific facts to franchisees and to follow set procedures in their dealings with franchisees. However, pecuniary penalties are not currently available for breaches of the code, nor is the ACCC currently empowered to issue infringement notices for a likely breach of the code. These are issues that this bill will remedy.

The Law Council of Australia summarise the cautious arguments in favour of imposing civil pecuniary penalties for a breach of the code as follows:
Penalties would operate as an effective deterrent to breaching the code … Due to the cost of justice, franchisees do not possess the resources to pursue franchisors, ie the sector is characterised by an imbalance of power and therefore the state should intervene.

It is inconsistent that penalties do not exist for a breach of the code, given that penalties exist for other breaches of the Competition and Consumer Act, including the Australian Consumer Law. The introduction of penalties would increase the confidence of investors and parties to a franchise agreement.

According to the Wein report, the ACCC as the industry regulator has argued that it should be able to issue infringement notices in addition to being able to seek pecuniary penalties for a breach of the code. This would be an appropriate penalty in circumstances where a franchisee has received an inaccurate or incomplete disclosure document from a franchisor. In particular, the payment of infringement notices in such circumstances would make the matter public and act as a deterrent to other franchisors. The Franchisee's Association of Australia has urged the parliament to pass laws which result in both civil and criminal sanctions for a breach of the code.
The franchise industry has been the subject of a number of inquiries at the state and Commonwealth level since 2006. This has led to amendments to the code in order to overcome many problems which have been reported by franchisees. In addition, there have been, since 2006, significant steps to update the Competition and Consumer Act, including the codification of the prohibition against unconscionable conduct.

The Wein review canvassed many of the same issues that were the subject of those earlier inquiries. The move to impose civil penalties for a breach of the code has long been resisted. What cannot be forgotten is that all breaches of the code will be liable for such a penalty—that is, a penalty can be applied equally to a non-compliant franchisee as a franchisor.

The challenge for this coalition government was to consider the Wein review recommendations afresh and to apply an even-handed response which does not unduly tip the balance of the franchise relationship too far in favour of the franchisees to the detriment of franchising generally. The coalition government, in particular, supported Mr Wein's recommendation to make enhanced and more flexible enforcement options available to the ACCC.

The minister for small business, the Hon. Bruce Billson, described Mr Wein's report as 'a terrific road map about areas of important reform in franchising'. I believe that this bill has risen to the challenge and met the delicate balance between the franchisor and the franchisee to ensure that the franchise sector is improved overall, and I commend this bill to the house.

Mr Billson (Dunkley—Minister for Small Business) (11:24): Madam Deputy Speaker Andrews, it was a great pleasure to receive the call from you and congratulations on your appointment. Firstly, I would like to thank all colleagues from all sides of the parliament that have contributed to this debate—really good contributions, insightful contributions, from the member for Eden-Monaro, the member for Hughes, the member for Swan, the member for Ryan, the member for Herbert and the member for Lindsay. I would also like to acknowledge the member for Oxley's contribution, particularly the encouraging news that Labor will be supporting this package. It is a very positive sign of the collaborative work that has gone on to get us to the point where we are today.

This is an important day. Franchising is very important and a crucial part of our vision of a diverse, vibrant, enterprising economy. And franchising is a big deal. The franchise industry is very important to our economy and the small business community. There are around 73,000 franchising units operating in our economy, employing over 400,000 Australians, and they are producing a sales turnover estimated to be in excess of $131 billion annually. This is a big deal.

We are the franchise capital of the world here in Australia, and so much of our learnings and insights are exported. What I am pleased to bring to the parliament is another installment, another step, in a regulatory regime that has supported the growth, strength and confidence of franchising that so many enterprising Australians are a part of. This is what this bill goes to the heart of.

Alan Wein's report in 2013 was very good and useful. As was quoted, it was a report that the coalition welcomed as mapping out a road map for further franchise reform. The task that we have had is to translate Mr Wein's recommendations into a legislative instrument, and not
only the bill before the parliament today but also the code that will follow once these enabling provisions are passed. That has been an enormous piece of work.

I recall being briefed by Mr Wein on his report and I said: 'Some of your recommendations are written in a conversational style of English. They're great to read. The question that follows is: how would you implement that?' I was encouraged by his advice that that was my problem to actually translate those wise—and I think conversationally communicated—recommendations into the instruments that we need to give effect to. He was quite happy to point out that that was our role and provide all the advice and support that he could, and he has. That is what has got us to the point where we are today.

The Competition and Consumer Amendment Industry Code Penalties Bill 2014 is a key component of our election commitment to introduce a package of reforms to improve the effectiveness of regulation of the franchise sector. The new national franchising code of conduct will be introduced later this year as part of these reforms, and this bill enables those provisions to be enacted. Some of the reform measures that will be in the code are outside the scope of the current enabling law, and that is why we have this amendment before the parliament today.

The bill amends the Competition and Consumer Act 2010 to allow regulations to be made that prescribe a pecuniary penalty not exceeding 300 penalty units for the breach of a civil penalty provision within that code. It allows the Australian Competition and Consumer Commission to issue an infringement notice where it has reasonable grounds to believe a person has contravened a civil penalty provision of industry code.

These respond to some of the observations that colleagues have raised. Under the previous code, if something was inconsistent with the code, the access to remedies, the tool kit available to the ACCC, the opportunity to simply deal with that salvaged the relationship between a franchisor and franchisee and let everyone get back to business, those tools were not available. So you would have a potentially exhaustive process to use broader powers within the competition framework, or in some cases the inappropriate conduct might go unaccounted for because it was too difficult to seek some kind of remedy. A party to that franchising relationship had every ground to be aggrieved about the conduct and could point to examples where the code had not been complied with. Yet the tool kit was not there to deal with that breach in a timely and responsive way. That is what we are trying to fix. Where there is aberrant conduct that is inconsistent with the code you deal with it quickly. Let the commission issue an infringement notice. Present the evidence. Allow the party whose conduct was inconsistent with the code to simply pay the infringement notice—they know they have done the wrong thing—and everyone can get back to business. This is what we are trying to achieve.

The penalty and infringement notice regime to be implemented by this bill represents a relatively modest penalty amount but it is targeted so that its application is balanced—it is a lighter touch approach—and it will give the teeth to industry codes to which it applies while preserving their co-regulatory nature. The new Franchising Code will specify the provisions that attract a pecuniary penalty. The bill will enhance the enforcement tools available to the ACCC to allow appropriate action to be taken against breaches of the new code and to produce greater deterrence outcomes. And, as I mentioned earlier, timeliness matters. You need to be able to deal with these issues quickly so that the harm and the consequences can be
negated and so that an appropriate penalty is recognised for noncompliance. That is a crucial part of the reforms that we are seeking to introduce. This will encourage a higher compliance level across the sector and may assist in reducing the number of disputes, which in turn may reduce pressure on dispute resolution services or the need for costly litigation. We all know that, when a small business finds itself in court, it is often already at a disadvantage before the matter is even heard because of the imbalance in resources and the positions the parties can take.

We are seeking to introduce a maximum civil pecuniary penalty of 300 penalty units—which is currently $51,000—for breaches of certain provisions of the new code. It would have to be a serious breach to attract the upper reaches of the pecuniary penalty. Those serious breaches are of a kind that would undermine in a fundamental way the operations of the franchising relationship and result in detriment to the parties. Beyond that, there are further avenues available which a court can exercise. It is proportionate. More modest action can be taken decisively by the ACCC, and as you move to a higher level of penalty for more egregious breaches, that is where the court process comes in to seek authorisation for those stiffer penalties. Infringement notices of 50 penalty units for a body corporate—that is currently $8½ thousand dollars—will allow the ACCC to quickly and efficiently respond to less serious breaches. To go above that figure, to activate stiffer penalties for more egregious breaches, the commission will need to engage in a court process.

The introduction of pecuniary penalties for breaches of the new Franchising Code has been the subject of comprehensive consultation with industry stakeholders and has won broad support from the franchising community. That consultation has been at the heart of how we operationalise the Wein report recommendations. I commend my team, the Treasury officials, the ACCC officials and the many stakeholders not only for their contribution but also for the goodwill that they have displayed in collaboratively translating Alan Wein's excellent recommendations into the kind of legislative and regulatory instruments that give people confidence and clarity about the nature of the reforms and give effect to the intention that was behind the Wein report recommendations.

This measure will help enhance the business environment for franchisees and franchisors alike and will promote confidence and growth in what is already a vibrant and very substantial franchising sector in Australia. Importantly, it will lay the foundations for the new Franchising Code. The existing code has been in need of renovation and reform and this government has taken up that challenge after many years of calls for action to be taken. It did not happen under the previous government but it will happen under the Abbott coalition government. I am pleased that it will be introduced through regulations later this year and I expect that it will commence on 1 January 2015. I am encouraged by the bipartisan support for that measure from those on the other side of the chamber. Not only will these reforms be of benefit to the sector more generally; they will deliver an estimated net compliance reduction to the sector of $8.6 million annually. We never lose sight of our red tape and compliance burden reduction imperative. That is embedded in this work, as we seek to do with all of our work. This will reduce the red tape burden on businesses across the franchising sector. I commend this bill to the House. I hope it has swift passage through the Senate. It represents a very important step in reforming a crucial area of our small business economy—that is the franchising sector.
Question agreed to.
Bill read a second time.
Ordered that this bill be reported to the House without amendment.

Military Rehabilitation and Compensation Amendment Bill 2014
Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr SNOWDON (Lingiari) (11:30): I am pleased to contribute to the Military Rehabilitation and Compensation Amendment Bill 2014, although I am a little sad that it has taken us so long to actually get to the finality of where we are today, given that a review of the military compensation arrangements was announced first in April 2009 by my predecessor as the Minister for Veterans' Affairs Mr Griffin. What this bill does is amend the Military Rehabilitation and Compensation Act 2004 to enable the Military Rehabilitation and Compensation Commission to retrospectively apply the methodology for calculating permanent impairment compensation claims that have been the subject of claim but have initiated reconsideration by the commission, a review by the Veterans' Review Board and a review by the Administrative Appeals Tribunal.

When the review was announced, it was to be undertaken by a steering committee, which was headed by the then secretary of the Department of Veterans' Affairs, Ian Campbell PSM. We initially released the report for further discussion in March 2011, and it was not until the 2012-13 budget that the government's response was made clear. I was privileged enough to be the Minister for Veterans' Affairs at the time, and announced on 8 May 2012 the government's response in the context of the budget for 2012-13. As part of the budget, the government had announced its response to the review of military compensation arrangements by committing $17.4 million to implement 96 of the 108 recommendations of the review. As I pointed out, at the time the majority of these changes were to be implemented from 1 July 2013 and they were to deliver improvements to the then current arrangements for compensation in health care, increased financial compensation for eligible members and families, and improved training for those who provide advice to veteran communities on entitlements.

The main initiatives that were to be introduced included a new method for calculating permanent impairment compensation across multiple acts or transitional claims under the Military Rehabilitation and Compensation Act 2004—otherwise known as the MRCA. All those who had claimed permanent impairment compensation under MRCA and been subject to the method of a permanent impairment across multiple acts, since the act commenced on 1 July 2004, were to be reassessed with the result that many would have been receiving increased compensation. At the time, around 6,000 former ADF members with chronic health conditions accepted under the Safety, Rehabilitation and Compensation Act 1998, or SRCA, were subject to a needs assessment showing long-term treatment needs. They were to receive a white repatriation health card for specific conditions and supplementary payment for pharmaceuticals. There was to be earlier access to compensation with claims under permanent impairment compensation under the MRCA for multiple conditions receiving compensation, as each condition stabilised, rather than having to wait for all conditions to be stabilised.
The eligible young person periodic payment under the MRCA was to be increased to match the SRCA equivalent, and compensation payable for financial advice under MRCA to certain beneficiaries who had made a choice about how they wanted to receive their benefits was to be increased. There was to be greater flexibility for future wholly dependent partners in the way they receive compensation, with the option to convert part of the compensation to a lump sum payment.

This was quite a technical inquiry and the review did enormously good work, and I want to commend the reviewers for the work that they did and the recommendations that were made. In addition, at the time, we announced that we would improve processes for the delivery of benefits and services under the MRCA, including: a boost to the educational providers, clients and other representatives to ensure they remain informed about the full range of entitlements available through the Department of Veterans Affairs' for current serving Defence Force members, reservists and their families in the event of injuries or death; better information on rehabilitation transition from the ADF and compensation offsetting; more initiatives to improve the quality and timeliness of claims processing; better pathways to transition from ADF to civilian life; a new model for providing claims representation on complex claims; improved cooperation between Defence and DVA through an extra Military Rehabilitation and Compensation Commission member nominated by the Minister for Defence; and improved management of the relationship between DVA and Defence.

These were very important recommendations that I know at the time had bipartisan support. They were a way of knitting together more appropriately the entitlements of veterans who are wounded or otherwise injured during their service, and the Department of Defence, because—as the member for Bass, who is going to speak after me, will attest, I am sure—there have been in the past great difficulties in getting assessments done in a timely fashion and payments made in an appropriate way. This is changing and I am very pleased that it is.

Sadly, it was not until 2013 that the bill ultimately received the support it required during the processes of this parliament. I remember at the time having difficulty getting the matter addressed and put on the Notice Paper—not in the Reps chamber but in the Senate—and it was important, I think, that ultimately we did achieve this outcome. I did make the point at the time that, during the review, 52 in-scope submissions were received, 12 meetings were held at ADF bases and nine meetings were held with members of the public; and, following the release of the review in March 2011, there was another opportunity for people to comment and a further 43 submissions were received. Ex-service organisations—as you would expect, Mr Deputy Speaker Porter—were also consulted and briefed on the arrangements.

Ultimately, and finally, the bill passed through the parliament, which I am very pleased about. It confirmed the government's allocation of $17.4 million over four years to implement 96 of the 108 recommendations, which included those matters I identified earlier. Sadly, though, as the Bills Digest informs us, when the commission commenced its review of the transitional permanent impairment calculations, in order to apply the new methodology apparently a technical barrier in the existing legislation was detected. This barrier, the digest tells us, had the effect of preventing the retrospective calculation of transitional permanent impairment compensation in certain circumstances. So, now the provisions of this bill will operate so that the commission is able to retrospectively apply the methodology for calculating permanent impairment compensation to claims that have been the subject of
claimant-initiated reconsideration by the commission, a review by the board or a review by the AAT. But, finally, we get the legislation through this place in a way which will be able to be properly utilised, with retrospective payments being able to be made.

It is very important—and I have said this on previous occasions when I have had the great privilege to address this chamber—that we do in this country take seriously the needs and concerns of our veteran community and also the needs and concerns of our serving personnel. This is all part of the network of support that we provide for serving personnel and subsequently those who leave the Defence Force and their families when they most require it, and we have a long-term commitment to doing that.

As I have said on many occasions, once a person walks through the gates at Kapooka, they are potentially a client of DVA for the rest of their life. One of the things I was keen to see and am still keen to see is the DVA processes brought right into the recruitment centres, so that people understand they have this support mechanism in place to look after their interests both whilst they are serving and once they leave service. There are many serving personnel who are having their injuries recognised and are being compensated whilst they are in uniform and that is as it should be. We need to make sure that, as people leave the Defence Force, their needs are appropriately addressed and their families in particular are given the support that is required. Because of the nature of this bill, I am not going to politicise the discussion because I was going to talk about other measures which the government has taken which would be detrimental to the veterans community. I am concerned about that, but I will make those comments in another place. I think this bill is too important for that. Thank you.

Mr NIKOLIC (Bass) (11:41): I associate myself with those latter words of the member for Lingiari, who points out quite reasonably that those who serve our country and are often very well supported within the defence organisation sometimes experience difficulties as they transition from that warm, soft, comfortable bosom of the defence environment to perhaps more bureaucratic processes in trying to get the support they need. I thank the member for Lingiari for those comments.

I also welcome the opportunity to address the House on the Military Rehabilitation and Compensation Amendment Bill 2014, a bill I have a keen interest in. My interest is founded on over 30 years of service in the Australian Regular Army. Today, I wish in particular to speak to a number of themes which are either explicit or implicit to this important legislation. The first is the inherent rightness legislatively, ethically and morally of this policy; the second is to this bill’s refined or improved agility and flexibility; and the third pertains to the bill mirroring to some degree equivalent supporting action that is being undertaken by our closest allies and partners in the area of military rehabilitation and compensation. I will speak first about the inherent rightness of this policy.

That this policy is inherently right for our defence community at this time is, in my view, unquestionable. As the House is keenly aware, Australia has recently concluded its longest ever operational conflict including combat operations in both Iraq and Afghanistan. As someone who deployed on Australia’s first commitment to Afghanistan in late 2001, I never anticipated that it would continue for some 12 years. Many of the veterans that I see today at Anzac Day and at other military commemorative events are increasingly wearing Afghanistan and Iraq campaign medals. Their comments to me attest to the point that I made in my introduction, that as they have left Defence and moved on to the next journey in their lives,
they have at times found it difficult making the transition to sometimes bureaucratic structures in the Department of Veterans Affairs and getting the support that they need. This bill is particularly important in that regard.

What perhaps is most unique and also less widely appreciated about the recent engagements that I mention is the restricted professional demography of the combatants. In this war, all of the Australian casualties have been professional soldiers, as distinct from a mix of professionals and short-term conscripts from the wider Australian community. The latter case has been the norm in the majority of our nation's former wars and military engagements. This has meant that the full burden of the recent global war on terror has been borne by a relatively small professional army with nearly all veterans having been engaged in multiple operational tours. Indeed, some special forces soldiers from either the Special Air Service Regiment—in your home state of Western Australia, Mr Deputy Speaker—or the 2nd Commando Regiment have done as many as 10 separate tours. I have a personal connection to these people. My daughter, Captain Julia Nikolic, returned at the end of last year from her own second operational tour of Afghanistan.

In our nation's past wars most Australians knew a combat veteran personally; very often they were related to one. Now, however, very few Australians outside the closed community of the military know a veteran in the same way. Yes, they might support or admire the military institution per se, but this is very far from the same thing. This point about society's changing connection to the wars that Australia is engaged in became even clearer to me yesterday when I attended, in Launceston, the opening of a major exhibition at the Queen Victoria Museum and Art Gallery, which was opened by our Governor-General, His Excellency Sir Peter Cosgrove. A notable feature of that exhibition was a display along the railing which had a listing of the towns in Tasmania showing those who had left those towns to fight in the Great War and a numerical indicator of those who had not returned—those who had paid the ultimate sacrifice. It brought home to me in a very personal way this point about how closely Australian wars have touched its population over time. This concentration of military demography has acted to isolate, in more recent times, much of Australia's wider community today from the grisly reality of war. Such separation cannot long endure.

As veterans, some of whom are irrevocably damaged by war, re-enter the mainstream civil community, the effects of their experience may emerge slowly and perhaps even tragically over time. Like the elusive commodity which is 'truth', eventually the effects and related effects of combat, particularly close combat, will emerge in some. Inevitably, some in the civil community will also be affected by this in the future. Regrettably, this is not a prediction. It is a practically anticipated reality. All of our close allies are facing or will soon face the same dilemma in the foreseeable future. Of course this amendment bill will in no way counter or avert this. That train has already long left the station. But, it will do much which is positive and constructive to support those who are affected both directly and indirectly. It may aid their recovery or ameliorate some of the effects and ongoing trauma of their incapacitation, mental anguish or trauma. All of this is important and will remain so long into the future. As an aside, this is but another reminder of what war does to people and what we potentially set in place when we decide to place them in harm's way. We, the members of this parliament, share this immense burden of responsibility. My comments reflect both the
potential horror of some aspects of military service and the inherent importance and rightness of this legislation as so essential in its wake.

Let me now speak about how this legislation allows us to become more agile and flexible into the future. This legislation will make future Commonwealth policy in the area of military rehabilitation and compensation more agile and flexible. In particular, the following eight separate features or elements of this amendment bill are thought by the coalition to be especially noteworthy and laudable.

First, the adoption of a new methodology implemented from 1 July 2013—as the previous speaker pointed out—to calculate the amount of permanent impairment compensation that is payable under the Military Rehabilitation and Compensation Act or the MRCA. Second, the application of this new methodology to persons who have an injury or disease already accepted under the Veterans' Entitlements Act or the Safety, Rehabilitation and Compensation Act.

Third, appropriate assessment of compensation payable under the MRCA is to include conditions accepted under the VEA or the SRCA to ensure that any compensation paid is assessed on a whole of person basis; fourth, the identification of select parts of this compensation as transitional permanent impairment compensation; fifth, application of the principle of retrospectivity to apply the new methodology resulting from the review of military compensation arrangements in circumstances that are prevented by current legislation; sixth, flexibility to increase the amount of MRCA for some recipients. It should be noted that the retrospective recalculation is being undertaken on the basis that no person would ever be disadvantaged. Seventh, maintenance of current levels of entitlement in the rare event that the new calculation would result in a lesser amount of MRCA; and, finally, removal via parliamentary amendment of former technical barriers that prevent the retrospective recalculation of transitional permanent impairment compensation in certain circumstances. Each and all of these steps will act to improve the practical lives and futures of those who serve or who have served. Indirectly, it will also proffer significant benefit to affected defence families and partners of defence members.

I note that the general thrust of this amendment bill mirrors the concerted efforts which are currently being made by our close allies to support their respective defence and veteran communities. This includes constructive and positive government initiatives in the United States, Britain and Canada—all of which suffered grievously in recent operations in both or either Iraq and Afghanistan. Regrettably, such support has not always been forthcoming in Australia. The inconsistent treatment of defence personnel after the Great War with the ill-conceived soldier settlement scheme and the later national indifference and neglect which occasioned the return of Australian soldiers from Vietnam are but two cases in point.

Blessedly, bipartisan government support of those who serve Australia and her national interests, both at home and abroad, has assisted immeasurably in more recent times. The government is committed to continue to honour the sacrifices of those who serve and to match this intention and commitment with practical action and concrete legislation such as this.

To conclude, on many levels this legislation is the right policy for Australia at this time. It comes not long after the conclusion of our nation's longest ever military engagement and at a juncture when, for perhaps the first time, the full range, longevity and extent of the effects of combat on the whole human being are being recognised and openly discussed as never before.
While policy itself can never make up for the loss of life or capacity, it can nevertheless do much materially for those affected by war or military service. This includes both surviving and injured combatants as well as the families and dependents of those killed in the honourable service of our nation. It also includes those whose full injuries are anticipated to emerge or worsen at a future time. This is the hidden or 'iceberg' effect of war, where much of the human damage is hidden below a veneer of individual or collective equanimity.

Finally, though it is comparatively rare in this House, I would like to publicly thank all members in it, regardless of political persuasion or affiliation, for the spirit of bipartisan support and cooperation which has occasioned the approach and debates surrounding current defence personnel and family related issues, including financial entitlements. It is on this note that I have much pleasure in commending the Military Rehabilitation and Compensation Amendment Bill 2014 to the House.

Mrs PRENTICE (Ryan) (11:54): I rise to speak on the Military Rehabilitation and Compensation Amendment Bill 2014, having only recently visited the soldier recovery centre at Gallipoli Barracks at Enoggera in my electorate.

When a soldier is wounded in service to our country, we have a duty and a responsibility to do all we can to, sometimes literally, get that soldier back on their feet. The rehabilitation centre at Gallipoli Barracks is achieving some outstanding results, having recently invested in cutting-edge equipment and facilities optimised to assist recovering soldiers. The RSL has also funded an education room specially built for a wide range of disability access and use. With my colleague the member for Brisbane, I had the opportunity to talk with some of the soldiers currently participating in the program. Overall, they were impressed with the upgrades to the centre and the support the Gallipoli Barracks and the ADF were providing.

However, there is always more that can be done. Rehabilitation is a slow process and ensuring the correct level of medical support—provided continuously, and with flexible arrangements all the way through the process—is vital for a successful recovery. Following my visit to the barracks, I have been in communication with the Minister for Defence, who assured me that the government is determined to ensure that our soldiers—the men and women who have fought for our country—receive the best possible support.

Today, this bill is taking steps in the right direction to ensure that this is achieved. The purpose of this bill is to enable the Military Rehabilitation and Compensation Commission to retrospectively apply the methodology for calculating permanent impairment compensation to claims that have been the subject of claimant initiated reconsideration by the commission, a review but the Veterans' Review Board or a review by the Administrative Appeals Tribunal.

This bill is quite technical in nature. However, it is also very significant, as it will affect many of our patrons on a daily basis. Permanent impairment compensation payments and non-economic loss payments are paid to compensate for pain, suffering, functional loss or dysfunction and the effects of injury or disease on lifestyle. When the Military Rehabilitation and Compensation Act was enacted, it was necessary to determine how persons whose injuries has already been accepted under the Veterans' Entitlements Act 1986 or the Safety Rehabilitation and Compensation Act 1988 would be treated.

In April 2009 the then Minister for Veterans' Affairs announced that there would be a review of the military compensation arrangement to ensure:
… the Government is providing appropriate support and compensation to Australia’s veterans and ex-service personnel.

The review was conducted by a steering committee chaired by the secretary of the Department of Veterans’ Affairs, Mr Ian Campbell PSM. The review report was released in March 2011.

The review found the military compensation system to be fundamentally sound, but noted that certain improvements could be made—particularly to permanent impairment compensation. The review noted that the assessment of permanent impairment under the Military Rehabilitation and Compensation Act was based on whole-person impairment methodology—that is, where multiple-service-related conditions exist, the impairment resulting from all service related conditions is not simply added but must be combined by applying a combined values formula which ensures compensation cannot exceed 100 per cent of the whole person.

The review examined the date provisions came into effect for permanent impairment compensation. Weekly permanent impairment compensation under the act became payable at the time of the review from the date the claim of liability was lodged or the date that the claimant's conditions were found to have become permanent and stable, whichever was the later. The review found inequalities for claimants with multiple conditions where the conditions became stable at different points in time and recommended that permanent compensation become payable on the basis of each individually accepted condition, rather than on the basis of all accepted conditions.

The government's response to the review was announced in May 2012. Consistent with the recommendation of the review the government made amendments to allow for permanent impairment compensation payments for a service injury or disease to be made on the basis of each accepted condition, rather than all accepted conditions together, and to incorporate lifestyle factors into the calculation of the amount payable. In addition, the Military Compensation Review Act contained transitional provisions to allow for certain transitional impairment calculations made from 1 July 2004 to 30 June 2013 to be recalculated under the new methodology. Importantly, past payments were to be adjusted retrospectively only if the recalculated amount would result in a benefit to the recipient. In that case, the serviceman or woman would be paid the difference between the amount originally paid and the new amount.

However, a technical barrier in the existing legislation was detected when the commission commenced its review of transitional permanent impairment calculations in order to apply the new methodology. The barrier had the effect of preventing the retrospective recalculation of transitional permanent impairment compensation in certain circumstances. The provisions in this bill operate so that the commission is able to retrospectively apply the methodology for calculating permanent impairment compensation to claims that had been the subject of claimant initiated reconsideration by the commission, a review by the board or a review by the Administrative Appeals Tribunal.

The amendments in this bill will result in beneficial or neutral outcomes only. Compensation is to be increased if it is found to be less than should be. However, if after review the commission is satisfied that the amount of compensation should not be increased, the commission may make a determination confirming the amount of compensation. Despite
this assurance, the effect of the amendments is that the decision of the commission will be an original decision which can be reconsidered or reviewed as above.

This is just one step the government is taking to improve the lives of the Australian Defence Force men and women undergoing rehabilitation or living with a permanent impairment. I commend this bill to the House.

Mr VARVARIS (Barton) (12:01): I am proud to be speaking in favour of the Military Rehabilitation and Compensation Amendment Bill 2014, a measure which fine-tunes the legislation governing military compensation so it can best serve our returned service community. The amendment will allow the Military Rehabilitation and Compensation Commission to retrospectively apply the new compensation methodology implemented last year to certain people receiving transitional permanent impairment compensation. The bill ensures that the Military Rehabilitation and Compensation Commission can retrospectively calculate the rate of compensation due to a claimant who had initiated reviews or reconsiderations of compensation with the MRCC, the Veterans' Review Board or the Administrative Appeals Tribunal. This will ensure that compensation is paid on a whole of person basis and that compensation now and into the future will be equitable across all arms of military service and all forms of compensation schemes. This is a good measure focused on ensuring equity and fairness for the returned service community. It will mean that assessing for compensation under the Military Rehabilitation and Compensation Act would take into account conditions which are already accepted under the Veterans' Entitlements Act or the Safety, Rehabilitation and Compensation Act.

An imperative component of this bill is the fact that no recipient will be worse off because of the retrospective application of this new methodology. In fact, service men and women will be better off overall because of the way compensation will be applied. That factor of this bill alone should inspire support. Where the rate of compensation can increase due to the calculation it will do so, and where the rate of compensation decreases according to the new methodology it will remain at its previous higher amount.

This government proudly backs increases in the level of support afforded to those who have paid the ultimate price and their families. It is fitting that the no-disadvantage condition applies to the implementation of this amendment. The veterans of this country deserve a fair go and they deserve our support and appreciation. They certainly deserve generous provision and compensation when, in the line of duty, an individual suffers permanent impairment. After all, the sacrifices ex-service men and women have given their country and all of us, their fellow citizens, are unable to be exaggerated. We absolutely must ensure that the social security framework supporting returned service men and women and injured veterans is consistently maintained and rises in line with the cost of living.

It is worth noting that this year marks 10 years since the establishment of the MRCA, a means of assessing compensation which encompasses the whole of military service and will equip the government for the future in terms of adequately caring for our service men and women. The establishment of schemes such as this is, pleasingly, accepted by the wider community. The review into military compensation of 2011 confirmed that there is a public understanding of the fact that military compensation is a special and separate form of social security which pays heed to the unique challenges and value of military service. In the report it was noted:
The existence of statutory compensation legislation designed specifically to meet the needs of military service appears to be implicitly accepted.

Compensating those who have given their all for their country should be one of the first and foremost uncontroversial activities of government. The coalition has always prided itself on maintaining a strong relationship with the Australian veteran community.

Now that our team is in government, we are striving to follow in the footsteps of successive Australian governments who have made it their priority to provide compensation and support to ex-service men and women since the First World War. I would like to take this opportunity to reflect on the deeper reasons that fair military compensation is such a priority to this government.

It goes without saying that engagement in war is a costly, stark and confronting task. It takes immense moral courage and physical endurance. The sheer number of Australians who have laid their lives on the line for their country and been injured in the process mentally or physically demands in turn that their country remembers and supports them. The mental and physical burdens of service have a ripple effect to the family and friends of those who return. It is up to us in government to look for opportunities to advance the care and treatment of these returned personnel.

In drafting these amendments, the government has done just that, finding a way to fine tune the legislation to maximise equity and care. The high risk, high demand nature of the work that our military personnel do both onshore and offshore in times of peace and in war requires a level of commitment not just to the job but to the country which cannot be compared to civilian service. The requirement to be deployable, to put one's life on the line and to adhere to strict and serious codes of service demands a total commitment to the role. As it should be, this commitment is met with deep appreciation on the part of the Australian people, but is also often met with significant injuries and personal challenges. When our service men and women meet with these challenges, because they have given so much, we as the Australian government and the Australian people must go out of our way to carry those who have carried the interests of our nation.

More than 26,000 Australian men and women have served in Afghanistan, some 17,500 served in Iraq, and those figures represent the tens of thousands of lives which have been marked and changed by military service. Often, lives are transformed in a way that is not visible to the eye. Mental health is a major issue, with regards to our returning service men and women. Post traumatic stress disorder is a serious risk to those who have served in combat roles in places like Iraq and Afghanistan, although the support services and prevention programs within the Australian military are particularly effective.

The Australian Defence Force has reported that 22 per cent of the ADF population, or one in five, experiences a mental disorder. This figure is far too high and demands that we be more vigilant as a community against the often unspoken and all the more ravaging effects of war—those that begin after the conflict has ended. As our Prime Minister said in July of this year, those who serve must know that their country will not ask them to bear the emotional wounds of war alone.

Furthermore, as the Minister for Veterans Affairs, the Hon. Michael Ronaldson said when he wrote to the veterans in winter of this year, the 2014 budget places the mental health needs of veterans and their families at the forefront of the government's commitment to the veteran...
community. Indeed, I welcome the rise in military pensions and the recent establishment earlier this year of the Prime Ministerial Advisory Council on Veterans’ Mental Health. Councils such as these strengthen and inform the approaches that government take to the mental ravages of war in alliance with the work that the Department of Veterans Affairs is already doing.

The DVA services over 310,000 veterans, dependents and their families. As of May this year, there were 1,428 DVA clients in my electorate of Barton, many of whom are vulnerable dependants. Almost 50 are recipients of the MRC compensation, the subject of these amendments, and this bill assures me that the government is doing right by those veterans and ex-service personnel who live in my electorate and are dependent on rehabilitative care.

I am proud of the programs that exist for service men and women and for the veterans in my electorate of Barton. The people of Barton have a strong level of respect and reverence for the service carried out on the behalf of Australians by defence personnel. This is reflected in the strong turnouts we always see at Anzac Day services and remembrance occasions. The electorate is serviced by many fantastic programs which ease the challenges of returning to civilian life, dealing with service-related injuries or mourning the loss of a loved one. Australian service men and women have done an incredible job in the establishment of returned service leagues, community building initiatives and mental health programs. Veterans have founded their own services like the Veterans and Veterans Families Counselling Service, a service founded by returned Vietnam veterans. The expansion of the service on 1 July this year to include those who have served in border protection, disaster zones and training accidents is a welcome advance in our care for those who have served in a variety of roles.

The Veterans' Home Care program, the mental health focused program At Ease, RSL clubs, the Arncliffe Men's Shed and the DVA run Wolli Club at Earlwood-Bardwell Park RSL are just some examples of the ways that government, the veterans community and countless volunteers come together in my electorate to give back. I always hear positive things from constituents about the Department of Veterans' Affairs and its support programs. While doorknocking, I have met military widows and families in my electorate who attest to the fact that the DVA takes meticulous care of them and shows a very human side.

The returned services community deserve to be recognised, and they deserve a space to tell their stories. Experts suggests that being given an opportunity to tell of the experience of war is important in the healing process. The Director of the Australian War Memorial, Dr Brendan Nelson, believes that initiatives such as the memorial and the Centenary of Anzac afford veterans the opportunity to make sense of their experiences and gain closure.

I am looking forward to the commemoration of the Centenary of Anzac unfolding next year as we anticipate the rollout of the local grants program in my electorate of Barton. Establishing an electorate committee to review the applications to the Anzac Centenary Local Grants Program was a rewarding experience. The committee was honoured by the inclusion of Major General Raymond J Sharp AO, RFD, ED, a former commander of the 2nd Infantry Division. His participation in the committee reminded me that many of those who have given their all for their country are still serving their country in countless ways in the returned veterans community, especially in the education of the next generation.
The Australian community of veterans is a proud and strong one but one that faces significant struggles and burdens. These challenges should give the government and every Australian citizen cause to strive harder to provide ex-service personnel with the strong level of support and gratitude which they deserve. The wounds of war, both visible and invisible, are unimaginable to those who have never served in times of conflict. With the draw-down from Afghanistan in particular, human complexity, conflict with insurgency and serious levels of physical strain have taken a drastic toll on many. Chris May, a soldier deployed to Afghanistan at the age of 19, put it this way in an interview with The Sydney Morning Herald:

"It's a different world when you come back … You see everyone getting hyped up over reality TV or the State of Origin. People don't really appreciate the bigger problems of the world. In 12 months everyone will have forgotten about Afghanistan, and what then? All the guys know that's what's going to happen. Things will go back to the way they were before, and people will forget that we were ever there.

Preventing a young returned serviceman from feeling forgotten and disconnected, and rehabilitating him from his wounds, visible and invisible, is a true test of our identity as a nation with the utmost respect for its diggers. When the pride and fervour of Anzac Day or the Centenary of Anzac is over, we in government must ensure that no digger is left behind and that no family member is left without support. One way to ensure those things is to keep our compensation schemes in top-notch condition and to keep them as equitable and sound as possible. By consistently finetuning the legislative framework, we can ensure that as a government we are giving the returned services community the level of support that they deserve and require. As such, I commend this bill to the chamber.

Mr EWEN JONES (Herbert) (12:13): I am pleased to speak on the Military Rehabilitation and Compensation Amendment Bill 2014. This bill enables the Military Rehabilitation and Compensation Commission, or the MRCC, to apply a new formula to retrospectively calculate compensation to former members of the ADF. It also applies enhanced compensation arrangements as applicable. A new methodology was implemented from 1 July 2013. This came about after a review of the military compensation arrangements. The new methodology applies to persons who have an injury or a disease already accepted under the Veterans' Entitlements Act. No veteran will be disadvantaged by the passage of this amendment bill. It is important that we say very clearly that no veteran will be disadvantaged.

The history around this is that, prior to the last election, the government expressed concern about the application of the old formula and its impact on compensation payments to veterans with eligibility under multiple acts.

The coalition has committed to providing support to veterans' orphans and DVA students, and will also support the Veterans' Children Education Scheme. It continues the hard work of the government in legislating better pay and conditions for our veterans and follows on from the DFRDB and DFRB legislation in June. Can I make a personal vote of thanks here in relation to Senator Michael Ronaldson, who has been our veterans' affairs spokesperson since I was elected in 2010 and is now the minister. His efforts here—his efforts inside government, inside opposition—to ensure that we deliver for our veterans should never be underestimated. He is a good man, he has a good team and he works very, very hard. I am pleased to be part of that team.

There will be no financial impact from this bill, and funding was provided in the 2012-13 financial year. The changes proposed in this legislation will enable veterans with such
multiple eligibility to be no further disadvantaged in the calculation of their compensation pensions. When you are dealing with veterans and ADF personnel, as we do in our electorate offices on a regular basis, and in places like Townsville, which has a significant veteran population, it is a major part of our role as MPs to work between the soldier, sailor or airman and the department. There are so many cracks in the system. What this government is trying to do is not so much eliminate the cracks but just make them as small as humanly possible. The system will never be perfect. What we are trying to do is make sure that as few people are falling through the cracks as possible. Where the application of this new methodology would result in a lower amount of compensation, the existing amount of compensation will apply until a new assessment results in a higher amount of compensation. Once again, it is recognising the nature of service.

We have over 4,000 DVA clients located in Townsville, in the Townsville area, who have served in the ADF from the Second World War through to the most recent conflicts in Iraq and Afghanistan, and we are proudly home to the 3rd Brigade who, this weekend, celebrates its centenary. In 1914 the 3rd Brigade was formed, and Brigadier Roger Noble will be leading all sorts of things, including the keys to the city, for the 3rd Brigade this weekend. There is an eight-page lift-out in today’s Townsville Bulletin celebrating the centenary of the 3rd Brigade as we move into what will be four years of tremendous commemoration in relation to our military history.

Being in a Defence Force city, my office has had a great relationship with the local DVA office and the hard work the staff of the DVA do for the ADF community. When Senator Ronaldson was in Townsville last, he made a special effort to get into the DVA to meet the staff and to personally thank them for the work that they do. We always find—my office always finds—that we get a great result and quick communication when we are approached about an issue and the DVA gets involved. This government is also funding an expansion—just as an observation—of the Chinook and the MRH90 helicopter bases and facilities for the 5th Aviation Regiment and the RAAF Base Townsville.

I attended the Legacy ball, or the Defence ball, in Townsville last weekend, supporting local Defence families in need of help from Legacy. I think one of the great things in this country is Legacy and our Legatees. When you are talking about Afghanistan, and you are talking about the nature of service now—there was probably time during the eighties and nineties when we were thinking that maybe it had had its day—Legacy has a very, very real role to play, and a growing role. Major General Stuart Smith is a Legatee. One of our greatest—one of our best—soldiers in this country is a Legatee. He lost his father in Vietnam, and he would not be the man he is today without Legacy. His mum would never have been able to provide for them without the help of Legacy. So I was very pleased to go along—I am not the world’s best auctioneer, but by jingo I am the cheapest—and help them out for the evening.

So the 3rd Brigade is celebrating its centenary this year. Townsville has a strong and proud military history. The support this government gives our veterans is something that we should all be proud of. More than service in war, I think what we have to understand is the nature of service. And Townsville is home to the 3rd Brigade, which is primarily a redeployable organisation. They are an infantry based organisation, and when you think about a pack that a soldier will carry, it weighs about 48 kilos. Deputy Speaker Porter, I do not think you are 48
kilos. Soldiers are in and out of trucks. It is unnatural to carry that much weight while jumping out of trucks and jumping out of helicopters. It puts pressure on all parts around the body. The nature of the industry and the nature of injury is completely and utterly unnatural. My nephew has been accepted into the ADF and he wants to join the Army. When he was talking to me about it I said, 'Anything but infantry, Mate, anything but infantry. You've got to make sure that, when you turn 40, you still have knees, ankles and a back which can be relied on.'

Being a defence city, we do have lots of rivalry. The Army is so big in Townsville. My friend the member for Bass will understand when you talk about stars in the ADF that the Navy navigate by them, the Army sleeps under them, and the RAAF uses them to rate the hotels in which they are going to stay. There is all of that sort of rivalry. At the Defence Ball the other night it was out in force.

Our ADF personnel are looked after. Do we give them everything they want? No. And those of us who have been in this game understand what it is like to deal with veterans when they feel they have been hard done by. Sometimes you cannot fulfil their demands. The first duty of a government is to secure our borders. We ask people to serve and we must do the right thing by those people who do serve. We are coming into four years of commemoration of World War I, Korea and Vietnam. Townsville will be front and centre with the 50th anniversary of Long Tan in 2016. And there were recent fields of conflict—for example, Somalia—when the nature of the relationship between Townsville and the ADF changed overnight. They went from being 'Ajs'—or Army jerks—to being 'our boys'. It is a relationship that our city, our mayor Jenny Hill and the current commander, Brigadier Roger Noble—and previous brigadiers and previous mayors—have worked so hard to foster, to make Townsville a great ADF town. There was Rwanda, Timor-Leste and the war on terror.

I said just recently the nature of war and the nature of the enemy we face is vastly different from that of World War I, and so is the nature of the care we must provide. I never served—Australia would be in a lot of trouble if I were on the front line somewhere—but I do understand what it takes to be a member of the ADF. They must be that 'type A' personality. Is our system perfect and are we perfect at delivering it? Of course not. Are we improving? Of course we are. At every opportunity, every time we deploy and every time we come back, the ADF, DVA and the government try their absolute best to find where the issues are and what can be done differently.

As the previous speaker was saying, PTSD is a very real issue. I have said it before, when people came back from the Boer War and from the First World War we called it 'shell-shock' and we cured it by sending them to the pub. If they did not survive that, we sent them to the fringes of society. In my town, we deal with PTSD every day. We must understand that it is a severe injury. People are wounded when you come home with PTSD and we must face it not just as individuals, not just as families but as entire communities, as an entire country. People in the Defence Force, in this vocation, are under a lot of pressure. We have to understand the nature of that pressure and how to deal with it, knowing that it affects people differently. There is no straight answer to PTSD, and people in uniform like straight answers, don't they? In Townsville, we have to make sure we are prepared for what is to come. People will face these issues and we must be prepared to work with them when they are dealing with them.
I like these amendments. I think they are good for us. Senator Ronaldson, the Minister for Veterans' Affairs, is doing a great job for us in this space, showing that this government is making a genuine effort and genuinely cares about our relationship with the ADF. I commend the bill to the House. I thank the House.

Ms SCOTT (Lindsay) (12:24): Today, I rise in support of the Military Rehabilitation and Compensation Amendment Bill 2014. It is always a good day when I get the opportunity to rise in this place in support of our esteemed and noble veterans. I would also like to acknowledge the presence of my very good friend, the member for Bass, our resident brigadier here in the parliament. When we look at the service of our veterans, in the Lindsay community alone, the Department of Veterans' Affairs identifies 1,041 veterans. This is not to mention the servicemen and women and the ex-servicemen and women who live within the Lindsay electorate. We have a RAAF base at Orchard Hills. We have a reserve base at Penrith. To the north of the electorate, we have Richmond RAAF base and, to the west, we also have the Lapstone RAAF base. We have a large Defence community. We need to honour our servicemen and women. These are the people that have defended and still defend our country.

The people of Lindsay have such a long and proud heritage when it comes to our Defence forces. We have served in the Boer War. We have ridden off and formed the Light Horse. We have been on the Western Front. We have been to Borneo, Korea, Vietnam, Papua New Guinea, Iraq and Afghanistan. Our troops from our Lindsay electorate have been peacekeepers on every continent of this globe. As a community, we are proud of their service and, as a nation, we are forever in debt to their sacrifices. I would like to commend the work of Lisa Power and Ian Paterson from the Penrith Press for the wonderful commemoration honouring the local diggers of World War I.

This amendment provides a fairer system of compensation review to those 1,041 veterans who make Lindsay their home. When a soldier serves our country, we have a responsibility to do all that we can rehabilitate that soldier and ensure they receive the best possible support. Recently, I had the privilege of visiting the Vietnam Veterans Association of Australia at St Mary's Outpost, the Train. I had a wonderful day meeting with Greg Cant and Sam Vecchio.

As the member for Lindsay, I was proud to present the Train with $25,302. This funding is provided under the Building Excellence in Support and Training grants, the BEST grants program, which assist largely with the voluntary ESO workforce to help the veterans and Defence communities access Department of Veterans' Affairs entitlements and services. Each month 20 volunteer welfare officers at the VVAA St Mary's make 400 visits to hospitals right across our community. Greg Cant, the president of the VVAA St Mary's Outpost, said this funding would contribute to local support programs and initiatives. He went on to say:

This funding will allow the VVAA St Mary's to continue to build and grow our network and support more seniors and veterans across St Mary's. We have a dedicated team of volunteers who work tirelessly to support our local veterans community, and I am pleased to receive this federal government grant to ensure we can continue the great work into the future.

Greg also took me for a walk through the Train. He showed me some of the rooms that they have available, where they sit down with veterans and talk to them. They talk to them about some of the PTSD issues that the gentlemen are having. Greg talked about his own experience: he was painting a wall and one of the guys just came up to him and patted him on...
the back. He did not understand at the time how his own mental health had actually declined but, in doing so, his mates were there to support him.

That is what the Train is there for: to support all the men in St Mary's, all the veterans that come through. The Vietnam guys who for so long have felt forgotten—that is what the Train does. That is what this money does. This money is to build the camaraderie, keep that digger spirit alive that we see so much within the St Mary's Train men.

Today we are going to amend the Military Rehabilitation Compensation Act, which has been in operation for 10 years. The act commenced on 1 July 2004 and was the first compensation legislation designed to cover the whole spectrum of military service. It safeguards by applying a new methodology to maintain or increase transitional, permanent impairment compensation payable. This new provision enables the commission to review the transitional permanent impairment compensation and to retrospectively apply the new methodology to maintain or increase compensation. These amendments will result in a beneficial or neutral-only outcome. No person would be disadvantaged by the retrospective application of the new methodology.

Debate adjourned.

**ADJOURNMENT**

Mr NIKOLIC (Bass) (12:30): I move:

That the Federation Chamber do now adjourn.

**Employment**

Ms VAMVAKINOU (Calwell) (12:30): Nowhere is the dire need to create jobs for young people and to support trades training centres more evident than in my electorate. Youth unemployment is at a 15-year high in Victoria, with socially disadvantaged areas such as Hume being ranked ninth Australia wide as one of the most difficult areas to find work for young people between the ages of 15 and 24. The imminent closure of the Ford motor factory and Qantas continuing to lay off workers in recent times have further underscored the need to provide training and create job opportunities for our local young people.

I recently received correspondence from Mr Fernando Ianni, the Principal of Roxburgh College, the lead school in a trades training centre program which includes Craigieburn Secondary School, Gladstone Park Secondary College and Mount Ridley College, raising the school's grave concerns about the time it is taking to get the trades training centre up and running. It was only last year that Mr Ianni, I and others were overjoyed that the then Labor government had allocated $4.5 million to build a trades training centre at Roxburgh College. For my electorate it means that the much needed facility would provide essential educational programs for post-16-year-old students wanting to follow a vocational pathway. The trades training centre was aimed at addressing skill shortages in traditional trades and emerging industries by equipping the college with the industry-standard facilities it needed. It will deliver qualifications in automotive, electro-technology, engineering, furnishing and hospitality, and it will address skills shortages in cabinetmaking, cooking, motor mechanics, sheet metal trades and telecommunications.

The trades training centre is an absolute necessity in an area where students face interrupted learning, low levels of literacy and numeracy, as well as having to provide for the needs of many who come from non-English speaking backgrounds. It is to my dismay that I
now learn that the trades training centre is in danger of toppling over because of the time that it is taking this government to deliver on the funding allocated in 2013-14 budget. I have already written to the federal Minister for Education and to the Assistant Minister for Education about this and await their response. It is astounding for a government that has talked so much about freeing the system from red tape—indeed, it has allocated days in parliamentary sitting weeks to abolish red tape—to overlook how the slow wheels of bureaucracy are hampering the educational future of my local young constituents. Politics is interfering in my constituents' future prospects and not in a positive way, I am afraid. In rebadging the trades training centre program as the trade skills centre project and announcing an independent review of what the government calls a Labor initiative, the government is playing politics with my young people's future.

Roxburgh College has already prepared a concept design and provided quantity surveyor estimates and it has met all documentation requirements. In fact, was left with the expectation that the building process was going to commence in 2014 and that the trades training centre would be open for the 2015 academic year. Instead, the principal informs me that they have not moved 'off the blocks' even though 'our spikes are on'. Mr Ianni says the schools have responded to several requests from the Department of Education to clarify some of the detail, but to date they are still unable to tender for the architect. This is an appointment which needs to happen so that the college can move into the schematic design stage to gain a more accurate bearing on the building and the finances for the project. Mr Ianni says that the delay is setting the project further behind. Again, it is the students, I am afraid, who are going to miss out. The college faces having to compromise its planning for the 2015 academic timetable as they are uncertain of the outcome. So this continued uncertainty has now caused the building cost to alter and will ultimately result in the college not achieving what they intended to do because of a shortage, potentially, of money. Mr Ianni says that, by the time they are finally at the stage of turning the sod, material and labour costs will be higher than they would have been if the building had commenced in 2013, as originally planned. They are also concerned that the school's contribution to the project now has to be paid up-front. Again, this is disappointing given that, if there is any cost saving, the contribution should be directed to improving and adding more to the scope of the new facility.

**Casey Electorate: First World War Centenary**

Mr TONY SMITH (Casey) (12:35): In the dying days of 1918, Winston Churchill predicted with precision what we would all be doing over the next four years. With the mechanised machine gun madness of our costliest war just over, along with 60,000 young Australian lives, he spoke to a group of Australian and New Zealand servicemen in London. He said:

I think we have, all of us, a feeling that we stand today very high up in the headstream of Australian history … We must look forward 100, 200, 300 years…when that great population will look back … when every family will seek to trace some connexion with the heroes who landed on the Gallipoli Peninsula, or fought on the Somme, or in the other great battles in France.

Ninety-six years on we are beginning a period of family, community and national reflection like never before. We are seeking out every detail of the family stories of sacrifice, suffering and selfless service: where they fought, where they died and, if they survived, what they did
when they came back to Australia. In each of our communities we are simultaneously shining
the spotlight on the centenary of significant historic local events.

In the Yarra Valley electorate I represent, earlier this year we commemorated the centenary of General Sir John Monash's camp out at Lilydale—this occurred in February 1914, months ahead of the war—where 3,000 future ANZACs trained for a week in Lilydale and in Coldstream preparing for the war they hoped would never come.

Just over two weeks ago, when the nation remembered the centenary of the founding of the Australian Red Cross, the local branch met in the Athenaeum Theatre in Lilydale to remember the extraordinary endeavours of the local women who founded their organisation on that very first day. They met in the very place where that occurred, just nine days after the bell had rung on the start of war. Their first president was Nellie Melba, the world-renowned opera singer, who would ring the final bell on the war to the people of Lilydale—in this case, literally. She heard the war had ended from a Navy contact she had who telephoned her as soon as news of the armistice was received. She travelled from her Coldstream home down to the main street of Lilydale, where she rang the town's fire bell to signal the war's end.

Just a few days after that, on Saturday 16 August, the local community met again at that place on the centenary of the day that the first Lilydale resident enlisted. His name was Ralph Goode. He was a stretcher-bearer from the first day at Gallipoli to almost the last on the Western Front. When we met, a book was launched that had been put together by a local historian, Anthony McAleer. It told a bit about Ralph's life before the war and after the war, but, critically, published his war diaries that his family had retained. It is a comprehensive book. It is instructive to look at the entry on the first day and then look at the entry each year around about that time over the four years that he was involved. On the first day he was a man of few words:

Volunteered for active service in the Australian Army Medical Corps (AAMC)—accepted.

A year later he is talking about how terrible it is on the battlefield—16 weeks in the firing line. A year after, he is talking about the loss of those from the Lilydale community. A year after, he is talking about the horrors on the Western Front, and then ending with his arrival back in Melbourne. This is one of many stories that will be told over the coming years, and I know all members in this place are doing the same in their electorates.

Kent, Mr Lewis

Ms O’NEIL (Hotham) (12:40): It is with great sadness that I stand today to pay tribute to Lewis Kent, a man who, in partnership with his wonderful wife, Vera, served the electorate of Hotham for 10 years between 1980 and 1990. He was a representative of our community in the truest sense of the word.

Lewis lived in Hotham, and he passed away there—to his last day, a contributor to and a constituent of the area I now represent.

He served the people of Hotham with integrity and passion. And in return, the people of Hotham loved him. And that is how we will remember him.

We hear commentators debate today a concern that parliamentarians don't have enough life experience. Well, Lewis brought more life experience to this parliament than just about anyone else I can think of.
He faced an early life of incredible disruption. As a child, he escaped war, and persecution by the Nazis. He fled from his native home in the former Yugoslavia to Hungary, where he was captured by the Russians. He was mistaken for a Hungarian national, and marched in midwinter for 11 days, without food or water, to a Russian labour camp.

Many around him died. But Lewis survived.

He was able to find a way to Israel, and then finally, later, to Australia. He worked in the railways for 26 years before being elected to parliament.

When Lewis entered the parliament, he entered as one of the first non-English-speaking members. He remarked in his inaugural speech:

Since I have been through the trauma of migration and as I have lived here a long time … my ability to understand the problems of both the ethnic and the Anglo-Australian population will enable me to make a useful contribution to this House.

And what a magnificent contribution he was able to make.

International engagement and justice were passions of his in this parliament. Lewis worked within the Labor Party to formulate policy, his areas of interest again reflecting both his interest and experience in social justice and international affairs.

His work on defence policy for the Labor Party in the 1980s placed human rights in the centre of the discussion that we have in this place about defence. He was one of the first people to make this link, which is now, today, very commonplace.

Lewis travelled to Nicaragua in 1987 as a member of the Australian delegation to the Inter-Parliamentary Union conference, and this was, of course, an incredibly volatile period in that nation's history, during which they suffered instability and revolution. Nevertheless, the visit was successful, and reports back indicate a friendship struck between the two nations.

Human rights and a respect for culture is a thread that runs through Lewis Kent's party and parliamentary career.

It is a huge privilege to be a member of parliament, and a special privilege, I believe, to serve the people of Hotham. There are but a few of us on the Labor side who have had the chance to share this special experience: Lewis, then Simon Crean, and now me. Lewis led a strong tradition of the Labor representative for Hotham being one that fights for justice, through Labor, and through this parliament. And I feel a great responsibility to continue the work that he began.

My deepest condolences go to Lewis's children, Alex and Elizabeth, and his many grandchildren and great-grandchildren. On behalf of the electorate he represented so well, thank you, Lewis, and vale. You served our community proudly and with integrity, and you will be forever missed.

Macquarie Electorate: Infrastructure

Mrs MARKUS (Macquarie) (12:44): I would like to take this opportunity to highlight the success of the coalition government in projecting and achieving significant accomplishments in infrastructure for Australia. The residents of Macquarie will benefit from this important focus. Geographically large and containing rural road networks of vast proportions, Macquarie stands to gain from the federal government's commitment to infrastructure. The provision of safer, more efficient roads to regional Australia is a priority of this government.
One such issue needing to be addressed was the Richmond Bridge in the electorate of Macquarie, traversing the Hawkesbury River between North Richmond and Richmond. This bridge has experienced significant increased traffic pressure over recent years. Labor failed to deliver on this committed project, but I have fought to see Richmond and North Richmond receive the approved infrastructure that the community deserves.

For several years, planning by the federal government and the New South Wales coalition government has been underway to cater for increased traffic around the Richmond Bridge. The city-centric previous Labor government short-changed regional Australia by cutting $500 million in regional funding. I am pleased to acknowledge the coalition government has committed $18 million of total funding for the Richmond Bridge and its approaches from 2013-14 through to 2018-19. A report detailing long-term recommendations has been published and the local community in the Hawkesbury have been consulted widely and included in the planning of this important project.

This government has a plan to improve road infrastructure in the electorate of Macquarie. Already planning for short-term improvements, detailed assessments of the environmental and heritage impacts of the project have been carried out since May this year. Two staged constructions on three identified intersections are projected to begin in early 2015 and longer term planning is underway to increase capacity in Richmond area through to 2021 and beyond.

This is a forward-thinking government. The time for planning future infrastructure begins now. This project comes on the back of record investment in infrastructure by the federal government. With the Roads to Recovery program, previous levels of funding are effectively being doubled in the next financial year, with an extra $350 million in 2015-16 to every council in Australia. $9.3 billion has been secured for local governments from 2014-15 to 2018-19 through the Financial Assistance Grants Scheme, to deliver services and build community infrastructure. Along with the coalition New South Wales state government and the Hon. Duncan Gay, Minister for Roads and Freight, state members and I have advocated strongly these past three years for the Richmond project. The coalition government is about delivering. This is a community effort. Roads and Maritime Services will continue consulting with key stakeholders in planning the upgrades and making them a reality for the electorate of Macquarie.

Regional infrastructure was not a priority for the previous Labor government. Projects such as the Roads to Recovery program were left in limbo, with funding expired on 30 June 2014. In the House of Representatives, Labor voted against legislation to guarantee the $2.1 billion required for the project.

This government, however, remains determined to deliver on infrastructure investment. I am delighted that the community can enjoy the benefit of improved roads and infrastructure in the electorate of Macquarie. The coalition government has planned for a strong and stable economy for Australia. It has promised funds for infrastructure development and it is delivering. Because we are enacting a plan to manage debt responsibly, funds can be allocated where they are needed—for sustainable growth and wise long-term economic management and development. I will continue to advocate for this project and, on behalf of the community I represent, fight for safer, more efficient infrastructure to benefit the people who call Hawkesbury and the Blue Mountains home.
Ms CHESTERS (Bendigo) (12:49): A few weeks ago I had the great honour of being given the opportunity by Goodstart Early Learning to spend a day walking in the shoes of the educators of the Golden Square Early Education Centre. On the day, I spent time talking to parents who have their children at the centre. I also spent time talking to the educators who work there and to their director, Emily. I was impressed and I admired the commitment and dedication of the educators. They go above and beyond to ensure that all the children in the centre have a quality learning and care environment.

The professionalism of the educators is what struck me most, and the passion that the educators have can only be described as inspirational. When I talk about their professionalism I talk about their commitment to ensure that every experience that the children have is linked to a learning outcome. The staff explained to me that some of the children in the centre come from disadvantaged backgrounds and quite often the educators take a leading role in these young people's lives to ensure that they develop the numeracy and literacy skills that they need. Some of them are also actively involved in the basics, like toilet training and ensuring that the children receive the nutritious meals that they need.

From the babies room to the kindergarten, each hour of the day I was in another room. In the babies room I learned the importance of ratios. Currently the ratios in Victorian centres are one to four—one educator to four babies. Previously it had been one to five. The educators talked about how they could not return to that system. They worried that if they did they would not be able to provide the care that the babies need. In the babies room they have babies of all different ages, from six months to 18 months and they all have different sleeping patterns and requirements. So to move again to a ratio of one to five would be hard.

During my visit I learned firsthand how important it is to give all children, regardless of background, the opportunity to engage in early learning. In the kindergarten room they were working on their letter of the day, which was 'P'. Before lunch each of the children had to name a 'P' word. Luckily we were having pumpkin soup, so quite a few of them mentioned the word 'pumpkin'. It was another way in which they were integrating learning into the basics of early childhood education.

Given the conversation nationally on child care, it was a great time to be in an early childhood centre in my local electorate talking to staff about how all governments can support the work that they do. They have concerns, which I share, about the Productivity Commission's draft report on the area. The report raises more questions than answers. At first glance, it could be suggesting that parents and individual educators may become responsible for ensuring compliance with the heavily regulated sector and complex employment conditions. The commission's report had wide-ranging recommendations which, if implemented, could have a profound impact on the quality of education for our youngest Australians. I welcome the recommendation that the National Quality Framework needs to be continued and that there needs to be an increased level of funding for the sector. However, several key recommendations could undermine this very recommendation and undermine the National Quality Framework. These include removing the requirement for degree-qualified educators for under-threes. It also includes a recommendation to remove the requirement for diplomas. In Bendigo, the La Trobe University's Bendigo campus that has moved into this space. What does it mean for the future of those students?
I encourage everyone in this place to spend a day walking in the shoes of educators and learning from them before making decisions about what to do next with the Productivity Commission. Learn from those in the sector. *(Time expired)*

**Barker Electorate: National Broadband Network**

Mr PASIN (Barker) (12:54): I rise to speak today on the outstanding progress the Abbott coalition government is making in rolling out the National Broadband Network, particularly in my electorate of Barker. The NBN is a crucially important piece of infrastructure that connects rural communities to the world. Unfortunately, this crucial piece of infrastructure was botched by Labor when in office, and the Abbott coalition government is taking the necessary steps to ensure that regional and rural communities get the full benefit of this enormous investment.

Improved telecommunications through broadband will lead to more interconnectedness for families, for business and for other important social concerns like medicine and education. This technological revolution in internet capacity will mean that families who have to endure time apart will be able to see each other in real time. It will also mean that people can encourage the creativity in their children or enjoy more entertainment options if they choose.

Telemedicine will not only allow for specialist clinical services to be provided more regularly in regional communities but will also reduce the costs to both patients and taxpayers. Similarly, for education, the quality of education in regional areas will necessarily improve, because it will mean more regular contact, greater access to higher-quality resources and greater socialisation amongst students through technologies such as Skype.

The benefits for business are also substantial with our increasingly globalised economy meaning that farmers can see what is happening in export markets much quicker and can negotiate deals with customers around the world more easily and reliably. Part of this is about increasing the farmers’ knowledge of the markets they want to export into but also enabling them to position their products and take advantage of opportunities as they occur rather than missing out because of unreliable connections.

In my electorate alone, we have already switched on 12 wireless towers and have another 15 under construction. These towers will connect literally thousands of people to high-speed broadband of up to 25 megabits per second.

Last week I was pleased to see that a number of my local communities and over 3,500 premises were connected to the NBN. In total, this means that right now there are 3,739 premises with fixed wireless services available and a little under 6,283 premises for which the build is underway. Active locations include: Allendale East, Coonalpyn, Culburra, Kybybolite, Lucindale, Moora, Tintinara, Tarpeena, Woorolong, Yahl and the surrounding districts of Meningie, Narracoorte, Port MacDonnell and Tailem Bend. Builds are currently underway in Cadell, Glossop, Karoonda, Mypolonga, Cobdogla, Cooltong, Monash, Morgan, the Nene Valley and the surrounding districts of Berri, Loxton, Mannum, Angaston, Barmera and Waikerie.

It would be remiss of me if I did not mention Labor's disastrous stewardship of the NBN and the findings of the Scales review. The review found that: NBN Co was not fit for purpose. It was a start-up company given a job that only a well-functioning, large, and established telecommunications company would have been able to undertake in the allotted
timeframe. The governance arrangements that operated in the very early stages of NBN Co’s life had a long lasting and detrimental effect on its operations, and a profound effect on the roll out of Australia’s NBN.

Additionally, the audit found:

- Labor did not submit the NBN project to normal cabinet processes until it was ‘rubber stamped’ just hours before the policy was announced.
- Labor reconstituted its NBN policy—modelling on preliminary costs, devising funding structures and deciding on a wholly-owned Government owned-monopoly to deliver the project—all in a ‘chaotic’ 11 week period in early 2009.
- The Government relied on flawed advice, including from agencies who did not have the relevant technical or industry expertise
- The Government did not release a formal Statement of Expectations to the company until 16 months after the appointment of the Executive Chairman. People involved with the project complained that all they had in terms of guidance was the press release and a bunch of business cards
- Senior members of the public service found they “had difficulty in having their ‘voice’ heard on many of the most important public policy matters related to the Labor Government’s NBN policy”, with Labor uninterested in listening to advice that contradicted their promises

Clearly, Labor botched the NBN but, thankfully, this madness has now come to an end and we are now seeing the benefits of responsible management and the value of the NBN to regional communities.

Question agreed to.

Federation Chamber adjourned at 12:59
QUESTIONS IN WRITING

East West Link

(Question No. 115)

Mr Kelvin Thomson asked the Assistant Minister for Infrastructure and Regional Development, in writing, on 13 May 2014:

Has he considered public transport alternatives to the East-West Link such as rail to Doncaster; if not, why not; if so, (a) what reason(s) make the East-West link a superior option, and (b) how many jobs for Australian workers are expected to be created under the East-West Link, and would be expected to be created by alternatives such as rail to Doncaster.

Mr Briggs: The answer to the honourable member's question is as follows:

The Australian Government is directing resources to key rail freight and road projects, such as the East West Link, that support the national economy. This investment will also free up state and territory resources to further address urban congestion, including expanding public transport.

During the peak of construction, the Eastern section of the East West Link project is expected to support approximately 3,200 jobs and the Western section is expected to support 3,000 jobs.

The asset recycling initiative is also another avenue for states to identify key infrastructure projects, including public transport that might be eligible for Australian Government funding. I would encourage the Honourable Member to lobby his leadership team to support the asset recycling initiative so this can occur.

National Broadband Network

(Question No. 180)

Ms Claydon asked the Minister for Communications, in writing, on 5 June 2014:


Mr Turnbull: The answer to the member's question is as follows:

Labor failed New South Wales in rolling out the NBN. Prior to the time of the last election, as at 2 September 2014, NBN Co had connected just 8,232 active brownfields users in New South Wales. In the following 8 months the Coalition Government has increased active NBN brownfields users in NSW by 3.5 times what Labor achieved in 6 years.

The Strategic review found that the fastest and most affordable way to deliver the NBN is to apply a mix of technologies based on their best fit with the infrastructure already in place. NBN Co is now making preparations to implement the Government's directions. NBN Co's review into the wireless and satellite programs has been completed and is available on its website.
The outcomes of these reviews will feed into the process of determining which areas of Australia will be serviced by which technology. Meanwhile, the Fibre to the Premises (FTTP) build is continuing and the areas where build has commenced or where services are available are listed on the NBN Co website.

Once these processes have been completed and NBN Co has stabilised the FTTP rollout, the company will be in a position to provide further details. NBN Co is currently working on a new rollout schedule which will indicate when different parts of Australia will be connected to the NBN. The Government expects this information will be released in the second half of this year.

Importantly, the Strategic Review found that most areas in the fixed line footprint that currently, across the area, have no or very low levels of broadband will receive an NBN Co service, on average two years earlier in the deployment.

**National Broadband Network**

 *(Question No. 181)*

**Ms Claydon** asked the Minister for Communications, in writing, on 5 June 2014:


**Mr Turnbull:** The answer to the member's question is as follows:

Please refer to HQIW180.

**Employment**

 *(Question No. 226)*

**Mr Kelvin Thomson** asked the Minister for Immigration and Border Protection, in writing, on 14 July 2014:

(1) What is the current number of unemployed persons who list accounting as their field of expertise.

(2) What information can the Minister provide concerning the level of (a) employment, (b) under-employment, and (c) unemployment among recent accounting graduates.

(3) Is it correct that the Department of Employment wanted accounting to be removed from the list of 'in demand' occupations for skilled migrants.

(4) Is it a fact that the Department of Employment believes there is a surplus of accountants, deteriorating outcomes and relatively low pay rates for Bachelor of Accounting graduates and weak employment outcomes for Master of Accounting graduates.

(5) Is the Minister aware of research by Professor Suzanne Ryan from Newcastle Business School, that there is a 'considerable surplus' of international accounting graduates from Australian universities, that international students who remain in Australia after they complete their course have 'great trouble' getting entry-level accounting jobs, and that the number of applicants per job is the highest of any profession tracked by the Department of Employment.

**QUESTIONS IN WRITING**
(6) Will the Minister review the Government's decision to keep accounting on the list of 'in demand' occupations for skilled migrants.

**Mr Morrison:** The answers to the honourable member's questions are:

(1) Specific questions dealing with the employment of accountants in Australia should be directed to the Minister for Employment, Senator the Hon Eric Abetz.

(2) See answer to question 1 above.

(3) The Department of Employment was one of a number of organisations which made a submission to the Australian Workforce and Productivity Agency (AWPA) in late 2013, as part of that agency's deliberations prior to its annual advice to the Australian Government on the Skilled Occupation List (SOL) for migration. The department's submission recommended the removal of Accountant from the SOL.

(4) The Department of Employment's submission (is publicly available on AWPA's website at Submissions from Industry Stakeholders).

(5) See answer to question 1.

(6) The SOL will be reviewed for the 2015-16 programme year following advice from the Department of Industry.