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SITTING DAYS—2012

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FORTY-THIRD PARLIAMENT
FIRST SESSION—FIFTH PERIOD
Governor-General
Her Excellency Ms Quentin Bryce, Companion of the Order of Australia

House of Representatives Office holders
Speaker—Hon. Peter Neil Slipper MP
Deputy Speaker—Ms Anna Elizabeth Burke MP
Second Deputy Speaker—Hon. Bruce Craig Scott MP

Members of the Speaker’s Panel—Hon. Dick Godfrey
Ms Sharon Leah Bird MP; Mr Anthony Crook MP; Mrs Yvette Maree D’Ath MP,
Mr Steven Georganas MP; Ms Sharon Joy Grierson, MP Dr Andrew Keith Leigh MP,
Ms Kirsten Fiona Livermore MP; Mr Geoffrey Raymond Lyons MP,
Mr Robert George Mitchell MP; Mr John Paul Murphy MP; Mr Robert James Oakeshott MP,
Mr Bernard Fernand Ripill MO; Mr Michael Stuart Symon MP,
Mr Kelvin John Thomson MP; Ms Maria Vamvakou MP,
Mr Antony Harold Curties Windsor

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

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

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

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

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<td>Windsor, Anthony Harold Curties</td>
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<td>Zappia, Tony</td>
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PARTY ABBREVIATIONS
ALP—Australian Labor Party; LP—Liberal Party of Australia; LNP—Liberal National Party;
CLP—Country Liberal Party; Nats—The Nationals; NWA—The Nationals WA; Ind—Independent;
AG—Australian Greens

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Clerk of the Senate—R Laing
Clerk of the House of Representatives—B Wright
Secretary, Department of Parliamentary Services—A Thompson
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<td>The Hon Julia Gillard MP</td>
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<tr>
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<tr>
<td><strong>Minister for Social Inclusion</strong></td>
<td>The Hon Mark Butler MP</td>
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<tr>
<td>Minister assisting the Prime Minister on Mental Health Reform</td>
<td>The Hon Mark Butler MP</td>
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<tr>
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<td>The Hon Gary Gray AO MP</td>
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<td>The Hon Warren Snowdon MP</td>
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<tr>
<td><strong>Cabinet Secretary</strong></td>
<td>The Hon Mark Dreyfus QC MP</td>
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<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>Senator the Hon Kate Lundy</td>
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<tr>
<td><strong>Treasurer</strong></td>
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<td><strong>Shadow Treasurer</strong></td>
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<tr>
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Thursday, 1 March 2012

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

BILLS

Superannuation Legislation Amendment (Trustee Obligations and Prudential Standards) Bill 2012

Reference to Committee

The SPEAKER (09:01): Order! I have received the following message from the Senate:

The Senate acquaints the House of Representatives of the following resolution agreed to by the Senate this day:

That the provisions of the Superannuation Legislation Amendment (Trustee Obligations and Prudential Standards) Bill 2012 be referred to the Parliamentary Joint Committee on Corporations and Financial Services for inquiry and report by 13 March 2012.

Tax and Superannuation Laws Amendment (2012 Measures No. 1) Bill 2012

First Reading

Bill and explanatory memorandum presented by Mr Shorten.

Bill read a first time.

Second Reading

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (09:02): I move:

That this bill be now read a second time.

This bill amends various taxation and superannuation laws to implement a range of improvements to Australia's tax laws and retirement savings system.

Schedule 1 ensures that a health supply by a healthcare provider paid for by an insurer, statutory compensation scheme operator, compulsory third party scheme operator or a government entity under a health funding arrangement, is treated as a GST-free supply.

GST-free treatment applies where the underlying supply from the healthcare provider to the individual is a GST-free health supply. For example, if the Department of Health and Ageing pays a doctor to treat a veteran then the supplies will be GST free.

This will avoid increased compliance costs that would otherwise arise for taxpayers in multiparty arrangements involving supplies of health related goods and services.

These amendments restore the intended operation of the GST law following the Department of Transport decision, ensuring that multiparty arrangements involving relevant health related supplies of goods and services are GST free.

These amendments apply from 1 July 2012.

Schedule 2 ensures that the non-commercial activities of government related entities are not subject to GST. The amendments restore the policy intent of the GST law concerning government appropriations following the 2009 full Federal Court decision in TT-Line.

These amendments ensure that a payment under a government appropriation is not subject to GST if it is made between government related entities for non-commercial activities.

For example, a payment made by a state Department of Education from state government funds will not be subject to GST if it is paid to a public school.
The amendments will ensure that government entities do not face an increase in compliance costs and do not have to change their budgetary processes and practices.

These amendments apply from 1 July 2012.

Schedule 3 pauses the indexation of the superannuation concessional contributions cap for one year.

The general concessional cap is indexed annually in line with movements in full-time average weekly ordinary time earnings. The cap only changes, however, when the cumulative indexed amount reaches $5,000 or greater.

It was expected that indexation would increase the general concessional contributions cap from $25,000 to $30,000 in 2013-14.

This schedule pauses the indexation of the cap in 2013-14, which means that the cap is now not expected to increase to $30,000 until 2014-15. As a result, the increase in the higher concessional contributions cap for individuals aged 50 and over, and the non-concessional contributions cap will also effectively be paused in 2013-14.

Schedule 4 gives eligible individuals the option to have excess concessional contributions taken out of their superannuation fund and assessed at their marginal tax rates, rather than incurring the potentially higher effective rate of excess contributions tax.

This measure will make the concessional contribution caps fairer by giving most individuals who exceed their concessional contributions caps a second chance.

This measure applies to excess concessional contributions of $10,000 or less made in the 2011-12 and later financial years.

This measure is expected to benefit just over 30,000 individuals who exceed their concessional contributions caps over the forward estimate period.

The ATO will handle the majority of the administration process to minimise the additional compliance cost on funds and the individuals.

Successful passage of this bill will make the concessional contributions caps fairer.

Schedule 5 includes a further exception to the secrecy provisions in division 355 of schedule 1 to the Taxation Administration Act 1953.

This measure is part of a broader package of superannuation measures aimed at making it easier for superannuation funds and their beneficiaries to locate and consolidate unnecessary and lost superannuation interests and benefits.

This measure will allow the ATO to disclose superannuation information to superannuation entities, exempt public sector superannuation schemes, retirement savings account providers and their administrators.

This measure will expand the types of accounts to be displayed on the ATO online search facility. It will also permit tax officers to disclose information where it is for the purpose of assisting a beneficiary of a superannuation fund to find, consolidate, transfer, cash or otherwise manage their beneficiaries' superannuation interests and superannuation benefits. From 1 July 2012, this schedule will enable individuals to view their superannuation accounts which are reported to the ATO on member contribution statements, as well as lost accounts and other superannuation moneys held by the ATO. It will also enable funds to search online for their members' superannuation accounts known to the ATO, including lost accounts and ATO held moneys.
The Office of the Australian Information Commissioner has been consulted on these amendments, and has indicated that it is not opposed to the extended use of the TFNs as a means of promoting efficiency in the superannuation system where there is a likelihood of significant benefits for individuals and where personal information is protected.

Schedule 6 delivers on one of the central elements of the government's Securing Super package, announced during the 2010 election campaign. It requires employers to report to employees, on payslips, not only how much super they will be paying, but also when they plan to pay it. This measure comes into force on 1 July 2012.

This measure will address a huge problem, in that a significant minority of employers fail to pay their super. During 2010-11 the ATO investigated 17,943 employee complaints, raised superannuation guarantee entitlements for nearly 279,000 employees, raised $517 million and collected $269 million in superannuation guarantee charge, and collected $139 million in penalties.

Employees worst affected tend to be those who are most vulnerable, that is, low-income, casual and part-time workers.

Giving employees more information about their super is important. While the ATO proactively audits high-risk employers, it cannot monitor all superannuation contributions. For this reason, the system depends crucially on employees monitoring their contributions.

But, currently, employees do not receive information on their contributions in time to take action. The law used to require employers to report their contributions within 30 days of making them, but the opposition, when in government, abolished that requirement in 2004.

That is why the Gillard Labor government is taking strong action to make sure employers do the right thing.

Under the broader Securing Super package, employees will receive information on their payslips about when their super will actually be paid into their account, and quarterly or six-monthly notification from their super fund about their contributions.

This schedule will enable employees to know when they can check with their fund that their contributions have been made. And the measure will reduce the time it takes to identify unpaid contributions. It will allow the ATO to take compliance action more quickly, and improve the chances of recovering the unpaid super.

All businesses like to be paid on time by their customers. If the business next door is not paying their fair share, they have an unfair advantage relative to the business doing the right thing. This is not good for competitiveness.

The government listened to business concerns when it adopted the consultative group's recommendations for the 'expected date' approach to payslip reporting. The government worked closely with employer groups, including ACCI (the Australian Chamber of Commerce and Industry), in developing the legislation to minimise the impact on business.

In developing the regulations which will stand under this bill, we are taking a pragmatic approach, making it as easy as possible for employers to comply while still conveying essential information to their employees.

The measure has the public support of a range of industry groups, including ASFA (the Association of Superannuation Funds of Australia), AIST (the Australian Institute of Superannuation Trustees) and the ACTU.
Lastly, schedule 7 provides the commissioner with a legislative discretion to delay refunding an amount to a taxpayer, pending integrity checks of their claim.

These amendments are in response to the full Federal Court decision in Commissioner of Taxation v Multiflex Pty Ltd, that the commissioner is required to pay a GST refund within the time taken to process a taxpayer's return, and the commissioner has no additional time to check the validity of the claim, even in cases where the commissioner suspects it might be incorrect, including due to carelessness, recklessness or fraud.

The amendments seek to restore what had been the commissioner's administrative practice, before the Multiflex decision, of retaining certain amounts whilst undertaking refund integrity checks of a taxpayer's claim.

The changes seek to strike a balance between a taxpayer's right to receive a prompt refund and the commissioner's obligation to protect the integrity of the tax refund system. Following public consultation on the draft legislation, a number of changes were made to ensure the right balance is struck.

In particular, the amendments in schedule 7 only allow the commissioner to delay a refund claim if it is reasonable, and he must tell the taxpayer of that decision within 14 days (or 30 days, depending on the relevant tax) or otherwise pay the refund. Taxpayers will also be able to object where payment of the refund has been delayed for more than 60 days. These features provide taxpayers with more rights than previously available under the commissioner's administrative practice.

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

Debate adjourned.

**Equal Opportunity for Women in the Workplace Amendment Bill 2012**

**First Reading**

Bill and explanatory memorandum presented by Ms Collins.

Bill read a first time.

**Second Reading**

Ms COLLINS (Franklin—Minister for Community Services, Minister for the Status of Women and Minister for Indigenous Employment and Economic Development) (09:13): I move:

That this bill be now read a second time.

This bill amends the Equal Opportunity for Women in the Workplace Act 1999.

Gender inequality is a significant disincentive to women's workforce participation.

Improving women's workforce participation is central to improving productivity and addressing current and future skills shortages.

This package of reforms delivers on the government's 2010 election commitment to retain and improve the Equal Opportunity for Women in the Workplace Agency and the Equal Opportunity for Women in the Workplace Act.

It is a significant reform to support and help drive improved gender equality outcomes in Australian workplaces.

It is an important component of the government's workforce participation and human rights agenda.

We said we would reform the act to support gender equality and improve workforce participation and workplace flexibility—and that is what we are doing.

This bill will improve gender equality outcomes as well as simplifying reporting for businesses.
It will assist in striking the right balance between the need to drive and encourage change within business, without increasing the regulatory burden. This legislation follows a review of the act by the Office for Women in the Department of Families, Housing, Community Services and Indigenous Affairs.

The review found that since the act was last amended in 1999, there had been a number of economic, social and legislative changes, making it important for the act and the agency to provide a contemporary response to national challenges.

The review made it clear that gender equality is essential to maximising Australia’s productive potential and to ensuring continued economic growth.

It has been estimated that closing the gap between men’s and women’s workforce participation could boost gross domestic product by 13 per cent.

The bill changes the name of the act to the Workplace Gender Equality Act 2012 to emphasise the focus of the act on gender equality in the workplace.

The name of the agency is changed from the Equal Opportunity for Women in the Workplace Agency to the Workplace Gender Equality Agency.

The title of the director of the agency is also changed to the Director of Workplace Gender Equality.

The principal objects of the act are amended by the bill to reflect the focus on gender equality in the workplace. They are:

- to promote and improve gender equality (including equal remuneration between women and men) in employment and in the workplace;
- to support employers to remove barriers to the full and equal participation of women in the workforce, in recognition of the disadvantaged position of women in relation to employment matters;
- to promote, among employers, the elimination of discrimination on the basis of gender in relation to employment matters (including in relation to family and caring responsibilities);
- to foster workplace consultation between employers and employees on issues concerning gender equality in employment and in the workplace; and
- to improve the productivity and competitiveness of Australian business through the advancement of gender equality in employment and in the workplace.

The coverage of the act is expanded to include men, as well as women, particularly in relation to caring responsibilities.

The new legislation will mean that for the reporting period commencing 1 April 2013, a relevant employer must prepare and lodge a public report containing information relating to gender equality indicators.

Smaller organisations with fewer than 100 employees will not be required to report, but they will be able to access the agency's advice, education and incentive activities.

The proposed outcomes based reporting will streamline and simplify reporting. This will deliver certainty to organisations in what they are required to report on and provide an invaluable means of measuring progress over time.

Organisations will be able to measure their performance against other similar organisations.

This change will represent the first time the agency will be able to gather and analyse a rigorous and standardised dataset.

We will know exactly what is happening, and where, in Australian workplaces.
regarding gender equality practices and outcomes.

Businesses will now be able to complete and submit reports online using a secure web portal. Businesses have wanted this change and it will save them time and money.

The gender equality indicators are set out in the act and include reporting on equal remuneration for men and women.

Equal remuneration is explicitly referred to in the objects of the act. Organisations will be required to report on pay data. Salary data will be removed from the public reports.

More standardised data will provide insight as to where gender pay gaps are emerging or growing at the industry or sector level.

With the gender pay gap in Australia sitting at just under 18 per cent, this focus on equal remuneration is particularly important.

Over time, the legislation will enable the agency to develop benchmarks. This will allow employers to consider their performance compared to others in their industries.

The legislation will also enable the minister to set industry-specific minimum standards, in consultation with industry and experts. These minimum standards will have to be determined before 1 April 2014.

Minimum standards will be used for the identification of those organisations that are struggling and the targeting of advice and assistance.

The new bill will also allow for more transparency in reporting.

It will be a requirement that public reports be signed off by the chief executive officer of the relevant employer. This will help to ensure that management at the highest level engages in the issue of gender equality.

A relevant employer must inform employees and shareholders that the report has been lodged and employees and employee organisations will then be provided with the opportunity to comment on the report.

The bill also improves the transparency and fairness of the compliance framework and consequences for noncompliance.

Checks on the compliance of a relevant employer may be undertaken and may, by written notice, require a relevant employer to provide information that is relevant to the employer's compliance with the act.

Consequences for noncompliance, without reasonable excuse, include naming the employer in a report to the minister or naming the employer by other means.

There are also possible consequences in relation to Commonwealth procurement, grants and financial assistance.

This new legislation puts gender equality in the workplace firmly under the spotlight.

This is an important reform aimed at the genuine and sustained removal of barriers to women's full and equal participation in the workforce.

The government is determined to improve women's economic security—and this begins with fair and equitable treatment in the workplace.

This is a sophisticated and meaningful package of reforms—a significant step forward in enabling employers and the government to measure and drive better outcomes for women and men in Australian workplaces.

Debate adjourned.

**Public Service Amendment Bill 2012**

**First Reading**

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

Second Reading

Mr GRAY (Brand—Special Minister of State and Minister for the Public Service and Integrity) (09:21): I move:

That this bill be now read a second time.

This bill makes amendments to the Public Service Act 1999.

On 8 May 2010, the then Prime Minister announced that the government had accepted all of the recommendations made in the earlier report, *Ahead of the game: blueprint for the reform of Australian government administration*.

This report, the blueprint, outlined a comprehensive reform agenda to position the Australian Public Service to better serve the Australian government and the Australian community. It is an agenda that requires modernisation of the Public Service Act, bringing it into line with contemporary needs.

The amendments in the bill will strengthen the management and leadership of the Public Service and help to embed new practices and behaviours into its culture. The bill recognises that the delivery of high-quality services and policy advice requires effective and committed leadership, supported by a Public Service that is efficient, driven by its desire to serve the community, and contemporary in its outlook.

**Strengthen the leadership of the APS**

Part 1 of schedule 1 to this bill provides for a clearer articulation of the roles and responsibilities of secretaries, particularly in relation to their stewardship of the Australian Public Service. The revised descriptions clarify the service and performance expected of secretaries and strengthen secretaries' accountability to ministers in performing their roles and discharging their responsibilities.

The amendments restore the arrangements which operated prior to 1999. The amendments provide for appointment and termination decisions of secretaries to be made by the Governor-General, on the recommendation of the Prime Minister, following receipt of a report from the secretary of the Prime Minister's department in consultation with the Public Service Commissioner.

The minimum length of a secretary's appointment will be five years—unless the secretary requests otherwise. This provides for continuity of leadership and strengthens the integrity of the appointment process.

The amendments will make it easier to draw on the talents and experience of former secretaries by allowing the Prime Minister to engage former secretaries who have resigned or whose appointment has expired to perform specified duties under terms and conditions agreed by the Prime Minister. The intention is not to extend the tenure of secretaries, but rather give the Prime Minister the option not currently available to make use of the talents of former secretaries in ways that benefit good public administration.

Part 2 of schedule 1 to this bill creates the Secretaries Board, comprised of the secretary of each department and the commissioner. The Secretaries Board, which replaces the Management Advisory Committee, will identify strategic priorities for the APS and take responsibility for its stewardship.

Part 3 of schedule 1 to this bill amends the role of the Senior Executive Service to strengthen APS leadership by expanding the descriptors of Senior Executive Service leadership responsibilities, supporting collaboration and the development of whole-of-government responses to issues.
Modernise and clarify the functions of the Public Service Commissioner

Part 4 to schedule 1 of this bill modernises the functions of the Public Service Commissioner.

The bill specifically recognises the commissioner’s role as the central authority for APS workforce development and reform, an authority that will take a leading role in ensuring that the service has the organisational and workforce capability to meet future needs.

The commissioner will have three broad functions:

- to strengthen the professionalism of the APS and facilitate continuous improvement in workforce management in the APS;
- to uphold high standards of integrity and conduct in the APS; and
- to monitor, review and report on APS capabilities within and between agencies to promote high standards of accountability, effectiveness and performance.

A new function will allow the commissioner to undertake those tasks and responsibilities which are issue-specific or which may change over time.

Review and inquiry functions

The commissioner has extensive powers to undertake reviews or inquiries which were introduced with the 1999 act, including in certain circumstances the ability to exercise the same information-gathering powers as are available to the Auditor-General. The bill provides more detail on how reviews may be initiated and reported.

In particular, the commissioner will be able to undertake a 'systems review' or a 'special review' in specific circumstances.

'Systems reviews' will allow the commissioner to review and report on the management and organisational systems, structures and processes of an APS body, or the functional relationship between two or more bodies. These powers do not derogate from the inquiry functions of other statutory officers and it will be a matter for government as to who is the most appropriate entity to conduct a review.

By contrast, 'special reviews' will be able to be initiated only at the direction of the Prime Minister. While it is expected that special reviews will be uncommon, the bill makes clear such a review is available to government in those rare circumstances where the public interest demands it. The commissioner's information-gathering powers under section 43 of the act will be available for special reviews.

To augment the capacity of the commissioner to conduct reviews and call on specialised knowledge, the bill provides for the appointment of special commissioners by the Governor-General to assist in undertaking all or part of a systems or special review and report through the commissioner.

Agency head code of conduct

Under the Public Service Act, the commissioner has a specific power to inquire into alleged breaches of the code of conduct by agency heads and report to the appropriate authority on the results of such inquiries.

Unlike the discretion available to agency heads in respect of APS employees, there is little scope for the commissioner to conduct a preliminary assessment before launching a formal inquiry. To remedy this, the bill provides a regulation-making power to prescribe the circumstances in which the commissioner may exercise discretion to decline to conduct an inquiry into alleged
breaches of the code by agency heads, or to discontinue an inquiry without invoking the reporting requirements. This element of discretion is desirable to deal with trivial or futile matters or matters that have previously been dealt with.

**APS employee code of conduct**

Currently, the responsibility for investigating and determining breaches of the code of conduct by APS employees rests with agency heads. On occasion agency heads have wanted the commissioner to conduct an independent investigation into suspected misconduct by one or more of their own employees. This is typically when public interest concerns raised by a particular allegation make it desirable that matters are investigated and determined by an authority that is both expert and independent.

The bill proposes that the commissioner will have a new function to determine alleged breaches of the code by APS employees. This function will be triggered when requested by the agency head or by the Prime Minister. The commissioner may decline to conduct such an investigation.

**Revise the APS Values and introduce APS Employment Principles**

Part 6 of schedule 1 to this bill revises the APS Values and introduces a set of APS Employment Principles.

The values and the employment principles are statements about the essential character and philosophy of the APS. They define what the APS is, and how it should operate.

The proposed values—that the APS is committed to service, is ethical, respectful, accountable and impartial—are more succinct and memorable, easy to understand, and will help the service to create an ethical, high-performance culture.

The values and employment principles together capture the essence of the existing 15 values, blending contemporary ethics with enduring principles of public administration that go to the heart of the Westminster model. No important concepts have been lost.

Agency heads and APS employees will, by law, be required to uphold the values and the employment principles. Agency heads and Senior Executive Service employees will also be required to promote them, reflecting the key responsibility that they have as leaders within their agencies to set the tone for the right culture.

**Technical and operational amendments**

The bill also contains a number of other, largely technical, amendments aimed at more effective management of the service. These amendments reflect the experience of working with the act over the last 12 years.

**Code of Conduct**

Part 7 of schedule 1 of this bill relates to the handling of misconduct in the Australian Public Service.

The bill provides for amendments to the Code of Conduct so that its first four elements will apply when there is a direct connection with the employee's employment.

Other amendments to the code or provisions for handling misconduct will allow agencies to deal more effectively and efficiently with other unacceptable behaviour.

The bill also provides for a misconduct investigation to be finalised after an employee has separated from the APS, providing more certainty for agencies in making it less attractive for employees who are under investigation to resign before a finding is made, as many employees in this situation currently do.

**Whistleblower reports**

The act currently provides protection for whistleblowers in the APS. The regulations
provide the framework under which whistleblower reports are handled.

The bill makes two small amendments to the scheme. It provides a specific regulation-making power and allows for matters to be excluded from inquiry, including those that relate to an employee's own employment. Such complaints are better directed to the existing review of action scheme.

Temporary APS employees

Part 10 of schedule 1 of this bill simplifies the operation of the temporary employment provisions by providing only for two categories of employees—that is, ongoing and temporary—and moving the subcategories of temporary employees currently in the act into the regulations.

The principle that ongoing employment is the usual basis for engagement will be retained.

Machinery-of-government changes

Part 11 of schedule 1 of the bill improves the operation of the machinery-of-government provisions by providing the commissioner with discretion to determine whether employment related matters can continue following a machinery-of-government change.

The bill also makes clear that the power to move staff out of the APS in order to give effect to a machinery-of-government change covers those non-APS Commonwealth bodies that do not have separate legal identity, such as the Australian Federal Police.

Confidentiality of information, privacy and immunity from suit

Part 12 of schedule 1 to this bill provides protections for an agency head or APS employee who provides information voluntarily to the commissioner or merit protection commissioner in the course of the exercise of their review and inquiry functions.

Part 13 of schedule 1 to this bill moves the immunity from suit provisions from the regulations to the act and provides consistency in the functions which attract immunity.

The act will provide that regulations may be made to authorise, by law, the use as well as disclosure of personal information in certain circumstances. This reduces the uncertainty expressed by many APS agencies as to their capacity to use personal information relating to employees for a range of purposes in managing their staff.

Legislative instruments

Part 14 of schedule 1 of this bill rationalises the subordinate instruments under the act. The commissioner's direction-making power has been expanded to allow directions on employment matters relating to all APS employees, such as engagement, promotion, redeployment, mobility, training schemes and termination.

The matters set out in the Prime Minister's Public Service Directions will be moved to the Commissioner's Directions under the consolidated power. The Commissioner's Directions will be legislative instruments, registered in accordance with the Legislative Instruments Act 2003, correcting an oversight when the act was introduced.

The classification rules, which prescribe a service-wide framework for the classification of APS employees, will be made by the Public Service Commissioner, reflecting the movement of this function from the Department of Education, Employment and Workplace Relations to the commission in July 2010.
Miscellaneous amendments

Parts 9 and 15 of schedule 1 to this bill improve the operation of the act by making a range of other minor technical amendments.

Schedule 2 of this bill repeals the Public Employment (Consequential and Transitional) Amendment Act 1999. This act was the accompanying legislation to the current act when it was introduced in 1999 and is now largely redundant, although some provisions will be retained through regulations.

Schedule 3 to this bill makes a number of consequential amendments to other acts.

Schedule 4 to this bill puts in place a number of application, saving and transitional provisions to ensure the continuity of certain matters, such as investigations, reviews or inquiries in progress.

Summary

In summary, this bill responds to the reform agenda of the blueprint by implementing significant reforms relating to the leadership of the Australian Public Service.

It is important that the Public Service legislation supports a service which is fit for purpose, meeting the legitimate needs of the government of the day both now and into the future.

This bill provides for a modern, contemporary employment framework that will allow greater agility and responsiveness by the APS to the community and to the government. It will result in greater efficiency and more effective use of Commonwealth resources. It will also facilitate and accelerate the cultural shift towards operating more effectively as 'one Australian Public Service'.

I commend the bill to the House.

Debate adjourned.

COMMITTEES

Public Works Committee

Approval of Work

Mr GRAY (Brand—Special Minister of State and Minister for the Public Service and Integrity) (09:35): I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Construction of a new Australian Embassy complex including Chancery and Head of Mission Residence in Bangkok, Thailand.

The Department of Foreign Affairs and Trade proposes to construct a new purpose-built embassy complex, including a chancery and head-of-mission residence, in Bangkok, Thailand, at an estimated cost of $190.8 million. Following the terrorist bomb attack at the Australian Embassy in Jakarta in 2004 and a global review of physical security at Australia's overseas missions, the government approved the relocation of the Bangkok embassy complex on security grounds. The new site will enable appropriate setbacks for the chancery and head-of-mission residence buildings for blast mitigation while the buildings themselves will be designed to mitigate blast.

The Australian government constructed the existing buildings in 1979 for use as a chancery and head-of-mission residence. The new development proposal is driven by the imperative to provide more secure accommodation. The new embassy complex will be on leased land adjacent to the Embassy of Japan in the Pathum Wan district of Bangkok, which is in the same general district as the current embassy. As well as providing appropriate physical security, the project will deliver a modern, functional chancery building to accommodate tenant
agencies as well as provision of a new official residence for the ambassador, family members and high-level visitors.

As a major overseas mission, the Bangkok embassy is significant in representational terms and also acts as a hub for other Australian missions in the region. The new facilities will be capable of catering for the large range of representational functions that will be undertaken at the chancery. Through the use of public spaces, conference rooms and outdoor areas as well as the official representational areas of the head-of-mission residence, the buildings will accommodate events such as official receptions, exhibitions and trade displays, meetings, lectures and business missions.

In its report, the Public Works Committee recommended that these works should proceed, subject to the recommendations of the committee. The Department of Foreign Affairs and Trade accepts and will implement those recommendations. Subject to parliamentary approval, construction of the major works package could commence in October 2013, with practical completion in late March 2016, followed by security and furniture fit-out. Occupation of the complex is scheduled for around June 2016.

On behalf of the government, I thank the committee for its support. I commend the motion to the House.

Question agreed to.

Approval of Work

Mr GRAY (Brand—Special Minister of State and Minister for the Public Service and Integrity) (09:38): I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: HMAS Albatross redevelopment, Nowra, NSW.

HMAS Albatross is the centre of the Royal Australian Navy’s maritime aviation capability, supporting the operations of one training helicopter squadron and two operational helicopter squadrons. This proposal, at an estimated cost of $192 million, plus GST, will upgrade and replace ageing, obsolete and in some cases potentially unsafe infrastructure to improve the functionality and capability of the facilities at HMAS Albatross to support Navy’s training and operational requirements.

The proposal will provide:

(a) comprehensive engineering services upgrades;
(b) new and refurbished working accommodation;
(c) a new hot refuelling capability;
(d) works to provide increased future airside development space; and
(e) demolition of redundant facilities of HMAS Albatross

The capital invested in the project will have economic benefits for the Shoalhaven region and local industry, with significant opportunities for subcontractors and the construction industry over the next three years.

In its report the Public Works Committee has recommended that these works proceed. Subject to parliamentary approval, construction is expected to begin next year, with completion expected in mid-2015. On behalf of the government I would like to thank the committee for its support, and I commend the motion to the House.

Question agreed to.
Approval of Work

Mr GRAY (Brand—Special Minister of State and Minister for the Public Service and Integrity) (09:40): I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: LAND 17 Phase 1A infrastructure project.

The LAND 17 phase 1A infrastructure project, estimated at $46.5 million, plus GST, will provide new and refurbished facilities to support the introduction of the M777A2 lightweight towed artillery platform. Facilities to support the introduction of the new artillery platform will be provided at Gallipoli Barracks and Lavarack Barracks in Queensland, Bridges Barracks and Gaza Ridge Barracks in Victoria, Robertson Barracks in the Northern Territory and RAAF Base Edinburgh in South Australia. The project proposes to provide new and upgraded working accommodation, gun hangars and gun maintenance workshops.

In its report, the Public Works Committee has recommended that these works proceed. Subject to parliamentary approval, construction is expected to begin in early 2012 with completion expected by mid-2013. On behalf of the government I would like to thank the committee for its support and I commend the motion to the House.

Question agreed to.

Approval of Work

Mr GRAY (Brand—Special Minister of State and Minister for the Public Service and Integrity) (09:41): I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: RAAF Base East Sale redevelopment, Sale, Victoria.

RAAF Base East Sale is the primary officer training base for the RAAF and is also a main operating air base, providing continuous support to two operational squadrons, visiting operational squadrons, minor exercises and operations, and contracted search and rescue operations. The RAAF base redevelopment project, estimated at $185.6 million, plus GST, proposes to improve the functionality and capability of the base by upgrading or replacing inadequate and non-compliant facilities, infrastructure and engineering services to meet current and anticipated future requirements. The proposal will provide:

(a) major engineering services upgrades;
(b) new and refurbished working accommodation;
(c) new and refurbished training and maintenance facilities;
(d) security upgrades;
(e) a new air traffic control complex;
(f) new commercial, community and chapel facilities;
(g) a new firing range;
(h) new living-in accommodation; and
(i) demolition of redundant facilities at RAAF Base East Sale.

The capital investment in the project will have economic benefits for the Victorian region and the local industry, with significant opportunities for subcontractors and the construction industry over the next three years.

In its report, the Public Works Committee has recommended that these works proceed. Subject to parliamentary approval, construction is scheduled to commence in
late 2012 and is planned to be completed by mid to late 2015. On behalf of the government, I would like to thank the committee for its support, and I commend the motion to the House.

Question agreed to.

**Human Rights Committee Appointment**

Mr STEPHEN SMITH (Perth—Minister for Defence) (09:43): On behalf of the Leader of the House, I move:

That:

(1) in accordance with section 6 of the Human Rights (Parliamentary Scrutiny) Act 2011, matters relating to the powers and proceedings of the Parliamentary Joint Committee on Human Rights shall be as follows, that:

   (a) the committee consist of 10 members, 3 Members of the House of Representatives to be nominated by the Government Whip, 2 Members of the House of Representatives to be nominated by the Opposition Whip or by any non-aligned Member, 2 Senators to be nominated by the Leader of the Government in the Senate, 2 Senators to be nominated by the Leader of the Opposition in the Senate and 1 Senator to be nominated by any minority group or independent Senator;

   (b) every nomination of a member of the committee be notified in writing to the President of the Senate and the Speaker of the House of Representatives;

   (c) the committee elect a Government member as its chair;

   (d) the committee elect a non-Government member as its deputy chair who shall act as chair of the committee at any time when the chair is not present at a meeting of the committee;

   (e) at any time when the chair and deputy chair are not present at a meeting of the committee the members present shall elect another member to act as chair at that meeting;

   (f) in the event of an equally divided vote, the chair, or the deputy chair when acting as chair, have a casting vote;

   (g) 3 members of the committee constitute a quorum of the committee, provided that in a deliberative meeting the quorum shall include 1 Government member of either House and 1 non-Government member of either House;

   (h) the committee have power to appoint subcommittees consisting of 3 or more of its members and to refer to any subcommittee any matter which the committee is empowered to examine;

   (i) the committee appoint the chair of each subcommittee and at any time when the chair of a subcommittee is not present at a meeting of the subcommittee the members of the subcommittee present shall elect another member of that subcommittee to act as chair at that meeting and in the event of an equally divided vote, the chair will have a casting vote;

   (j) 2 members of a subcommittee constitute a quorum of that subcommittee, provided that in a deliberative meeting the quorum shall include 1 Government member of either House and 1 non-Government member of either House;

   (k) members of the committee who are not members of a subcommittee may participate in the proceedings of that subcommittee but shall not vote, move any motion or be counted for the purpose of a quorum;

   (l) the committee or any subcommittee have power to call for witnesses to attend and for documents to be produced, to move from place to place, to meet and transact business in public or private session and to conduct proceedings at any place it sees fit;

   (m) a subcommittee have power to adjourn from time to time and to sit during any adjournment of the Senate or the House of Representatives;

   (n) the committee may report from time to time; and

   (o) the committee may appoint counsel to advise the committee with the approval of the President of the Senate and the Speaker of the House of Representatives; and

(2) a message be sent to the Senate acquainting it of this resolution and requesting that it concur and take action accordingly.
Question agreed to

Procedure Committee
Report
Ms OWENS (Parramatta) (09:44): On behalf of the Standing Committee on Procedure I present the committee's report entitled Interim Report No. 3: Monitoring and review of procedural changes implemented in the 43rd Parliament—The effectiveness of reforms to the House committee system, together with the minutes of proceedings. In accordance with standing order 39(f) the report was made a parliamentary paper.

Ms OWENS: by leave—This short report by the Procedure Committee examines the first year of operation of reforms to House and joint committees and captures some of the features, opportunities and challenges associated with their implementation. As members are aware, some of the changes to the House committee system in the 43rd Parliament include a rationalisation of the number of general purpose standing committees, and a reduction in their membership; an increase in the number of supplementary members able to participate in a committee inquiry; the ability for chairs and deputy chairs to make statements in the House about inquiries, not simply speak about inquiries at their conclusion when the report is presented; a requirement for ministerial explanations if government responses are not received within a six-month time frame; and, the referral of bills requiring additional scrutiny, as determined by the Selection Committee to House and joint committees.

Feedback to the committee suggests that reforms have generally been embraced enthusiastically by members, though there are some aspects we have highlighted as warranting further consideration. While committee chairs and members have commented favourably on the increased opportunities for House and joint committees to examine legislation, the increased workload of many committees has had some ramifications, including on the time of members.

The Procedure Committee also notes the emerging trend for committees to conclude inquiries into bills referred to them by the Selection Committee by having their chair make a statement in the House in discharge of the requirement to present an advisory report. This has occurred where committees have determined that a formal report was unnecessary or not possible. Some committees have indicated that it would be helpful if a statement of reasons were provided by the Selection Committee when referring a bill to committees, as was recommended by the Procedure Committee in its report in July last year. The provision for additional supplementary members to be appointed to committees for specific inquiries and the provision for chairs and deputy chairs to update the House on the progress of their committee inquiries have been used consistently throughout the parliament.

The Procedure Committee will continue to monitor the impact of the reforms on the ability of members to perform their committee roles as effectively as they would wish. The committee thanks members and committees for their ongoing feedback to the committee, and I thank my colleagues on the committee and the secretariat for their work on this matter. I commend the report to the House.

Infrastructure and Communications Committee
Report
Ms BIRD (Cunningham) (09:47): On behalf of the Standing Committee on Infrastructure and Communications I present the committee's Advisory report into the
Ms BIRD: by leave—It is a great privilege to present the reports to the House. These are reports on the two bills that were referred to the committee on 24 November 2011. The bills were considered by the committee through the process of opening for submissions. We invited submissions from federal, state and territory government departments and organisations from the road transport and workplace relations industries across Australia. We released media statements on 15 December and 9 February with details of the inquiry. As a result, the committee received 29 submission, five supplementary submissions and 19 exhibits to the inquiry. For the interest of people who want to look at the report these are listed in appendices A and B.

Given that we had a relatively short time frame to take into account the possibility that the bills would be debated, the committee decided to hold a public hearing, which was held on 15 February 2012. The witnesses who appeared at that public hearing are listed in appendix C. Also attached to the report are copies of the bill, at appendices D and E. I acknowledge that there is a dissenting report to this particular report. I particularly want to thank all the members of my committee, including those who put in the dissenting report, for their participation in the process of this particular inquiry. I also acknowledge that the deputy chair of the committee, the member for Hinkler, is in the House at the moment.

The committee heard extensive evidence on the development of these bills, in particular on the issue of the evidence that exists between not only the rates of pay, which I know has been commented on by members of the House when looking at these issues, but also the conditions and the structures under which pay and remuneration are made for truck drivers. The majority of the committee were quite clear on the importance of safety on our roads and the importance of ensuring that we take all measures possible to improve safety for not only those who work on our roads—the truck drivers, who are directly affected by this bill—but also, more broadly, the communities in which they ply their trade by using the roads. They have every right to expect the best possible opportunity for safety maximisation on the roads. I note that my colleague the member for Fowler, who has been involved in these issues for a long time, is here with me today.

It is the view of the majority of the committee that whilst there are other regulatory and educational programs in place to improve road safety, and some of those come into fruition this year and next year, another aspect that should be considered and that this legislation seeks to address is the way that remuneration is structured and organised in the industry. That has the capacity to put unreasonable pressure on drivers and therefore affects safety.

I appreciate those who came and presented orally to the committee. We paid due attention to all of the evidence, written and verbal. There was however compelling evidence from truck drivers about the circumstances they face. I think their families in particular will welcome us taking action to improve safety for them on the roads. There was a deal of detail in the written submissions on some of the specifics of the bills. It was the case that some people, while they might have had concerns about the bills that are being introduced, wanted to...
make suggestions to improve them. The report documents all of that. It acknowledges that the bills are subject to a review process. It suggests that these issues should be looked at in that review process. At the end of the day, the majority of the committee were of the view that the recommendation to the House should be that the bills be passed.

I commend everybody who had anything to do with the inquiry on their energies and their efforts. I particularly thank the secretariat for their support in this process. I thank the secretary of our committee, Ms Julia Morris. In particular, I thank Ms Susan Dinon, who is in the chamber with us today, for her outstanding efforts on this inquiry. I also thank our other staff, Dr Kilian Perrem and Mr Peter Pullen, for their work.

Mr NEVILLE (Hinkler—The Nationals Deputy Whip) (09:53): by leave—I rise to speak as the Deputy Chair of the House of Representatives Standing Committee on Infrastructure and Communication. The bills that we are currently debating in the parliament today, the Road Safety Remuneration Bill 2012 and the Road Safety Remuneration (Consequential Amendments and Related Provisions) Bill 2012, are the bills that the committee inquired on. They envisage a Road Safety Remuneration Tribunal. I want to make it clear that, from the perspective of me and my colleagues, the committee's report is both a fair and accurate record of the evidence that was received in submissions during the public hearings. That is not in dispute.

The object of these bills is the promotion of safety and fairness in the road transport industry by the establishment of a Road Safety Remuneration Tribunal that will set pay and contract rates in the road transport industry by issuing road safety remuneration orders. These RSROs may contain minimum remuneration and employment conditions in addition to those contained in the awards. The RSROs may also address industry practices such as loading and unloading, waiting times, working hours, load limits, payment methods and periods. The tribunal will also be able to make orders to reduce and remove remuneration related incentives, pressures and practices that contribute to unsafe work practices. It will also be empowered to resolve disputes between drivers, hirers and employers, so it does have wide jurisdictional power.

As I said before, the coalition members of the committee understand and appreciate the intention of the bills. We support those matters relating to the safety and welfare of drivers. In fact, I have made this one of my focuses in my time in parliament. However, we believe that the measures contained in the bills, and especially those measures built around remuneration, will not have a significant impact on improving the safety of truck drivers and other road users. We could not see the evidence for a causal link between the level of remuneration and the actual delivery of safety.

We would support improvements to road infrastructure, the enforcement of existing laws and better regulations as first steps towards improving safety. They were repeatedly raised by witnesses. We believe that if complex rules and cross-jurisdictional overlap were removed then the efficiency of the industry would be improved. And that would not burden operators or drivers. We feel that the evidence points to ongoing fatigue and extended waiting times, first at loading points and later at distribution centres, supermarket bays and the like. These matters were raised over a decade ago in the then committee's report Beyond the midnight oil. Clearly, the focus over time has been deficient. That is where the coalition members of the committee disagree with our government colleagues.
Coalition members understand and appreciate what the government is trying to achieve. But it needs to be noted that there has been a gradual improvement in truck accident and fatality rates over recent years, despite the increase in the national freight task. In other words, there are more trucks but fewer accidents. It also seems worthy of note that only 31 per cent of the accidents involving heavy transport come down to the driver, so the deficiencies are not all with the driver but also very much with other people who are on the roads.

Another issue of some concern to the coalition members was what was referred to as jurisdictional creep. These bills could invade other parts of the transport industry. It has already been suggested that intrastate courier drivers should be brought under this legislation. That would start to take the focus off the original intention of the bills, which was to improve the safety of truck drivers on the highways.

Members of the coalition support the spirit of what the government is trying to undertake. We made this clear in our dissenting report. But we feel that it can be achieved in other ways. We could not find, on one hand, a causal link between remuneration and increased safety on the other. In fact, some experts who appeared before the committee said that, for the cowboys in the industry, more money might make them even more bolshie—so to speak—and see them going out after more money. That might not necessarily improve safety. There are forms of stress other than their pay packet that worry drivers. So, given these concerns, coalition members support further efforts to improve occupational health and safety, better logistics at the point of loading and unloading and fatigue management measures but we reject the final recommendation, which is summarised at item 2.35 of the report. On that basis we cannot support it.

Ms BIRD (Cunningham) (10:00): by leave—I move:
That the House take note of the report.
Debate adjourned.

Publications Committee
Report
Mr HAYES (Fowler) (10:08): I present the report of the Publications Committee sitting in conference with the Publications Committee of the Senate. Copies of the report are being placed on the table.
Report—by leave—agreed to.

BILLS
Corporations Amendment (Phoenixing and Other Measures) Bill 2012
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.

Ms O’NEILL (Robertson) (10:02): As we drew towards the adjournment debate last night, I was speaking about this legislation, the Corporations Amendment (Phoenixing and Other Measures) Bill 2012, and how it makes modern sense of the previous regulations requiring companies that had become failed companies to advise people, the public, through the usual broadsheet method of getting that advice into a regular publication. However, the world has moved on somewhat since broadsheets were the only way of communicating about businesses that had become insolvent and the reality is that Australians use the internet to find very important information that impacts on their lives. That is one of the key things that this bill will bring into being: the opportunity for ordinary Australian citizens who have been impacted by a failed business to be able, in a free and easily accessible way, to go to a website and find out about the company that
they might have a particular interest in. This is very important for the sorts of people that we are seeking to represent here, ordinary working families who, through no fault of their own, have found themselves with an unscrupulous sort of employer who has sought to use their labour and not pay for that labour. So this is a very significant modernisation dimension that is embedded in the bill.

Obviously, one of the things that we hope this bill will achieve is to make sure that power is given to the Australian Securities and Investments Commission to ensure that people have the security that they need in this situation where companies fail. Our concern, as a Labor Party putting forward this piece of legislation, is particularly as to the employees of such companies as those that become failed companies. We understand that when a company fails employees can miss out on some or all of their entitlements: unpaid wages and other accrued benefits. The General Employee Entitlements and Redundancy Scheme, GEERS, will certainly protect those workers' entitlements in these situations and make sure that the workers can actually recoup as much as possible of their entitlements as quickly as possible.

The reality is that some companies will fail. At that time when they fail, if it is a genuine failure and not one that has been orchestrated, the reality is that they might not have quite the agency to go through the proper processes to wind up their own company. This bill will give ASIC the power that it needs to place a company into liquidation and to deregister a company where the company itself has failed to take that action. So, in essence, this bill, which I commend to the House, is one that will certainly benefit the business sector and employees. It paves the way for a much more streamlined and cost-effective process involving the publication of insolvency notices via a single, publicly available website and it gives the benefit to creditors of companies in external administration by absolutely reducing the costs of complying with their regulatory obligations. So for those particular reasons and many other good elements that are embedded in the bill I commend it to the House.

Mr CIOBO (Moncrieff) (10:05): I am certainly pleased to rise to speak on the Corporations Amendment (Phoenixing and Other Measures) Bill 2012. As the Deputy Chair of the Standing Committee on Economics, I note the committee was a tipping point in terms of the discussion and debate surrounding whether or not the coalition would support this particular piece of legislation and whether or not we would support the initiative that the government has taken.

Let us start with the areas that we have in common. The reality is that the coalition, like the government, is concerned about phoenixing activity. There can be no doubt that directors participating in knowingly setting up companies whereby they transfer assets from indebted company A to unindebted company B—with the full intent, by doing so, of avoiding their obligations and indebtedness from company A—is among the worst types of activities that companies can participate in. The consequences of phoenixing activity are significant. Unfortunately, we see it all too often on the Australian economic landscape. There are estimations that the economic cost to the Australian economy of phoenixing activity is around $2½ billion a year. As well, there is a very real human cost associated with phoenixing activity. There are those who are left without access to entitlements and there are creditors who are left without access to cash flow, which of course has a cascading effect across
corporate Australia. In particular, those who are generally most affected are tradies.

Phoenixing activity is something that does require action. But this is not a new thing. It is not that we have become aware of phoenixing only in the last 12 months. Indeed, there have been a suite of inquiries, of consultations and of previous pieces of legislation that have gone toward addressing phoenixing activity. Unfortunately, though, because this bill was not put to the House of Representatives Standing Committee on Economics—or, rather, was put to it but was then discharged by the Labor members of the committee—we were not able to investigate in any way whether these increases in ASIC's powers to notionally address the issue of phoenixing activity are actually the right medicine for the problem. We were not able to take into account the concerns of, for example, the Australian Institute of Company Directors, among others. We were not able to take into account feedback from the small business sector. We were not able to take into account feedback from across the corporate community about whether the big increase in ASIC's powers that would be provided for under this legislation is in fact what is required to address phoenixing activity. We know that there are already at ASIC's disposal a raft of corporate powers to deal with the phoenixing activity. We know that ASIC has the ability to, for example, ban company directors for up to five years—or longer, with a court order—if that is what they seek to do, and they can do that with phoenixing activity.

Why has that not proven to be effective? We do not know. We have not been given the opportunity to know, because this bill was discharged from the economics committee. That is the reason the coalition has adopted what I think is a good approach to this piece of legislation—that is, that the government is required to live up to a certain burden of proof to demonstrate why ASIC's powers should be expanded and why this will be effective at addressing phoenixing activity. In the absence of robust arguments put forward by the Labor Party about why this is a requirement and why it will be effective this time—as opposed to previous occasions when it was, apparently, shown to be ineffective—the coalition cannot stand by and enable ASIC's powers to be significantly increased. That would have a consequent impact across the Australia community—in particular on small businesses, due to the raft of additional compliance burdens and concerns when dealing with ASIC.

In many respects it is that difference in approach that underlines the difference in philosophy between the Labor Party and the coalition. We stand ready and willing to help to address the issue of phoenixing activity, but we need to hear solid arguments. We need to hear robust proposals about why certain initiatives that are being looked at with a view to being undertaken will prove to be effective. I know that many in the corporate sector take the view that the principal problem here is not so much the powers available to ASIC or that there is not scope already available under the Corporations Act, for example, to deal with phoenixing activity but, rather, an inability for ASIC to appropriately tackle the issue of phoenixing because perhaps they are not appropriately resourced. The government wants to avoid scrutiny on this. The government does not want to 'let the sun shine in', which I believe were the words the Prime Minister used. It seems unfortunate that that would be the approach adopted by the Labor Party—an 'our way or the highway' attitude towards this bill. The fact is that there could easily be a bipartisan approach to this issue. There could easily be the coalition and the Labor Party working together.
It is not good enough for the Labor Party to say, 'It's our way or the highway.' It is not good enough for the Labor Party to say, 'We're going to introduce this raft of new powers for ASIC and you should get on board.' The fact is that powers exist already. The regulator has at its disposal a number of initiatives that can be undertaken. Company directors can be prosecuted for phoenixing activity. If phoenixing activity is rampant, why is it not working? Why is ASIC not already using the powers at its disposal? We have not heard those arguments being put forward by the Labor Party. Instead, we are just told: 'This suite of new powers should be delivered up to ASIC and if the consequences are that it's a massive additional piece of compliance for the small business sector across Australia, tough luck.' We disagree. We will always stand on the side of small business. We will always stand on the side of those who take the view that there are and should be, appropriately, curbs on the power of government and on its regulators because they need to demonstrate why additional powers are required. It is a basic approach that we apply to policing, so why should it not be a basic approach that we apply to company policing?

The bill before the House today gives ASIC significant new discretionary powers—I emphasise 'discretionary powers'—to place a company into liquidation, and these powers can be used in a range of circumstances: where a company is six months late responding to a compliance notice and has not lodged other Corporations Act documents in the preceding 18 months; where ASIC has no reason to believe a company is carrying on a business and no objection to liquidation is received from directors; where a company's review fee has not been paid within 12 months; and where a company has been reregistered in the preceding six months and ASIC has reason to believe it is in the public interest to place the company into liquidation. Those are broad powers, especially the last one. Many would say, 'Look, don't be concerned. ASIC's never going to do the wrong thing. We just need to trust the regulator to always make the correct decision.' I think a higher level of responsibility is owed. I believe that regulators are accountable, back to this chamber. It is my belief that companies have a responsibility to comply with the law. Where you have rogue companies that are not complying and where you have company directors who are participating in phoenixing activity, of course everyone on the coalition side and I suspect on the Labor Party side would take the view that those company directors should be disqualified. But that is not a good enough justification to give a broadbrush power to ASIC because ASIC takes a view that it is in the public interest that there should be an ability to liquidate a company. We think it is important that the regulator understands that we are willing to work with it, if resourcing is the issue; but we need to know what the problem is. The laws exist now. Why are they not effective? Do not simply hand down, like Moses on the mountain, a new template that says, 'These are the new laws and they shall be obeyed.' Rather, the obligation is upon the Labor Party to demonstrate why these new laws are necessary.

Incidentally, Senator Nick Sherry, a previous Assistant Treasurer with the Labor Party—one of the five or six that Labor has had in the past four years—outlined, I believe, 11 recommendations to deal with phoenixing activity. None of them, not a single one, is incorporated in this bill. This was a Labor Assistant Treasurer—perhaps that is why they have gone through five or six in the past four years—who put forward recommendations on how to deal with phoenixing activity, and those
recommendations are absent from this bill. If that does not underscore what a completely ad hoc approach the Labor Party has taken to this issue then I do not know a more compelling argument than that. The fact is that there is scope to take a much more logistically appropriate and strategic approach to phoenixing activity.

I am also concerned about comments that were made, for example, by the chairman of the law committee for the Australian Institute of Company Directors. Professor Bob Baxt, who is a distinguished competition law expert. He made some comments to a previous inquiry that the House of Representatives Standing Committee on Economics undertook at the end of last year—when I was not the deputy chair—which was dealing with the issue of phoenixing activity. He said:

There is too much legislation introduced on the basis of, 'It's a good idea; let's do something and we will see where it takes us.' … For the phoenix company and the phoenix director, there are processes in place which suggest that the regulator has the power to deal with them. Why should all of us be subject to those rather burdensome laws just because there are one or two who may have escaped the safety net?

That illustrates the difference in the philosophical approach between the Labor Party and the coalition. When we say we are trying to get the monkey off the back of small business, when we say we are trying to nurture an entrepreneurial spirit within the Australian community and when we say we understand the trials and tribulations of being a small business person, we mean it. That is the reason we take positions on, for example, this bill. We have not heard the threshold being met by the Labor Party in its justification for why these additional powers are warranted. The Labor Party is devoid of any motivation, it seems, to outline the case. That is why we say: put this legislation now to a Senate inquiry, given that it was discharged from the House of Representatives Standing Committee on Economics. Let us put it to a Senate inquiry and let us get the evidence out there. Let us understand why this suite of new powers is a requirement.

Perhaps the reason the Labor Party just does not get small business is that there is no small business man or woman among them. There may have been one or two who have walked into a small business. I am sure the member for Kingsford-Smith, who is at the table, has walked into a couple of small businesses in his time. In fact, he is actually probably the closest thing they have got to a small businessman on that side of the chamber—although it was a little bit more than a small business, wasn't it? There is no doubt that those opposite just do not understand the mind of a small business man or woman. They do not understand that compliance is a big issue. Small business people do not have people working away in offices in tall towers making sure that they can tick all the boxes and dot all the i's and cross all the t's when it comes to compliance; rather, the compliance burden is something that is met by the small business principal themselves. More often than not it is a husband and wife team and more often than not there is only one employee in the business, and that is the owner. These are the people who face the consequences of big increases in ASIC powers and big increases in compliance. For this reason, we say there is a burden of proof that must be met by the Labor Party if they want to increase those powers.

Let us put this legislation through the Senate inquiry process. I say to the government: it is time to stop running away from scrutiny; it is time to actually justify why additional powers are required, if, indeed, they are required; and it is time to
show why existing laws are falling short, if, indeed, they are falling short. On each of these basic tests, I believe any reasonable Australian would understand that these are not high thresholds to meet. They are basic questions that should be answered. If they were answered by the government then I have no doubt that we would actually have a bipartisan position on the legislation. Until such time as the government meets that burden of proof, we will stand opposed to additional compliance. We will stand opposed to broadbrush increases in powers for ASIC, until the government has demonstrated why they are necessary and how they will work.

Ms GRIERSON (Newcastle) (10:20): I rise to speak in support of the Corporations Amendment (Phoenixing and Other Measures) Bill 2012. I particularly commend the Parliamentary Secretary to the Treasurer for his efforts in developing this legislation, as it is another significant step in our proud Labor tradition of standing up for and protecting the rights of Australian workers. As its namesake, the bird from Greek mythology suggests, the practice of 'phoenixing' in business refers to collapsed and abandoned companies with outstanding debts to creditors and employees, and then these companies later 'rise from the ashes', usually disguised, thinly, under a new trading name.

I have heard many of the opposition speakers oppose this bill. They say that there is no need for this new legislation. That is not true. ASIC was under-resourced under the Howard government. I think it worked out of a broom cupboard—and I say that from my experience on the Public Accounts and Audit Committee. It was starved of resources. What did we see as a result of that? We saw a global financial crisis that unfortunately saw bad practice. We saw many people lose their livelihoods, their savings, their superannuation entitlements and their holiday entitlements. We saw contractors who were never paid. We saw bad business.

I heard the member the Moncrieff say that his party will always stand up for small business. Well, we will always stand up for good business. Good business is what we need in this country—good entrepreneurs. So many times through the GFC we saw good businesses disclose their problems to their workers, their employees and their suppliers and contractors, and work hand in hand to make things work. There is a spirit of goodwill out there in the workplace with business. There are good representative groups and bodies that, when consulted, can offer good advice. We saw many examples of good business making supreme efforts so that workers would not lose everything. We also saw workers give up hours and go to part time to get through those times.

We are talking today about phoenixing companies. Apparently it is not a big problem—there is no evidence. Well, I quote from the Age of 3 January:

According to the Australian Taxation Office, there are about 6000 phoenix companies in Australia …

If that is correct, that is far too many. The practice costs our economy billions of dollars a year, and I believe it must be dealt with firmly. In 2010, our Labor government made the election commitment to provide the Australian Securities and Investments Commission, ASIC, with additional administrative powers to wind up companies that have been abandoned with workers and creditors left high and dry.

This bill is a key element of our government's Protecting Workers' Entitlements 2010 election commitment, and we honour that in this legislation. This
legislation is a critical step in assisting the remuneration of employees for work that they have carried out in instances where a company has failed in its duty to make payments. Employees in affected companies have in many cases unfairly lost pay they are entitled to and benefits such as their accrued long service leave, holiday pay and superannuation due to cowboy practices and the abandonment of companies.

The federal government’s GEERS is currently only able to assist employees in accessing their entitlements once an abandoned company has been formally placed into liquidation. It is a loophole that has existed for far too long. As the law stands, ASIC is required to undertake lengthy court procedures and incur associated legal costs in order to wind up a company and place it into liquidation. Only then may employees access GEERS.

Through the phoenixing and other measures bill, corporate watchdog ASIC will be given the authority to directly place an abandoned company into liquidation where it is believed that the company has ceased operation or where a company has deregistered but not formally liquidated. Currently, if an abandoned company has deregistered with ASIC, employees seeking their entitlements, or ASIC itself, must first apply through the courts to officially reinstate the company so that then, and only then, can it be placed into liquidation. This is unnecessary and complicated red tape that does little to help the immediate needs of unpaid employees or contractors who simply want what they are entitled to—a fair go and fair payment.

To address this frustrating and costly complication, the legislation will provide ASIC with the additional power to place a company into liquidation in cases where ASIC is currently only able to deregister a company. Not only will it give ASIC the power to reinstate deregistered companies, immediately place them into liquidation and thereby render employees eligible for GEERS; the legislation allows ASIC to place a company into liquidation without the need to provide notice where there is reasonable objective evidence that the company is no longer carrying on business as usual. Such evidence may, for example, be failure to pay a review fee. It is an important step that we amend the Corporations Act. Workers and contractors, but particularly employees, should expect to receive what they are entitled to without a second thought.

Another key aspect of the phoenixing and other measures bill sets down regulations regarding the publication of notices relating to the events before, during and after a company's administration. Currently, throughout the course of administration, there are a range of notices that are required to be published in either print media or the ASIC Gazette. In complying with these requirements, this publication obligation means substantial costs to external administrators, which is then of course passed on to already out-of-pocket creditors. In addition to this, the creditors also incur the cost associated with monitoring media activity, searching numerous newspapers for notices that may be relevant. Of course, they are often just national newspapers; regional newspapers are often overlooked. There is no set day of the week that those notices would appear. It is a confusing system.

This legislation aims to amend that, with the establishment of one central and publicly available website by ASIC. Being the direct point of publication for notices relating to corporate insolvency, the website will be accessible, searchable and ever-present, removing the need for hard-copy publication. The legislation establishes a coherent and affordable means by which to inform
creditors, in a prescribed manner, through the publication of those notices online. This legislation is about ensuring information is easily and readily accessible, particularly for employees. This is a modern and necessary reform of the way in which we protect the entitlements of working people. The website will be established through ASIC by 1 July 2012. This legislation is another measure in harmonising Australia's insolvency industry. Over the coming four years, approximately 53,000 newspaper advertisements will be placed with the website, cutting the red tape, cutting costs for external administrators and reducing the burden on already affected creditors. Over this period, the use of the website will save around $15 million in print media advertising fees. I know the print media may not be pleased about that, but certainly we need to make those savings. This is a positive step our government is taking towards reducing the costs associated with compliance and regulation obligations.

There have been some serious cases locally, in and around my electorate of Newcastle, involving phoenixing activity. In 2006 I raised in the parliamentary committee process the Chinese-backed development and construction company Hightrade with ASIC. At that time, under the Howard government, ASIC had, as I said, very little powers to pursue such companies. The Newcastle Herald's Joanne McCarthy and the CFMEU's Andrew Ferguson went after the elusive Hightrade throughout that time, and I commend them for what was a sustained and consistent effort on their part towards making the company accountable to its creditors and employees through their public campaign. Contractors and suppliers, investors and workers all lost out. At the time, the ATO brought a case against Hightrade before the Federal Court—another very costly exercise. The behaviour of phoenix companies, such as Hightrade and other development and construction companies, has in the past demonstrated a failure to meet superannuation obligations as well. The Joint Committee of Public Accounts and Audit has consistently pursued the behaviour of such companies with the Commissioner of Taxation, something I am very proud of. At the time that the Herald were pursuing these matters, I stated in the Herald that the commissioner had agreed with me that 10 prosecutions of company executives for phoenix-type behaviour since 2000 was not satisfactory, and that this area of corporate behaviour was deserving of further attention from the ATO as well as ASIC.

I am pleased that legislative reform to combat phoenix companies has been considered and that in this parliament we are now seeing practical measures brought forward in legislation to combat phoenix companies and mitigate the negative effect they have on our community. Bad corporate behaviour can never be justified for any reason. I draw attention to the case of the roof contractor and former Australian Wallaby, Michael Martin, who lost hundreds of thousands of dollars when Hightrade company Reica Constructions avoided their tax and creditor debts and was wound up in 2006 during the construction of the Hunter Valley Resort at Pokolbin. As Joanne McCarthy reported in the Herald on 3 November 2009, 'The Tax Office was left the biggest creditor, owed $36 million'. That is us—every taxpayer being taken down by a bad company. There have been far too few powers for authorities to act in a timely and cost-effective manner to benefit those who have lost out due to corporate mischief. I am pleased that this legislation is working towards a better system.

As stated, the Corporations Amendment (Phoenixing and Other Measures) Bill 2012 is a key component of the government's
Protecting Workers’ Entitlements Package, announced at the last election. Other elements at the core of the government's package are the Fair Entitlements Guarantee, Securing Super, and Strengthening Corporate and Taxation Law, under which this and other legislation fall. Through no fault of their own, workers are losing their entitlements when companies are abandoned or where business behaves badly. Why should workers—people we know—have to worry about being paid an honest salary for an honest day's work? We will continue to pursue these sorts of reforms.

The Fair Entitlements Guarantee, which is currently undergoing a rigorous consultation process with stakeholders before being introduced as legislation, will alter the existing GEERS program so that employee entitlements cannot be abolished or amended easily by employers. In supporting these commitments, changes have already been made to the GEERS scheme prior to the guarantee being enshrined in legislation. Our government has removed the previous 16-week cap on redundancy pay and 'excluded employees', such as company directors, are no longer able to access assistance under GEERS. If an employee is owed money, they should be paid in full—not just 16 weeks and be left out of pocket. This is about fairness and some certainty. It is about cutting the red tape and ensuring quick and easy access to entitlements.

The second core element of the Protecting Workers’ Entitlements Package is securing superannuation. Our government is strengthening compliance measures and ensuring that employees receive what they are entitled to. The Australian Taxation Office and the Fair Work Ombudsman have been given greater enforcement powers, ensuring that businesses pay their employees’ superannuation guarantee. We also introduced legislation this morning to make it compulsory for employers to show on a payslip the anticipated date that an employee's superannuation contribution will be paid. Previously, it was only required that the amount be known. There have been too many cases of people who, when a company goes into liquidation and closes down, find their superannuation payments have not been made.

Thirdly, we are strengthening corporate and taxation law, giving ASIC more muscle by increasing the penalties against companies that wrong their employees and wrong their creditors. The Corporations Amendment (Phoenixing and Other Measures) Bill is a component of this. Again, in addition to this bill, the Corporations Amendment (Similar Names) Bill will be brought before the House in the near future. Currently out for consultation, the similar names bill will aim to further crack down on practices whereby company directors establish a phoenix company using a similar name to the initial failed company. The bill will fairly and justly impose personal liability upon those directors for the creditor debts of the failed company.

Certainly, under that similar names bill and those penalties for directors, there is nothing wrong with establishing a new business after a business has failed. We understand that. It is fine to have a second chance, as long as creditors and employees have been treated fairly, debts have been dealt with and directors have acted in a responsible fashion. Outlaw directors should be held liable for their exploitative behaviour. Unfortunately, in some cases, there does seem to be very deliberate actions with no intent to ever pay the workers or the creditors.

The suite of bills and action that this government is taking will ensure that directors cannot continue to sink deeper and
deeper into debt through phoenixing practice and shirk their obligations. I thank again the Parliamentary Secretary to the Treasurer, the Treasurer and the Assistant Treasurer for their work on this bill and know it will be of immense benefit to working people in my electorate and those small creditors often existing week-by-week around the country. It is legislation that only a Labor government would deliver. Sadly, it was not in place during the GFC when we saw so much burden placed on people, when they chose those sorts of options to get out of debt—options that saw people suffer—rather than take responsible action. It is legislation that is very much needed and, unfortunately, we have had to deliver and we will deliver. It is ultimately about a fair go for working Australians. I commend this bill to the House.

Mr IRONS (Swan) (10:35): I rise to speak on the Corporations Amendment (Phoenixing and Other Measures) Bill 2012. I have heard the contribution of the member for Newcastle during which she said this legislation would deal with bad company directors. The problem with the legislation, which goes to the nub of it, is that there is no direct definition of 'phoenixing'. This is the argument that the coalition makes.

I say at the outset that I have a background in small business and own a small business that I started in Perth in 1988. The member for Wentworth is present in the chamber, but my business is in no way relevant to the size of his business and his background in business. I was fortunate enough to be mentored and advised in business by Rob Dunn. One of the many lessons I learnt was fiscal discipline, along with 'don't be afraid to build up assets in the company', which is the company's strength, particularly when dealing with banks and creditors. This bill also goes to the nub of dealing with assets of companies.

There are not that many people in this parliament who have business experience, which is disappointing. I know that there are members on this side of the House who have run their own business, like the member for Fadden, who will speak on this bill later on. We have heard from the member for Moncrieff who put the coalition's position so well and spoke of our attitude towards phoenixing and how that should be dealt with in the legislation. If we look across to the Labor benches we see that there are very few who have the experience of running a business. Certainly, being a lawyer for a union does not qualify you to say that you have run a business. Unfortunately, unless you have walked the walk you are sadly behind the eight ball about how business works and how insolvencies in business come about. It shows in the quality of the bill that we are debating today.

Before I turn to the bill, I want to speak on this government's record on small business. Before the 2007 election, the Labor Party made a commitment, a promise to the Australian people that there would be a 'one in, one out' approach to regulating business in order to cut red tape. Since Labor was elected it has introduced 16,173 new regulations and only repealed 79, clearly breaking its 'one in, one out' promise to cut red tape. That is 204 new or amended regulations for every one repealed. This is a spectacular broken promise by this government, to go with the carbon tax and the private health insurance broken promises, and it is one that is being felt by many thousands of businesses around Australia and in my electorate of Swan.

In the area of compliance, there is a clear difference between the coalition's approach and the Labor Party's approach to small business. The coalition has a deregulation task force and is committed to reducing red tape to encourage employment in this sector during a tough time. The Labor Party, as I
said, have introduced over 16,000 regulations in just four years. They just do not understand business, its difficulties and its importance to the economy during difficult trading conditions. I heard the member for Robertson saying that their side of the House do get business and that they value that small businesses are the major employers of people in Australia. Well, I ask the member and all members on the other side of the House to come into this place and explain to small business why you keep punishing them with new regulations and taxes.

As an example of more punishment to small business, I quote from an article in the *Australian*, about the sudden decision to wind up the $320 million solar hot-water program, which:

... left the industry reeling and sparked warnings that up to 7200 jobs were in jeopardy. The Parliamentary Secretary for Climate Change, Mark Dreyfus, angered the solar hot-water industry by giving five minutes' notice on Tuesday night that no more applications for solar hot-water rebates would be accepted under the Renewable Energy Bonus Scheme.

The report went on to say:

The latest solar row follows turmoil in the insulation industry after the pink batts scheme was scrapped in the wake of poor installations, training and accountability, and the blowout in the Green Loans scheme, where the assessors were swamped with demand.

The government was also forced to act to end a glut in renewable energy certificates sparked by generous subsidies for rooftop solar panels. The glut forced down the price of renewable energy certificates and sparked an investment strike in big clean energy projects.

Clean Energy Council acting chief executive Kane Thornton said the "unexpected" winding up of the solar hot-water program would immediately hit sales and "put more than 1200 manufacturing jobs and 6000 installation jobs at risk ... Cutting this program without warning in the middle of a financial year is yet another example of stop-start policymaking that continues to plague the entire clean energy sector".

... ... ...

Rheem Australia government relations manager Gareth Jennings said his company, which makes the Solarhart range, was left holding millions of dollars in stock for which there may no longer be a market.

... ... ...

Solar hot-water system manufacturer Dux said it had been expecting the scheme to end on June 30 and many dealers and plumbers around Australia had expressed "disbelief" at the decision. "This was completely out of the blue," general manager Simon Terry said.

Unfortunately, the bill before the House today is yet another messy example of the government's lack of understanding, and it needs some serious work before it should be allowed through the House of Representatives. This bill attempts to tackle the practice of 'phoenixing' or 'phoenix activity', which, as the shadow minister has said, is typically associated with directors who transfer the assets of an indebted company into a new company of which they are also directors. The directors then place the initial company into administration or liquidation, with no assets to pay employee entitlements or to pay creditors such as contractors and the ATO. Meanwhile the same directors continue the business using the new company structure.

The coalition is strongly opposed to fraudulent phoenix activity as it undermines confidence in Australia's business community and damages its reputation. However, we are concerned that the government's approach to this important public policy matter is confused, ad hoc, piecemeal and not appropriately targeted. As such, we believe this bill needs redrafting and suggest that the government goes back to the drawing board. If the government is not
prepared to do this, this current legislation we are discussing today needs at the very least a thorough examination by the Senate Economics Legislation Committee.

I note that shadow minister Cormann has suggested that this legislation is so poor that a wider inquiry should be undertaken by the Senate Economics References Committee to canvass all options of reforming the law surrounding phoenix activity and make recommendations to the parliament for comprehensive and coherent legislative change. Madam Deputy Speaker, I know it is a strong call to suggest that this legislation go back to the drawing board, that even amending it will not suffice, so let me take you through some of the reasons that have led the coalition to take this position.

There are at least seven problematic areas which need to be addressed, and I think at the outset it is worth reminding the House that this is not the first attempt by this government to get these laws right. Last year, the government introduced a series of different measures targeting some aspects of phoenix activity, in the Tax Laws Amendment (2011 Measures No. 8) Bill 2011 and the Pay As You Go Withholding Non-compliance Tax Bill 2011. After examining these bills, the House of Representatives Standing Committee on Economics made the unanimous and bipartisan recommendation that the government not proceed with those provisions, with the committee in particular noting the concerns from the business community and its representatives that the bills potentially apply to the broad range of directors, whether engaged in phoenix activity or not. As a result of this, the government withdrew the legislation, supposedly to take this on board. However, it would appear from this legislation before the House today that the government has not attempted or managed to solve this problem it set out to solve. In fact, it has yet to provide any indication as to how it will tighten the provisions to better target phoenix activity as recommended by the committee.

Government speakers such as the member for Wills, who is speaking next, need to explain why this issue has not been solved as per the unanimous decision of the Senate committee. The bill should not progress until this matter is addressed. This is the first problem with the legislation. Part of this problem might be the fact that there has been no attempt to define 'phoenix activities' in any of the bills the government has introduced dealing with this area. A proper definition is needed, not only to better target the legislation but to avoid costly legal disputes down the track and give confidence to the sector. We have seen the embarrassment caused to Australia by the legal disputes this government has landed us in. The Malaysian deal High Court fiasco, which the member for Griffith called a 'walk on the policy wild side' was reported around the world—in Asia and on the BBC—and cost our international reputation dearly. There is another storm brewing with the High Court case considering the tobacco plain packaging legislation, and it is difficult to have full confidence in the government's assertion that its legislation is constitutional and will not cost billions of dollars. To have no definition of 'phoenix' in the Corporations Amendment (Phoenixing and Other Measures) Bill 2012 is quite frankly unbelievable, and for this reason alone this bill should not proceed. At present the Australian Institute of Company Directors does not have confidence in this legislation because of this very point. If we refer back to the speech by the member for Parramatta yesterday, she said:

I will go back to some of the comments that the shadow Treasurer made. His comments were
about phoenixing more generally. Of course this piece of legislation does not deal with the entire phoenixing behaviour. Of course this legislation does not involve all of the changes that need to be made in order to reduce phoenix activity and protect consumers and creditors from that activity. Of course there is other work to be done.

If the member for Parramatta is saying that, why are we even debating this bill? The member for Parramatta has admitted that this bill is not sufficient.

However, there are other reasons why this bill should not be passed through the House, and these should also be considered by members in the House today as they decide which way they will vote. One of them relates to schedule 1 of the bill, an amendment that allows ASIC to put a company into liquidation in a series of specific circumstances. These circumstances include where a company is at least six months late responding to a compliance notice issued by ASIC under section 348A, ‘return of particulars’, and has not lodged any other documents under the Corporations Act in the preceding 18 months; ASIC has no reason to believe the company is carrying on a business; and ASIC has reason to believe that it is in the public interest. They include where the company’s review fee has not been paid in full within 12 months of the due date. They also include where a company has been deregistered under section 601AH(1) within the preceding six months, and ASIC has reason to believe that it is in the public interest. And they include where ASIC has no reason to believe that the company is carrying on a business, ASIC gives 20 days notice to the company and its directors of the liquidation and no objection is received from the directors or the company within the specified time limits. Before making such an order, ASIC must give notice on the ASIC database as well as publish its intention. ASIC cannot put a company into liquidation under this schedule if an application for the winding up of the company is before the courts.

The coalition is concerned about the significant increase in ASIC power represented by the bill and, in particular, the lack of provisions relating to the parliamentary scrutiny of these proposed powers. One of the major issues identified as contributing to the phoenix activity is that the regulators are not fully utilising the existing powers available to them. Other issues include a lack of prosecutions, under-resourced regulators, insufficient follow-up on complaints and inadequate penalties to act as a deterrent. ASIC is Australia’s corporate regulator and has a very important role to play; however, the need for new and additional powers appears superfluous given that the regulators are not fully utilising their existing powers because of a lack of resources or otherwise. There certainly does not seem to be much clear thinking by the government in the way it is proposing to grant these powers over the course of many different pieces of federal legislation and in an uncoordinated manner.

As the shadow minister said, we strongly recommend that the government ceases this ad hoc and piecemeal approach, withdraws the current bill and instead engages in meaningful consultation with stakeholders to address their legitimate concerns and to determine a comprehensive and coordinated legislative approach to this important public policy matter.

There are a number of other, broader issues with this bill, in particular relating to the government’s approach to phoenix activity, which have been raised by members speaking prior to me on this matter. These include how effective previous regulatory efforts have been in combating this practice, the appropriateness of available penalties and
the lack of recognition by the government of the role and capacity of liquidators in tackling phoenix activity. These unresolved issues also detract from the legislation and should be considered by members.

So where should the government go from here? It should withdraw this legislation and go back to the drawing board. If not, at the very least this government should refer the matter to the economics committee and in fact, given that through its ad hoc approach the government has clearly demonstrated that it has a poor understanding of this area of business, the Senate committee should be drafted in to help consider these issues in a full and holistic way.

For future legislation, the government might consider the proposals paper on combating phoenix activities released in November 2009 by Nick Sherry, who was then Assistant Treasurer. None of the 11 proposals in that paper are reflected in the new ASIC powers outlined in this legislation. It reminds me of the review conducted by the member for Oxley, the Ripoll review, which, sadly for that member, was almost completely ignored by the government. I note that the member for Oxley has also spoken on this bill.

As I and other members on this side of the House have said, this is a poor bill and we will not be supporting it.

Debate adjourned.

**Corporations Amendment (Phoenixing and Other Measures) Bill 2012**

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

Mr KELVIN THOMSON (Wills) (10:50): When I was in my office I had the opportunity to listen to a contribution by the member for Newcastle and I want to associate myself with her remarks and also acknowledge her work over many years in this place in the cause of good corporate conduct. The member for Swan sought more explanation of the Corporations Amendment (Phoenixing and Other Measures) Bill 2012, and I am happy to provide it to him and to the House.

This bill contains amendments that give the corporate watchdog, the Australian Securities and Investments Commission, ASIC, the power to order the winding up of abandoned companies, allowing workers to access their entitlements. The bill implements an important aspect of the government's Protecting Workers' Entitlements Package election commitment. That commitment included cracking down on companies that undertake phoenix company behaviour, which is of course where a business closes down one day and opens up shortly afterwards with a different name to avoid paying its legal obligations. This is grossly unethical behaviour, and I have always supported actions by governments of either political persuasion to tackle it. At present, employees have to apply to the courts and incur legal costs in order to place the abandoned company into liquidation before they can access the government's General Employee Entitlements and Redundancy Scheme, GEERS. This can be very onerous and unfair for employees, who quite reasonably feel that it is their money and that they should not
have to spend good money to get access to their own money.

Since 1 January 2011, the government has improved the protection of employee entitlements by amending GEERS, and this bill will allow the Australian Securities and Investments Commission to wind up a company where it has been abandoned by its directors. Specifically, the bill will provide ASIC with the following discretionary powers: firstly, the power to place a company into liquidation in circumstances where ASIC currently has a power to deregister the company; secondly, the power to reinstate any deregistered company and immediately place it into liquidation; and, thirdly, the power to place a company into liquidation where ASIC has reason to believe that the company is no longer carrying on business. This means that the corporate watchdog can step in and wind up a company so that workers do not lose their entitlements where directors have walked out on their business. I think this is a really worthwhile step forward and I congratulate the government on this initiative.

I am quite mystified that opposition speakers should not be supporting this initiative and that they are talking about going back to the drawing board. They say that they oppose phoenix activity, yet they oppose measures to stop it. It sounds to me as if they are not genuine. It reminds me of their position on people smuggling: they say they are opposed to people smuggling yet they block efforts to stop it. It makes you wonder just how fair dinkum they are.

According to research by Veda Advantage from July 2010, phoenix companies are on the rise and the corporate remnants of the global financial crisis are back. These companies have come back in the guise of new entities and are hiding their bad credit history by starting over on a clean slate. According to the report, this news has troubled many business owners, who are now engaging in credit checks to minimise business risks with new credit partners. The statistics behind these findings show that one in every 10 directors has been linked to a company with an adverse credit history in the last six months before starting a new company. The report also found that the number of new business registrations in Australia is at its highest in over a decade. In comparison to the first quarter of 2009, the first quarter of 2010 saw the number of new business registrations up by 23 per cent. The chances are, regrettably, that if a company enters into external administration it is twice as likely to start a new company within six months, and directors of these companies can also be involved in eight or nine other companies. The research suggests that directors linked to adverse credit history are seven times more likely to default in future than those with a clean credit history. The report warns that performing a credit check on your customers and suppliers could mean the difference between survival and collapse and could afford businesses the benefit of avoiding exposing themselves to credit risks and liquidity problems in the future.

Phoenix activity has a widespread negative effect on the Australian economy, but the failure of creditors to report it to the authorities means that it often remains undetected. It costs the economy billions of dollars a year and, despite reforms over the last few years, phoenix activity remains strong. According to the Australian Taxation Office, there are about 6,000 phoenix companies in Australia and between 7,500 and 9,000 directors who would have personal liabilities under the new legislation. Tax liabilities are often left unpaid after the liquidation of a fraudulent phoenix entity. This may reflect a range of factors, including the benefit that a phoenix operator can obtain...
from nonpayment of the business's taxation liabilities and the fact that such an operator need not be concerned with maintaining a commercial relationship with the ATO.

While the cost of fraudulent phoenix activity is difficult to measure precisely, it is undoubtedly significant. In the past, the biggest impact on the revenue has come from phoenix companies that failed to remit accounts withheld under the pay-as-you-go system. These funds relate to the tax liability of a particular employee, and it is as if the employer holds these funds on trust. Such funds should never become part of the cash flow of a business. That is quite improper.

While the benefit from the nonremission of pay-as-you-go is often derived in relation to the salary and wages of the employees of the company, particularly a labour supply company, fraudulent phoenix activity also involves directors claiming access to pay-as-you-go credits in their own personal income tax returns where the company has not remitted and will never remit such moneys to the ATO. Such actions seek to take advantage of provisions in the taxation law that allow a taxpayer to access credits for amounts withheld irrespective of whether or not those amounts have been remitted. Fraudulent phoenix operators also benefit from the nonpayment of other liabilities imposed by the taxation law. This includes superannuation guarantee payments. The nonpayment of the superannuation guarantee is a particular disgrace as, unlike other liabilities imposed under Australia's taxation laws, it will result in a direct loss to the individual employee.

Historically, fraudulent phoenix activity has been most prevalent with small business—that is, those businesses with a turnover below or around $2 million. However, the ATO has seen fraudulent phoenix activity being undertaken by much larger businesses and by individuals who already have significant levels of wealth. Fraudulent phoenix activity is also being observed by the ATO within the property development sector and was reported last year as occurring in the financial advice industry. According to a *Herald Sun* article of June last year:

Insolvent financial advisers and companies are reopening their businesses under a different name, just like the notorious building industry practice of using so-called 'phoenix' companies.

Dishonest financial advisers are shutting down one business and opening up a new one in an attempt to avoid defending or paying out compensation to clients who were given bad advice.

A lawyer with national legal firm Maurice Blackburn, Briohny Coglin, has said, 'Rogue financial operators who gave negligent advice to their clients are able to re-establish their business and continue to practice.' Further, she said: 'In one particular case, several clients sought compensation due to negligent financial advice but the firm claimed insolvency. The same firm re-established their business under another name and continued offering financial advice.' Adding to the problem, many financial advisers lack sufficient professional indemnity insurance to cover claims. In one case last year a company argued that it had a yearly compensation limit of $2 million and that it had almost run out. In other cases, even if the firm or adviser has enough insurance cover, their policies often exclude claims involving fraud, material nondisclosure or insolvency.

Consumer Action Law Centre chief executive Carolyn Bond said that consumers were being left high and dry. She said:

We are aware of this problem with some advisers, particularly when they have given poor advice and their business is going into liquidation.

She went on to say:
They can have all these people claiming because they've received very poor advice and lost money and unfortunately they are not able to get their money back because the company shuts down. Clearly this is unacceptable. Consumer campaigner and Choice spokesman Christopher Zinn said that changes to financial advice laws should help shut down the problem of phoenix companies. He said:

It's a problem, like it's been a problem in other areas, but we certainly think that proposed government reforms will help.

Concern over the spread of fraudulent phoenix activity to a wider range of businesses and across more industries is also heightened by the apparent increase in the number of individuals promoting the benefits of fraudulent phoenix activity. Unions have long complained about phoenix companies, and their complaints are legitimate. Employees are frequently out of pocket because of phoenix company activity. Companies close and declare bankruptcy, leaving unpaid employee entitlements. The owner or director of the company miraculously reappears, controlling some new company conducting the same or a very similar business. I was very pleased to hear the remarks of the member for Newcastle about the question of dealing with similar companies, which is presently being considered by the government.

The ACTU has proposed reforms that would define a phoenix company; allow ASIC to ban a phoenix company from using the company or trading name that was used by the failed predecessor company; permit creditors of the failed predecessor company and persons seeking to establish that they are creditors thereof to start or continue litigation against the failed company without the leave of a court; make the phoenix company vicariously liable for the debts incurred by the failed predecessor company, allowing the Commonwealth to recover tax debts and Fair Entitlements Guarantee payments as well as provide proceeds for the types of litigation contemplated; and make the phoenix company vicariously liable in any unfair dismissal claim brought against the failed predecessor company by its former employees. Employees should be able to bring claims within 12 months of discovering that the failed company has phoenixed instead of the normal requirement that claims be brought within 14 days of dismissal. These are thoughtful suggestions that warrant serious consideration by the government.

This bill is another important piece of reform being undertaken by the Labor government to protect employees who lose their entitlements through no fault of their own when their employer enters liquidation or bankruptcy. The message to rogue directors from this bill is that the federal government and ASIC are taking phoenix activity seriously and that any director who breaches his or her duties in this regard should expect their actions to be investigated and punished accordingly. It is a very good piece of legislation, and I commend it to the House.

Mr BILLSON (Dunkley) (11:03): It was interesting to hear the member for Wills wind up his speech on the Corporations Amendment (Phoenixing and Other Measures) Bill 2012. It was a good wind-up, because he was quite accurate in summarising what this legislation is really about. He ended by saying that the message to rogue directors and others is—blah, blah, blah, blah. That was the message, but the actual content of this bill bears very little resemblance to that message. It is an effort to verbal the Australian public into thinking that this has something to do with phoenix arrangements when it has nothing to do with phoenix arrangements. In fact, if we applied some of the corporations disciplines—and
even the ACCC had a look at this—the branding of this bill as something to do with phoenixing would be false and misleading item of conduct, because it is not about phoenixing.

The disappointing thing about the Labor member's contribution to this bill is that it has failed to address the fundamental misrepresentation that sits at the heart of this legislation. What it is about is something the member touched on—and, to his credit, he was quite open about it. This bill is about access to the GEERS. That in itself may well be a very virtuous policy objective. But call this what it is: call it facilitated access to GEERS arrangements—a scheme introduced by the Howard government to protect employee entitlements—and acknowledge that there is some obstacle in accessing GEERS benefits because of the way the scheme is designed and operates. Call it what it is. Be honest and true to the task of law-making in this nation. Be frank and upfront about the policy objectives of legislation and this government might see some people in the community actually finding out what it is about and might actually start to build some credibility.

Mr Bradbury interjecting—

Mr BILLSON: I am being heckled by the member opposite, because he knows that I have belled the cat on what is going on here. This is a false and misleading legislative process whereby the policy objective is not at all related to the title that has been given to this bill. The bill purports to be about phoenixing and other measures—amendments to the Corporations Act—but what it is really about is access to the GEERS. It is interesting that we do not target the particular public policy area in which the problem, as the government describes it, arises and then talk about the way in which the GEERS is activated. Instead we go about creating a new range or a new avenue to instigate insolvency procedure, without any consideration about what that actually means for the corporations law, the state of the economy, the nature of entrepreneurship in Australia and the protection of a range of economic rights, including employee entitlements, that should be at the heart of a sensible public policy debate about amendments to the corporations law. We do not have that discussion. We are not having that discussion here, because that is not what this bill is about. This bill is not about any of the, say, tax-related measures that Senator Sherry, one of the four small business ministers opposite that I have faced in two years, has proposed. This bill is not about that. It is not about any of the 11 tax measures that are in this proposal.

Mr Bradbury interjecting—

Mr BILLSON: Admiral Bradbury across the table is getting a little bit cranky, but he will know about his ministerial ambitions shortly—he might get to ride on a ship with some legitimacy. Senator Sherry's paper canvassed 11 tax measures that could address fraudulent phoenixing activity. Are any of those 11 tax measures the subject of this bill? No. The paper identified 11 other options for tackling fraudulent phoenix activity. It is not a bad body of work—there are some useful ideas and some worthwhile public policy proposals that would legitimately tackle fraudulent phoenix activity. Are any of those measures the subject of this piece of legislation? No.

We need a useful examination, carried out in a sober way, of the growing concern about phoenix activity—a phenomenon that has expanded under the Rudd and Gillard Labor governments. We need to be able to say this is getting away from us, it is a cancer on our economy, it is undermining confidence in entrepreneurship, it is impacting on
employees, it is impacting on contractors and it is impacting on small business. These are very important issues. Is any of this canvassed at all in this legislation masquerading as a phoenixing bill? No—that is not what this bill is about. The government should attempt to establish with the Australian public some credibility and some trustworthiness by being frank about what this bill actually targets, and that is access to the GEER Scheme.

For those members opposite who seem unclear about what phoenixing activity is and what its impacts are, phoenixing is estimated to cost the economy $2.4 billion a year. It is a harmful, fraudulent practice that is hurtful to suppliers, to contractors and to customers who might undertake certain acquisitions or transactions only to have their money taken and the services or goods not provided. It damages prosperity and it undermines economic confidence. If you happen to be an employee in the small business that is done over by a phoenix company, where are your interests in this conversation about curtailing the growth in phoenixing activity? They are not in here at all, because that is not what the bill is about. It is not about the Senate inquiry, and it is not about the repeated assurances from the tax office and ASIC that they have a tool kit that is not being fully utilised—but they will crack down, we are assured through Senate committees. We are still to see that crackdown. I have seen firsthand how underwhelming some of the ASIC investigations have been when I have raised issues with them and have got back a glib letter of a couple of paragraphs saying, 'There is no problem here. Thanks very much. We have had a look at it. All the best to your family.' That is not what we are looking for. We are looking for these assurances to be followed through.

Not so long ago the then Minister for Financial Services and Superannuation was talking about actions to ensure superannuation guarantees were being paid, and there was reference to deterring fraudulent phoenix company activities. The government is dragging in everything that might be wildly related to an insolvent business—but it is not tackling the issue of phoenixing activities even though the subject has been rolled out with all the rhetoric on a number of occasions. Dun and Bradstreet reveal that 29 per cent of companies that became insolvent in 2009-10 had one or more directors previously involved in the winding up of an entity, compared to just 10 per cent in 2004-05. We have seen a growth in the number of directors with some history being involved in companies that have subsequently become insolvent.

You would have thought there would be an alertness, a situational awareness, about this risk. With security deposits legislation the tax office is worried about PAYG contributions and suspect businesses being required to make those deposits. Despite all this, the illegal practice is reportedly continuing to flourish—and the reason for that is that the Labor government talks a great game on phoenixing, as we have heard in this chamber today, but it is not actually doing anything about it. That would be a worthwhile thing for the government to turn its mind to. There is no defining of phoenixing in this bill. There is a lack of any evidence about how these additional powers will better enable ASIC to tackle phoenixing. There are ongoing concerns that regulators have a tool kit available to them, an arsenal of weapons, and we are adding Exocet missiles to the list without contemplating what should be happening with the weapons available now. Every report we see shows there is an expansion in this activity.
Actions taken supposedly in the name of wiping out phoenix activity have made no difference whatsoever, from the available evidence, and then the government seeks to hide from scrutiny of what it is doing or not doing by hijacking a House of Representatives inquiry. But it gets even worse. The explanatory memorandum to the bill does not even attempt to do a regulatory impact statement—it says it is not required for these amendments. What is going on here? This is phoenix policymaking about the phoenixing industry. The government is just not serious. Why would it evade scrutiny? Why would it not prepare a considered response to Senator Sherry's work? Why does it keep prattling on about this bill somehow relating to phoenix activity when it does not—it is about access to the GEER Scheme. Let us have that conversation. There might be meaningful things we could do about accessing the GEER Scheme, like looking at the preconditions. If you are worried that people should be able to access the GEER Scheme, a scheme introduced by the Howard government, because there are some obstacles—and insolvency declarations are an obstacle—why not look at other entry criteria? Why not do that? That would be a sensible public policy debate. No—they just say that, despite all the powers ASIC has now, which are so underdeployed at the present time, they will put more tools on the table that can just sit there. This is the government's response to phoenixing. Well, this bill is not about phoenixing, and the government should be clear and frank about what it is actually about.

In the area of GEERS, what a good scheme the Howard government introduced. But, as I said, if there are concerns about accessing GEERS then deal with them as the public policy challenge—do not go around and masquerade that it is something to do with phoenixing when it is patently not. The explanatory memorandum—and I encourage the parliamentary secretary to have a look at it—actually says that this bill is about accessing entitlements under GEERS. So why not call it that? Why not do a bit of genius branding, like calling a show about footy The Footy Show? Why not call this legislation, ingeniously, the 'Accessing the General Employment Entitlements and Redundancy Scheme Bill'? Then everyone would know what this was all about and the government could not go around masquerading that this was something to do with phoenixing, which it patently is not.

I have touched on the GEERS issues because it is important. To the credit of the member for Wills, he is quite right—the ACTU has been quite clear about priority for access to whatever assets might be available in an insolvent company. The ACTU have been consistent and they have been upfront. They believe employee creditors have a priority over other unsecured creditors. They are looking at how, in the event of liquidation, the priority with which funds are made available changed. Let us have that debate. But do not come in here under the Trojan horse with a brand on it called 'phoenixing' to try to achieve that kind of outcome.

Why am I saying that you are achieving a kind of outcome that may reposition people's entitlement to access payments for an insolvent business? If you follow the work through, where there is an administrator overseeing an insolvency, GEERS requires that in bankruptcy cases the department will require claimants to sign a deed of undertaking. That deed of undertaking is designed to attract a priority repayment pursuant to section 560 of the Corporations Act. If it is about triggering that reprioritisation, have that as the public policy discussion. But, instead, we are coming in
here under some other branding called 'phoenixing' to deal with issues that have an enormous impact on small businesses, which, the parliamentary secretary might realise, actually have employees, too. If they are displaced, by some backdoor reprioritisation of the distribution of available assets, from being paid for the goods and services they have received, they have an interest in that. You have heard that in submissions time and time again, but still you come to this bizarre and completely unfounded conclusion that there is no regulatory impact worth examining, when there is, and it should have been properly examined.

The honourable thing to do would be to name this bill what it actually is—that is, the 'Access to GEERS Bill,' and not the phoenixing bill—and have a proper inquiry about the impacts and implications of what it purports to do and what it will actually do. This government, by its numbers, has corrupted the parliamentary committee process in the House of Representatives. I hope the Senate gets a chance to have a look at this legislation, because the Senate hopefully will do a proper examination of what is happening in this space.

In the minute and a half remaining I will go to another part of the bill. This part of the bill seeks to ensure that an employer who is receiving payments under the government's Paid Parental Leave Scheme is actually held to account where it is not in a position to pass those payments on. Do you know what the solution is? It is the coalition's policy: pay it direct. Why doesn't the Commonwealth pay it directly to eligible employees? Why do you not do that? Why do you not embrace the amendments that we have on the table for a bill that has now gone into the Bermuda triangle? It was supposed to have been debated some weeks ago, but now no-one can find it. It has just disappeared. Why not find that bill again and embrace the amendments I have put forward.

The issue is one of imposing the burden of being the pay clerk for the Commonwealth. To transfer Commonwealth determined benefits paid for by the taxpayer straight to the employee should be the idea. But, no, you want to fit up employers with that. And we know what that is about, because another union document said that this is about elevating the employer contribution to ramp up the benefits because the government's scheme is deficient. Why do you not just pay it direct and then you would not need all of this legislative gymnastics to deal with a problem that is not of your making? It is in the second part of the bill. You should turn your mind to that and not to trying to get promoted in the reshuffle. Read it in the second part of the bill. (Time expired)

Mr Bradbury: I rise on a point of order, Deputy Speaker Vamvakinou. The member opposite has been making repeated imputations and allegations in relation to your conduct. I think none of them are warranted. I think he should withdraw.

Mr BILLSON: Classy, mate. My time has expired.

The DEPUTY SPEAKER (Ms Vamvakinou): The member's time has expired.

Mr SYMON (Deakin) (11:19): I speak in support of the Corporations Amendment (Phoenixing and Other Measures) Bill 2012. This bill is part of the federal government's response to a growing problem of phoenixing companies and phoenixing actions in companies, which are causing so much damage to people's lives—working people and suppliers and all sorts of other creditors who get burnt when phoenixing occurs. It is a huge problem, but it does not stop there; it also affects government because phoenixing is often done to avoid liabilities to the
Australian Tax Office. I understand that the Australian Tax Office estimates the current stock of suspected phoenixing cases it is monitoring poses a risk to the revenue of around $600 million.

Unlike many people in this place, I have direct experience in what happens with phoenixing in companies. As some people will know, I worked in the construction industry for over 20 years. Over that entire time the construction industry has been a really bad example of where companies have been set up, then been put into receivership and then trading again the next day with a slightly different name, from the same premises and with the same directors. It has happened time and time again. It is not only done to take entitlements off the workers of that company; it is done to get out of the debts the company may owe to other businesses and subcontractors.

When a company goes into receivership and a director takes that money, it has come from someone else it is owed to. Unfortunately, the system we have at the moment provides a get-out. It is not only small businesses of course but large businesses as well. These businesses are not always somewhere else. They can be right on your doorstep.

I have a very sordid example of one in the suburb of Mitcham, which is in my electorate of Deakin and is where my electorate office is located. It occurred in 2009 and involved a company called Forgecast Australia. The company has only one director, Mr Ian Beynon. When you read the history of Forgecast you will see that it is almost a model for anything that should be done in relation to phoenixing. Since 2003, this director has placed Forgecast, under various Forgecast names, into receivership, attempting to remove his liabilities to pay employee entitlements, trade creditors, subcontractors and tax debts—and, each time, after that the company has restarted with a very similar name and at the same location. If you visit the Forgecast website today it speaks to the company's 60 years of manufacturing in the eastern suburbs of Melbourne. I would like to quote from the Melbourne *Herald Sun*, which published an article back on 31 January 2010 titled 'Staff lose in buyouts'. I seek leave to table a copy of this article at the conclusion of my speech.

Leave granted.

Mr SYMON: This article was written by Samantha Amjadali. It is a particularly good article. It says: 'A millionaire businessman whose factory workers are allegedly owed $4.4 million in redundancy entitlements has been allowed to buy back the failed company for a third time but refuses to make payouts to workers. Employees at Forgecast in Mitcham claim owner Ian Beynon has been allowed to cheat workers again and again. Some have worked for the company for more than 40 years.' Mr Beynon is quoted in this article as referring to the concept of a phoenix company, under which the owners of a failed company can buy it back under another company's name, and said that he had followed all the correct legal process. He said, 'I just deal with what the law is and many people do this.'

An employee, John Huggett, who has worked as a polisher at Forgecast for 22 years and was owed $94,000, said that it was a huge betrayal. He went on to say, '57 of us went back after the first receivership to give Ian a chance. We even took reduced hours. But he's done it to us again.' The article went on to say, 'Dozens of former workers have maintained a 24-hour picket outside Forgecast's Cook Road premises for two months.' And that was the two months that covered Christmas of December 2009. I went down there and visited them on occasions,
helping them unload firewood from trailers to keep their fires going. They sat there for two months and there was no great resolution for them at the time.

In the Herald Sun, John Huggett was quoted as saying, 'We haven't had a wage for two months and most of us are struggling with bills and mortgages.' That was the case when I visited those workers down there. Interestingly, it was not only workers down there. Subcontractors were camped outside the gates, too, and creditors were waiting to see if there was any way that they could get inside the locked gates to address what they were owed. Some were even lining up to remove equipment that had been delivered to the factory but which they had received no payment for.

This article then goes on to say: 'My Beynon first bought Forgecast, which makes metal fittings for cars and furniture, in 2003 and put it into receivership in 2004. He bought it back using one of his other companies, laid off 57 staff and then rehired the remaining staff on the condition that they worked fewer hours. Mr Beynon then laid off the workers again in November 2009.' That is the time frame when I visited. 'He liquidated the company soon after.' The article then goes on to say, 'Last week'—the second last week of January 2010—the Mordialloc businessman again bought Forgecast and intended to reopen it and potentially rehire the picketing workers once the industrial action is over.'

On that point, the article in the paper is not quite right. I do not call it industrial action by workers if you are locked outside the gate and your boss is refusing to pay you for the work that you have done. That is not industrial action. To me, that is a breach of the employment contract. If a worker has done the work and earned the entitlements then I believe that the entitlements are theirs. They have earned them. For someone to come along and change the name of their employer and then say, 'I don't owe you any money,' is not right. That should never be right. It would not be accepted in many other areas that we deal with. Unfortunately, employment is an area in which it has gone on for an awful long time. Mr Beynon was quoted in the Herald Sun as saying, 'I don't owe them any money; the company owes them money.' You may remember that I said at the start of this speech that the company only has one director.

Cesar Melhem, the secretary of the Victorian branch of the AWU, said, 'Australian corporation law should be changed if it lets a company director get away with what Ian Beynon is getting away with today.' We are starting to do that now; this is the start. It is an important start, because for many years this has not been touched. There have been holes in corporation law as it applies to employees when their employer no longer pays them; when someone turns up to work one day and, instead of being able to go into work, finds a padlock on the gate.

As I mentioned earlier, when I worked in the construction industry this happened to me. I have worked for electrical contractors in the past. Although I was not there at the time—the industry is quite itinerant—this happened with the company that I had been working for two weeks before. The job that I had been on had finished. I had many friends still working there. It did exactly what I have been discussing. The company changed its name overnight—it added the word 'Australia' to the end of its name—and went back to work the next day. It was working on very large jobs at the time, such as the transurban tunnel in Melbourne. It continued working under a different name and escaped having to pay a lot of employee entitlements and escaped paying a lot of creditor
entitlements as well. The tax office is usually the biggest one of those, but there were many others.

When we talk about employee entitlements, a lot of people may think that it is only a week's wage or a month's salary. But you have to look much deeper. You have to look at what else is in there. Those entitlements include things like superannuation. The workers at Forgecast were owed up to 15 months of superannuation. Where had the super money gone? It had not gone into their super accounts, even though it may well have shown up on their pay packets that they had received such money. They had not. The money had gone to the director of the company. If you multiply the superannuation contributions of 57 employees over the course of a month, a year or—even better—15 months to get the full figure, it rapidly adds up. It is also quite unfair in another way. It is unfair to legitimate businesses that do follow the law and do the right thing by their employees and do look after their staff, because it puts them at a competitive disadvantage. While someone is sitting back taking money that is not theirs and making a bigger profit out of their business, it can give them an opportunity to go out and undercut those that do the right thing. These sorts of things should not be allowed to happen. They should never have been allowed to happen. It is good that we as a government are starting to address these issues, because they go on around us now. From what I have read in regard to this, I think they are becoming more common. They have spread outside the construction industry and, obviously, Forgecast in Mitcham is an example of that. It is time that we really paid attention to this. I congratulate the parliamentary secretary who has brought in this bill because it is a recognition that this is not going to fix itself. It does not go away.

We hear a lot of talk about the General Employee Entitlements and Redundancy Scheme, as we have heard from those opposite, and I have spoken about it in this place on quite a few occasions before. I had to deal with that scheme many years ago when I was in a different job. It worked, but the biggest problem was waiting for a company to be placed in actual liquidation. If a company was in administration or receivership and not actually operating, workers then ended up in the twilight zone, because the GEER Scheme would not kick in at that point. So they could wait not only weeks but many months before there was any chance of a payout under GEERS. So although the scheme is a bit of a safety net, it has to be thought through a bit more as well because of this question: who is paying? The answer to that is that the Australia taxpayer pays for the funds that go into that scheme—and that is a good thing—whereas those who should pay should be the people who have run away with the workers' entitlements in the first place. That is why phoenixing is such a horrible thing to happen to anyone—not just the workers at a particular factory or with a particular employer but those right across the spectrum including everyone that is involved.

I go back to 2009 when I was talking to those local suppliers. In some cases they had, only a week or two before the factory gates were locked, provided $10,000, $20,000 or $30,000 worth of materials. Then they found that their materials were on the wrong side of the padlocked gate and, even though they might not have been unpacked from their boxes, they could not get in to retrieve them. That is not right and it is certainly not right that simply by a change of name somebody can wipe that out.

This legislation has a number of measures to stop phoenixing companies, so it is a good start. The first is to grant the Australian
Securities and Investments Commission the power to order the winding-up of a company that has been abandoned to facilitate payment of employee entitlements. As I said, that is to give access to GEERS, and that is a good thing. Also, as I said earlier, employees have been able to recover some money through GEERS only once their company or employer has been placed into liquidation. This legislation will give ASIC the power to place a company into liquidation, meaning that the corporate watchdog can step in and wind up a company so workers can access GEERS, to have their entitlements paid out. This is also the case with companies that have been abandoned when their owners or directors have suddenly disappeared off the map. It is the same thing again with the GEER Scheme where there is a problem of actually delivering money to those that need it as the delivery could not occur until there had been a declaration along the way. To address this impediment to rights and to safeguard the rights of employees of failed companies to access GEERS, this legislation will provide ASIC with discretionary powers. It will give ASIC the power to place a company into liquidation in circumstances where ASIC currently has a power to deregister the company. It will give it the power to reinstate any deregistered company and immediately place it into liquidation. It will give ASIC the power to place a company into liquidation where ASIC has reason to believe that the company is no longer carrying on business.

I think this bill is a great measure to address the phoenixing of companies. The problems are wide but this is a fantastic first step that no-one has undertaken before. I commend the bill to the House. (Time expired)

Mr VAN MANEN (Forde) (11:34): As I follow the contribution from the member for Deakin, I note he is quite right in the speech he gave about the issues of phoenixing. The problem is that the first part of his speech relate entirely to issues that are not being addressed in this bill, the Corporations Amendment (Phoenixing and Other Measures) Bill 2012. This bill is not talking about dealing with companies that are wound up and are not paying suppliers and contractors. It is about providing access to the General Employee Entitlements and Redundancy Scheme.

But I do agree with those opposite that phoenixing is a cancer that is eating away at the foundation of trust upon which our business community and the broader community are built. It sourcs relationships and creates distrust that means people can no longer rely on those that they do business with, honouring agreements to supply the product or services bought or to pay for the products or services supplied. That was adequately outlined by the member for Deakin in his contribution. Another interesting thing about this bill is that there is no definition of what phoenixing is. To try to help those opposite I offer, by way of definition, that a phoenix activity occurs when directors transfer the assets of an indebted company into a new company of which they are also directors. The directors then place the initial company into administration or, in some cases, liquidation—with no assets to pay employee entitlements or creditors. Jon M. Huntsman, in his book Winners Never Cheat, puts it this way:

In prosperous times, people sometimes wander from the financial walkway, blinded by the glitter of gold. The temptation lurks to prolong the euphoria by the easiest means possible.

In uncertain times, people may see dishonesty as the only way to pursue their careers, as the fastest cure to rebuilding wealth, or the only way to keep their heads above water. They may falsely
believe they have nothing to lose but it is a slippery slope to be sure.

He makes the point that the most concerning issue is that there is a growing group of people who do not give a damn about others. They are only in it for themselves and they are a growing menace to the values that we, as Australians, hold dear. I will give you a personal example. My father worked as a ceramic tiler in the building industry. There were many occasions during his lifetime of work where builders who he had regularly been working for would close up on a Friday and inform him that his outstanding invoices would not be paid, yet they would be open again on Monday under a new name and ask him to do jobs that had been allocated previously under the old business. I have seen firsthand the consequences of this phoenixing activity. I understand that, rightly, we need to protect employees' entitlements in the event of businesses deliberately undertaking these phoenix activities. But nowhere in this bill is there any reference to people such as my father, a subcontractor, or other contractors and suppliers. How are they going to recoup their losses and payments that they have not received?

Over the years a number of reviews have been carried out to ascertain where improvements could be made to protect people against these cases of phoenixing. I refer to Senator Nick Sherry's Action against fraudulent phoenix activity: proposal paper of 2009, which my colleague the member for Dunkley referred to quite extensively in his contribution to this debate. It highlighted three of the most significant reviews that have been undertaken as a result of this fraudulent activity. Firstly, the Australian Securities Commission report of 1996 estimated that annual losses to the Australian economy as a result of fraudulent phoenixing were between $670 million and $1.3 billion per annum. More recent estimates now place this figure at some $2.4 billion per annum. In the Sydney Morning Herald on 3 January this year an article made reference to a comment by the Australian Taxation Office, which estimates that there are some 6,000 phoenix companies in Australia and some 7,500 to 9,000 directors who will have personal liability under this legislation. Secondly, the Cole royal commission in 2003 reviewed and highlighted fraudulent phoenix activity in the building and construction industry. The review heard evidence from a range of organisations about reports of significant phoenix activity in the industry, including tax avoidance or avoidance and underpayment of workers' compensation premiums. Thirdly, in 2004 the Parliamentary Joint Committee on Corporations and Financial Services received a number of submissions on instances of fraudulent phoenix activity in the Australian economy, noting that 'almost all' regarded the problem as a serious one requiring the attention of the legislature. They were supportive of strengthening measures against phoenix companies.

Since then the government has made a variety of attempts to introduce legislation to target phoenix activity. I will summarise them briefly. Last year the government included a series of different measures targeting some aspects of phoenix activity in the Tax Laws Amendment (2011 Measures No. 8) Bill 2011 and the Pay as You Go Withholding Non-compliance Tax Bill 2011. Subsequent to that, the House of Representatives Standing Committee on Economics recommended that the government investigate whether it could possibly tighten the provisions in the bills to better target phoenix activity. Since then, in another example of this government's inability to actually complete anything significant, the government has withdrawn
the provisions from the bill and is yet to provide any indication as to how it will tighten these provisions in line with the committee's recommendations. The bill we are debating today has nothing to do with those recommendations. It is designed to enhance the ability of ASIC to combat phoenix activity, yet ASIC has enormous powers already. The question is whether those powers are being adequately applied in circumstances of phoenix activity.

I will outline for the House the measures contained in this bill. It gives ASIC significant new discretionary powers to place a company into liquidation. These powers can be used in a range of circumstances: if a company is six months late responding to a compliance notice or has not lodged other Corporations Act documents in the preceding 18 months; if ASIC has no reason to believe a company is carrying on a business and no objection to liquidation is received from directors; if a company's review fee has not been paid within 12 months; and if a company has been reregistered in the preceding 16 months and ASIC has reason to believe it is in the public interest to place the company into liquidation. Significantly, from my reading of the bill, this applies to all companies. There is no definition of a phoenix company or what phoenix activity is, which would limit these powers of ASIC to particular instances that arise under phoenixing activity. The bill also alters the publication requirements of corporate insolvency notices to allow for publication on a single ASIC-administered website. Finally, the bill establishes a duty for receivers, administrators and liquidators to notify the secretary of FaHCSIA upon their appointment to a company that is a Paid Parental Leave employer. As my colleague the member for Dunkley quite rightly pointed out, if the government were prepared to actually take some input from the opposition and have payments made direct to employees rather than via companies, this requirement would not be an issue.

The coalition opposes this bill in its current form, as there has been no attempt made to define phoenix activities in the bill and there are a number of other glaring omissions. We believe it is paramount for any fraudulent activity to be clearly defined to protect legitimate companies and to ensure that they do not inadvertently get caught up in what is quite draconian legislation which will apply to all companies. The coalition is also concerned about the significant increase in ASIC's powers, given that the bill fails to outline why ASIC requires these additional powers when it seems incapable of using the powers it already has. As Australia's corporate watchdog, ASIC has a vital role to play in the application and enforcement of existing corporate legislation. Yet, as evidenced by the Dun and Bradstreet research, 29 per cent of companies that became insolvent in 2009-10 had one or more directors previously involved in a wound-up entity compared to just 10 per cent during the 2004-05 financial year. This raises more questions than it answers. One of the major contributing factors to phoenix activity is that regulators do not fully utilise the existing powers available to them and, therefore, we believe that ASIC should utilise its existing powers more effectively to combat the activities of these companies, ahead of legislation that implements any additional powers.

According to Senator Nick Sherry's 2009 discussion paper, a number of existing legislative and administrative mechanisms can be and are used to address aspects of fraudulent phoenix activity, including measures in taxation law as well as measures in the Australian corporate law regime, including those sanctioned in the Corporations Act 2001 and programs that are
otherwise administered by ASIC. However, as the report states, it is clear that these existing mechanisms do not provide sufficient disincentive to prevent fraudulent phoenix activity. This results in a lack of prosecutions, under-resourced regulators, insufficient follow-up on complaints and inadequate penalties to act as a deterrent and, as a consequence, a loss of trust in the system. Once again, we see a government that is taking an ad hoc and bit-by-bit approach to the targeting of fraudulent phoenix activity by introducing various pieces of related legislation rather than creating legislation that seeks to deal with the problem as a whole. It is this ad hoc approach that creates the loopholes for companies to continue undertaking this activity.

In our view, the current bill should be withdrawn until there is sufficient and meaningful consultation with stakeholders to address their legitimate concerns and a comprehensive and coordinated legislative approach is determined for this very important public policy matter. All on both sides of the House would agree that this is a real stain on our society and on our business community. As a starting point, the government should consider the proposals paper on combating phoenix activity which I mentioned earlier. Of the 11 proposals made in that paper, none are reflected in the proposed new ASIC powers. The 11 proposals may in fact be a good place for the government to start when it goes back to the drawing board on this policy.

The coalition has a number of other concerns about the government's approach to phoenix activity including: how effective previous regulatory efforts have been in combating this practice; the appropriateness of available penalties; and the lack of recognition by the government of the role and capacity of liquidators in tackling phoenix activity. Failing the government seeing sense and going back to the drawing board, this bill needs a thorough examination by the Senate economics committee. The coalition would also like to see an economic references committee look beyond the government's piecemeal legislative efforts and inquire into the full range of options available to reforming the laws surrounding phoenix activity and also make recommendations to parliament for a comprehensive and coherent legislative framework.

In conclusion, phoenix activity has the potential to damage the reputation of Australia’s strong business community and reduce confidence in our world-class corporate regulatory framework. Phoenix activity can cause significant harm to workers and small business people who are denied their legitimate entitlements. The coalition is strongly opposed to fraudulent phoenix activity and will support positive measures to reduce and eradicate its practice. Reducing phoenix activity will require carefully considered policy, not the ad-hoc approach outlined in this bill. The solution to phoenixing will require further detailed consideration. We will oppose this bill until further developments are fully considered. (Time expired)

Mr ZAPPIA (Makin) (11:49): I want to speak briefly in support of the Corporations Amendment (Phoenixing and Other Measures) Bill 2012, but before I get to those remarks can I say that I am totally at a loss to understand why the opposition would oppose this bill. I have listened to opposition speakers, one after the other, who have come into the chamber to put what I consider to be very shallow excuses as to why they will not support the bill, without putting up any constructive alternative amendments to it. What that exposes in respect to this bill is: on
what side does the coalition stand on the issue of fairness?

Their position clearly exposes that they are not truly interested in supporting the rights of hardworking Australian people who have had their money taken from them because of the shonky activities of unethical businesspeople. Rather, the coalition would like to see the current laws stand as they are, which would enable those same shonky people to continue doing what they have been doing for years and years. If the coalition are serious about wanting to make changes to this legislation, if they are serious about wanting to protect workers in this country and if they are serious about wanting to protect small business operators who are also affected by unethical businesspeople then they would come into the chamber and at least, as a first step, support this legislation. Certainly there might be additional measures needed to be taken in due course, but this legislation is a step in the right direction.

Not once have I heard a member of the opposition in opposing this legislation come into the chamber and specifically say that this legislation is bad legislation or that it is wrong. They have tried to criticise it and they have tried to dismiss it on the basis that we should be doing a whole range of other things. They do not pinpoint what those other things are; instead, they just come in here and generally criticise the bill. If you are going to criticise legislation then be specific and, more importantly, let the Australian people know where you stand. Do you stand on the side of unethical business operators, or do you stand on the side of hardworking Australians who have lost their money?

Mr Chester: Mr Deputy Speaker, I rise on a point of order. The member for Makin is reflecting on 'you' and 'your' and I believe he should be directed to respect your position in this place.

The DEPUTY SPEAKER (Mr S Georganas): The member will resume his seat. There is no point of order. The member for Makin will continue.

Mr ZAPPIA: Thank you, Mr Deputy Speaker. I know that you support this legislation. I certainly was not reflecting on you. I know your position on this legislation.

The DEPUTY SPEAKER: The member for Makin will resume his seat. There is no reflection on the chair. The chair is totally independent. In your speech you can relate what you believe, what you think and what you want to put to this place, but you cannot reflect on the chair.

Mr ZAPPIA: Thank you, Mr Deputy Speaker; I will certainly do that. The Corporations Amendment (Phoenixing and Other Measures) Bill 2012 introduces a process for ASIC to wind up abandoned companies without having to go through the courts, so that employees can in turn access the government's General Employee Entitlements and Redundancy Scheme. Presently, ASIC or an employee must apply to the courts in order to have a company wound up. That can be both costly and time consuming.

The bill also introduces a regulation creating a power to prescribe methods of publication of notices relating to events before, during and after the external administration of a company. In essence, the bill provides for the electronic publication of notices on the ASIC website. This will be a more efficient and cost-effective way of providing those notices. It is estimated that about $15 million in additional costs will be saved over the next four years through this process. Those savings will benefit creditors of failed companions because in most cases
the notification costs would come from remaining assets of the failed companies.

The bill makes a range of miscellaneous, minor and technical amendments, including requiring insolvency practitioners appointed to a paid parental leave employer to inform the Department of Department of Families, Housing, Community Services and Indigenous Affairs of their appointment, regardless of whether FaHCSIA is a creditor of the company. The bill also provides ASIC with the power to appoint a liquidator to effect the winding up and determine the remuneration to be paid to the liquidator.

This bill implements an important aspect of the government's Protecting Workers' Entitlements package election commitment. For too long shonky businesspeople have hidden behind company structures to rip off suppliers, subcontractors and workers of money rightfully owed to them. They do this by having their company liquidated in order to avoid their financial obligations. All too often they recommence the very same business under a new company structure, often managing to transfer assets from the liquidated company into the new business—all the time without any personal loss to themselves. This is referred to as phoeining.

In the process other Australians lose their hard-earned wages, holiday pay, sick pay, superannuation and long service leave entitlements.

Other suppliers and contractors are also being sent broke in the process because of unpaid work or goods that they have supplied. Over the years I have personally spoken to many subcontractors and many small business operators who in good faith dealt with operators of companies that subsequently went into liquidation, knowing that they were unable to pay their debts but still ordering services and work from other suppliers or subcontractors—knowing, when they ordered work or goods, that they were never going to pay for them. Small business operators would provide work in good faith and in turn be left owed tens of thousands of dollars. In some cases, the money owed to them that was never paid was such that it caused the small business operators or the contractors to go broke. It is one thing for a company to genuinely run into financial difficulties. It is another when the company directors know that they will never pay for the work or goods that they are ordering. I know that we have other provisions within our corporate laws to seek redress from those operators, but it is a matter that is of serious concern to me.

I come back to the issue of entitlements to workers—the wages, holiday pay, severance pay and the like. Even with the General Employee Entitlements and Redundancy Scheme, the GEERS, in place, it can be difficult for former employees of a failed company to be paid their rightful entitlements—particularly if poor records are kept or if the failed company deliberately seeks to avoid its responsibilities. Only last week I was contacted by a constituent in my electorate who came to me to raise his concerns about this very issue. Not only is this person owed money but it is clear that the company involved has deliberately sought to mismanage its affairs so that his ability to claim those funds will be extremely difficult. And, yes, I will do what I can to assist that person, but it is a classic case of the kind of activity that is going on right now and that I am sure is occurring right across the country. Furthermore, employees who do wish to take court action or redress to get their funds out of GEERS in most cases simply do not have the ability, the money or the know-how to go through the court process that is currently required to liquidate the company and then trigger the GEERS. For most people that is something that is not
part of their daily work. It is not something that they want to engage in. Usually they are stressed out enough as it is before the process starts, and for them it is just all too hard—all too hard and, in turn, all too unfair.

Last year I was contacted by another constituent in my electorate who is owed thousands of dollars in unpaid superannuation, holiday pay and long service leave by a company that went into voluntary liquidation. This company has recommenced doing the same business, in the same locality, under a different name. The person told me that she lodged a claim with the General Employee Entitlements and Redundancy Scheme and that the directors of the liquidated company had continued their operations under a new business name. This is not an isolated incident, and it is not the only representation that I have had on this issue. I wrote to the Treasurer raising my concerns with the existing laws and with the laws relating to the personal obligations of the directors of failed companies. I thank the Parliamentary Secretary to the Treasurer, who is sitting at the table now, who responded to me on behalf of the Treasurer and provided a very detailed response to my representations to him.

This bill is another step in protecting the community from unscrupulous business operators. As I said at the outset, I am surprised that the opposition have decided not to support it. I am still to hear which specific provisions of this bill they do not support. Quite frankly, if they are not supporting the specific provisions that are in the bill, I have to ask: why not?

I also note that the bill was considered by the House of Representatives Standing Committee on Economics, with a recommendation that the bill be considered by this parliament. So the bill has been referred to the Standing Committee on Economics and their recommendation is that it comes back to this House for consideration. As I have said all along, this a bill that is a step in the right direction in bringing about fairness to people who have been unfairly treated by unscrupulous business operators. I commend the bill to the House.

Mr ROBERT (Fadden) (12:00): Before I comment on the Corporations Amendment (Phoenixing and Other Measures) Bill 2012, and thanks to the parliamentary secretary across the table, I rise firstly to acknowledge some new student leaders in my schools in Fadden. I believe it is important for the Commonwealth to take time to recognise the roles and responsibilities of young leaders as they represent the future of our nation. These leaders have been selected by their schools and, in some instances, by their peers in the hope that they will make a positive and lasting contribution to their schools and wider communities.

I regularly visit the schools whose leaders' names I will table today, thanks again to the minister, because I am regularly welcomed by members of the schools' leadership teams and enjoy the time afforded to me in getting to know them. I always find myself impressed by their self-confidence, their resilience, their courage and their commitment to their schools. They do us all proud and are testament to the support and encouragement that they undoubtedly receive from their school community and their parents.

Certainly, good leaders must have confidence and self-belief. Unless a leader can maintain a clear vision of where he or she wishes to go, others will not follow. It takes courage and belief in their own conviction.

The DEPUTY SPEAKER (Mr S Georganas): Order! I understand how
important leaders are, but we are debating a completely different bill here. There are ample opportunities in this place—in adjournment debates and at other times—to acknowledge those leaders. He should debate the bill before us.

Mr ROBERT: Mr Deputy Speaker, I therefore seek leave to table the names of the Fadden school leaders.

Leave granted.

Mr ROBERT: Thank you, Mr Deputy Speaker, for the honour you accorded me. It is important that we return to the substance of the bill. Phoenixing activity has been widely debated in the House. It is typically associated with directors who transfer the assets of an indebted company into a new company of which they are also directors. The directors then seek to place the initial company into administration or liquidation with no assets to pay entitlements to employees or, indeed, creditors, contractors or, heaven forbid, even the ATO. Meanwhile, those same directors seek to carry on their business using a new company structure.

It is important for all to know that the coalition is strongly opposed to any fraudulent behaviour that phoenix activity involves and supports all appropriate, sensible and considered measures to stamp out this practice. We recognise that phoenix activity causes substantial harm to workers and small businesses who are denied legitimate entitlements. If left unchecked, there is no question that it can erode the reputation of Australia's strong business community and reduce confidence in our world-class corporate regulatory framework.

However, despite repeated attempts from the government introducing legislation to target phoenix activity, I do not believe the government has yet got it right. Last year, the government included a series of different measures targeting some aspects of this behaviour in the Tax Laws Amendment (2011 Measures No. 8) Bill 2011 and the Pay As You Go Withholding Non-compliance Tax Bill 2011. After examining these bills, the House of Representatives Standing Committee on Economics made a unanimous and bipartisan recommendation that the government not proceed with those provisions. The committee specifically commented as follows:

Mr Bradbury: Mr Deputy Speaker, I have a point of order. As interesting as the committee's report in relation to those two other bills is, its deliberations do not relate to matters that are the subject of the bill that is being debated today.
The DEPUTY SPEAKER (Mr S Georganas): The member for Fadden will continue.

Mr ROBERT: The committee made a unanimous and bipartisan recommendation that the government not proceed with those provisions that detailed phoenixing, which have led to the substantive aspects of this bill. The committee specifically commented as follows:

... the committee notes concerns from the business community and its representatives that the bills potentially apply to the broad range of directors whether engaged in phoenix activity or not. The committee recommends that the government should investigate whether it is possible to tighten the provisions of the bills to better target phoenix activity.

The government subsequently withdrew the provisions from the bill and has to provide any indication as to how it will actually tighten the provisions to better target phoenix activity as recommended by the committee. The latest provisions in the current bill remain problematic. The Australian Institute of Company Directors has expressed concern about the general thrust of the changes. It is critical of the fact that no attempt has been made to define phoenix activity in any of the bills the government is introducing to deal with the issue. Whilst it is not opposed to all aspects of the bill, the institute does feel that additional powers should be better targeted on those specific activities the government is seeking to eliminate.

The coalition remains concerned that the government, while attempting to regulate and target phoenix activity, has still not made any meaningful attempt to craft a definition of what constitutes that type of phoenix activity. It is fundamental to ensure that any fraudulent activity being targeted is clearly defined so that everyone knows exactly what the lay of the land is. A clear definition would protect legitimate companies and ensure they are not inadvertently caught in what could be perceived as some quite significant measures, with ASIC being able to unilaterally move to liquidate the company. You would think that giving such powers to ASIC would require a clear and precise definition of what those activities would be that could lead to a company being wound up. We note there are significant increases in ASIC's powers represented by the bill. As Australia's corporate regulator, ASIC has a rightful role to play in properly overseeing and enforcing existing legislation. Such rules and regulations need to be properly scrutinised by the parliament to ensure they are being applied in accordance with the original intent of the legislation. We remain concerned that the bill does not allow for appropriate parliamentary scrutiny of these new powers.

One of the major issues identified as contributing to the extent of phoenix activity is that regulators are apparently not fully utilising the existing powers available to them. Other issues that have been cited include a lack of prosecution, underresourced regulators, insufficient follow-up on complaints, and inadequate penalties provided to act as a deterrent. In this context, giving additional new powers to ASIC would appear to be putting the cart before the horse, if ASIC is not currently using its existing powers.

We also remain concerned that the government seems to be taking a further ad hoc approach to the targeting of fraudulent phoenix activity by introducing many pieces of related legislation in an uncoordinated manner, such as the current bill and the previous bills that were so heavily criticised by the House of Representatives Standing Committee on Economics. Those criticisms were unanimous and bipartisan. We strongly
recommend the government cease the ad hoc and piecemeal approach, withdraw the current bill and instead engage in some meaningful consultation with stakeholders to address their legitimate concerns and to determine a comprehensive and coordinated legislative approach to this important public policy matter.

As a starting point, the government should consider the proposals paper on combating phoenix activity released in November 2009 by Nick Sherry, who was then the Assistant Treasurer—one of five Assistant Treasurers in the short history of this Labor government. Of the 11 proposals for combating phoenix activity in that proposals paper, none are reflected in this new ASIC power. Did you just decide, Parliamentary Secretary, that you would ignore Nick Sherry? Did you decide that, as an Assistant Treasurer, he was not worth listening to? But then again there have been five Assistant Treasurers, so I guess the point is axiomatic. But these 11 proposals may in fact be a good place to start, since it was your Assistant Treasurer who put them together, I assume with the backing of Finance and Treasury.

The coalition has a number of other concerns about the government’s approach to phoenix activity, which include how effective previous regulatory efforts have been in combating this practice; the appropriateness of available penalties; and the lack of recognition by the government of the role and capacity of liquidators in tackling this type of activity.

Failing the government seeing sense and going back to the drawing board, the bill needs a thorough examination in the Senate Economics Legislation Committee. The coalition would also like to see an Economics References Committee inquiry to look beyond the government's piecemeal legislative effort. That inquiry should canvass all options for reforming the law surrounding phoenix activity and make recommendations to the parliament for a comprehensive and coherent legislative change.

Mr BRADBURY (Lindsay—Parliamentary Secretary to the Treasurer) (12:10): I would like to thank all the members who have contributed to this debate on the Corporations Amendment (Phoenixing and Other Measures) Bill 2012, in particular those who have spoken on this side of the chamber with such passion about their determination to ensure that workers, in the event that their company fails and workers' entitlements are not available to be paid, have the opportunity to access the publicly available funds through the GEER Scheme.

There have been a number of contributions from those opposite. I am pleased that the member for North Sydney has joined us. The member for North Sydney led the opposition's offensive on this bill, and I have to say that he was pretty sloppy. You were pretty sloppy, Joe. He commenced his contribution with a number of quotes. He quoted Bob Baxt, a very distinguished individual who is the chairman of the Law Committee of the AICD, and Peter Strong, from COSBOA. These men are both very respected individuals. The difficulty was that the quotes he chose to selectively use were actually taken from evidence given by those two individuals to a parliamentary committee investigating two completely separate bills. The member for North Sydney, rather than confront the issues that are at the heart of this bill, came into this place either to mislead the House by engaging in debate about other matters or, through his own sloppiness, to engage in discussion about completely separate bills.
When it comes to the bill that is before the House, those on this side of the chamber have spoken—I think very passionately and forcefully—about the need to remedy an existing deficiency in the law. I would like to speak about some of the specific examples that have been brought to my attention by members of this place of workers in their electorates who have been, firstly, denied access to their entitlements and, secondly, denied access to the GEER Scheme, the publicly funded opportunity to ensure that people do get their workers' entitlements paid.

I will speak firstly about the example that was brought to my attention by the member for Eden-Monaro. He contacted me in relation to a car dealership in Cooma. It was deregistered at the end of 2008 without being put into liquidation. Workers were owed, in some cases, more than 10 years long service leave, redundancy payments and holiday pay. They could not access these payments through the government's GEER Scheme because the company has to be put into liquidation in order to trigger availability of funds in the GEER Scheme. That is precisely the difficulty that this bill is addressed at tackling. Many members who have contributed have made the point that one of the principal characteristics of phoenix activity is that directors abandon the company—they walk away and they leave the company without the assets necessary to fund the payment of workers' entitlements. In that situation, there are very few options are available to an employee, and that is the problem that this bill seeks to address. Employees in this car dealership in Cooma have been left without any capacity to get their entitlements. We want to ensure, by giving ASIC the power to administratively wind up the company, that those workers will have access to their entitlements through the GEER Scheme. It does not seem like a particularly controversial thing to be bringing forward, but, for whatever reason, those on the other side, in their relentless negativity, have come into this place and once again have said no—no to the protection of workers' entitlements and no to giving ASIC the power it needs to ensure that those workers' entitlements are facilitated.

I will mention another example. This one was brought to my attention by the member for New England. This was an exhaust and tyre company in the seat of New England. The owners of the company had closed the business without paying their workers their entitlements. Employees could not access their entitlements under the GEER Scheme because the company, once again, had not been put into liquidation. This is typical of those engaging in phoenix activity.

Mr Hockey: Why don't you change the GEER Scheme?

Mr BRADBURY: The member opposite says, 'Why don't you change the GEER Scheme?' Well, he had 11½ years to try and do that, but there is a very good reason—

Mr Hockey interjecting—

Mrs Bronwyn Bishop interjecting—

The DEPUTY SPEAKER (Mr S Georganas): Order! I ask the honourable members to direct their remarks through the chair.

Mr BRADBURY: And to the member for North Sydney, who rightly claims that the Howard government introduced the GEER Scheme, which on the face of it is a very good scheme: we will make improvements to that scheme. But a major deficiency of that scheme, which remained uncorrected for the entire time they were in office, is this particular situation where the company lies dormant and abandoned.
The constant allegation made by those opposite is that this is going to strangle business with regulation and red tape. This will only impact on dodgy directors—

Mr Hockey interjecting—

Mr BRADBURY: those directors who have abandoned the company. If the member for North Sydney would like to introduce any example of a company that he believes to be an above-board, well-functioning and reasonable operation where the directors have abandoned that company, then I am happy to entertain that example. This is specifically directed to those instances where a company is not complying with its obligations under the Corporations Act. In addition to that, there are tests such as the public interest and, indeed, whether or not in ASIC's view the company is carrying on a business. These are specific instances.

For those opposite to come into this place and say that they are prepared to be complicit in the activities of these shonky directors by denying these workers access to the GEER Scheme is a slap in the face to working Australians, and it is in particular a slap in the face to those working Australians who have been left stranded by the shonky activities of directors who have chosen to abandon their company, leave it high and dry and leave those workers high and dry. This government will not do it. If the opposition want to come into this place and vote to say no to those people, we will shame them in full public view, because it is just not acceptable.

In relation to one of the other arguments that are made—that is, those opposite say that this involves no definition of 'phoenixing'—once again, phoenix activity is not something that has just occurred in our time in government; it has been occurring for a considerable period. If defining phoenix activity were so easy, I suggest that someone would have already done it. I suggest that it would have already been done. Just because something is difficult to define, some might even suggest incapable of definition—I am not so sure I would agree with that—does not mean that, where that conduct is robbing people of their entitlements, we as legislators should not intervene and act to ensure that those people get what they have worked for. These are entitlements and wages that they address all aspects of phoenix activity. That is true, because phoenix activity is very complex, and legislative responses designed to attack phoenix activity need to be appropriately calibrated. Indeed, that is why we need to do that: to ensure that all of those good directors doing the right thing are not caught up by this activity. We will ensure that any future efforts to add to this measure to tackle phoenix activity will be approached in that considered way. But we will not accept the criticism that, because this bill only addresses one element of phoenix activity, that is a reason to oppose it.

It is not a reason to oppose it, because to oppose this bill, to say no—as the Leader of the Opposition says every day he comes into this place—is to say no to hardworking Australians who have been robbed of their entitlements by shonky directors who have chosen to abandon their company, leave it high and dry and leave those workers high and dry. This government will not do it. If the opposition want to come into this place and vote to say no to those people, we will shame them in full public view, because it is just not acceptable.
have earned. We want to make sure that they have access to them.

The other reason it is important that we give ASIC these powers—just to provide some further explanation—is that, at the moment, where these companies are left dormant because directors have abandoned the company, as I indicated earlier, the GEER Scheme only becomes available when the company goes into liquidation. At the moment, under the existing law, an employee could seek to go to court to wind up a company. But I would like to ask those members opposite—such as the member for North Sydney, who has been quite vocal on this issue—a question. If workers have turned up to work one day and found that the directors of their company have abandoned the company, they have not been paid their wages, they have not received their entitlements and there is not even any suggestion necessarily that there are any assets left in the company, do those opposite seriously suggest that a worker in that situation is going to go down and see a lawyer and engage a lawyer to commence proceedings, to go to court and wind up the company? Of course not. And that is precisely the difficulty that we currently have.

There are many people who have written to me—many members of this place have written to me—raising representations about situations in their electorates. We will not stand idly by; we will do something. Those who come in here and say no should be shamed for doing so.

The other argument that has been brought forward—

Mr Hockey interjecting—

Mr BRADBURY: The member for North Sydney waxed lyrical, with lots of rhetoric but no substance—it is just so typical: lots of rhetoric; no substance—when it came to the principal charge of imposing this additional regulatory burden. I would like to quote from those at Minter Ellison, lawyers engaged in this type of legal work, who might actually know a bit about this. In a briefing on this bill issued on 23 January 2012, they said it ‘contains some reasonable measures for facilitating the protection of workers’ entitlements, and these measures are unlikely to affect the position of the majority of directors’. Indeed, on the question of regulatory burden, aside from the obligation that relates to FaHCSIA and the paid parental leave provisions—that is not what the criticism is being levelled at—when it comes to the winding-up provisions, the bill does not contain any additional regulatory compliance requirements. In fact, the only time we will see these provisions come into effect is when directors and companies are not in compliance with existing regulation, appropriate regulation, that no-one in this debate is suggesting should be repealed. So it is an absolute furphy.

Those opposite, for whatever reason, want to hide behind this rhetorical notion—the rhetorical flourish of the member for North Sydney—that somehow this is imposing an additional regulatory burden. They are looking for an alibi to try to demonstrate, however feebly, why it is that they will come into this place and argue that workers who have been robbed of their entitlements should be denied access to a scheme. They introduced a scheme—they introduced GEERS. They say it is a good scheme. They say it is there to ensure that those who have been ripped off in their entitlements have access to them. But, rather than give access in this limited set of circumstances where the legislation is currently deficient, they come in here seeking an alibi—the alibi of additional regulatory burden—in order to hop into the corner of the shonky director
who was not man enough to stand up and meet the obligations that they had incurred and who not only walked away but left their employees without access to the wages and entitlements they had worked so hard for in order to contribute.

I bring my contribution to a conclusion by addressing one final point, and that goes to the question of consultation on this bill. There have been some fairly outlandish statements made, particularly by the member for North Sydney, about what occurred before the House of Representatives Standing Committee on Economics. I do not pretend to understand exactly what occurred before the economics committee, because I am not a member of that committee, but I do have some grave concerns about his suggestion that somehow this decision was rammed through by the Labor members of that committee. It is not my understanding that that is the practice of that committee. Indeed, when the member for Parramatta—who the member for North Sydney sought to besmirch in this debate—gave a statement to this House indicating that the committee had discharged the bill from any further consideration, I would have thought that that would have been an appropriate occasion for those opposite to respond. The deputy chair of the committee always has the opportunity to be listed on the speakers list to get up in response, but the deputy chair of the committee did not do so. Mr Deputy Speaker, I would suggest to you that, far from this matter being rammed through by members of the committee from the other side of the House, this was a case of those members of the committee from the other side of the House not having a problem with the bill—because, unlike the member for North Sydney and others, I suspect they might have even read it. *(Time expired)*

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

The House divided. [12:30]

(The Speaker—Hon. Peter Slipper)

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<th>Ayes</th>
<th>74</th>
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AYES

Adams, DGH
Bandt, AP
Bowen, CE
Brodтmann, G
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
Crean, SF
D’Ath, YM
Elliot, MJ
Emerson, CA
Ferguson, MJ
Garrett, PR
Gibbons, SW
Gray, G
Griffin, AP
Hayes, CP
Jenkins, HA
Katter, RC
King, CF
Livermore, KF
Macklin, JL
McClelland, RB
Mitchell, RG
Neumann, SK
O’Connor, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Roxon, NL
Shorten, WR
Smith, SF
Snowdon, WE
Symon, MS
Thomson, KJ
Windsor, AHC

AUBAIN, AG
Bird, SL
Bradbury, DJ
Burke, AE
Butler, MC
Champion, ND
Clare, JD
Combet, GI
Danby, M
Dreyfus, MA
Ellis, KM
Ferguson, LTE
Fitzgibbon, JA
Geoghanas, S
Gillard, JE
Grierson, SJ
Hall, JG (teller)
Husic, EN (teller)
Jones, SP
Kelly, MJ
Leigh, AK
Lyons, GR
Marles, RD
Melham, D
Murphy, JP
Oakeshott, RJM
O’Neill, DM
Parke, M
Plibersek, TJ
Rishworth, AL
Saffin, JA
Sidebottom, PS
Smyth, L
Swan, WM
Thomson, CR
Vannikovin, M
Zappia, A

NOES

Abbott, AJ
Andrews, KJ
Baldwin, RC

Alexander, JG
Andrews, KL
Billson, BF
Financial Framework Legislation Amendment Bill (No. 1) 2012

Report from Federation Chamber

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

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Mr CLARE (Blaxland—Minister for Home Affairs and Minister for Justice) (12:37): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Education Services for Overseas Students (Registration Charges) Amendment (Tuition Protection Service) Bill 2011

Education Services for Overseas Students (TPS Levies) Bill 2011

 Returned from Senate

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

Education Services for Overseas Students Legislation Amendment (Tuition Protection Service and Other Measures) Bill 2011

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be considered immediately.

(1) Schedule 1, item 1, page 8 (line 10), omit "24 hours", substitute "3 business days".

PAIRS

Rowland, MA  Coulton, M
Rudd, KM  Ley, SP

Question agreed to.

Third Reading

Mr BRADBURY (Lindsay—Parliamentary Secretary to the Treasurer) (12:36): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.
(2) Schedule 1, item 1, page 8 (after line 10), at the end of subsection 46B(2), add:

Note: For the definition of business day, see section 2B of the Acts Interpretation Act 1901.

(3) Schedule 1, item 1, page 12 (line 19), omit "Note", substitute "Note 1".

(4) Schedule 1, item 1, page 12 (after line 19), at the end of subsection 47A(1), add:

Note 2: For an exception to subparagraph (1)(c)(iii), see subsection (3).

(5) Schedule 1, item 1, page 12 (after line 24), at the end of section 47A, add:

(3) An overseas student or intending overseas student does not default under subparagraph (1)(c)(iii) unless the registered provider accords the student natural justice before refusing to provide, or continue providing, the course to the student at the location.

(6) Schedule 1, item 1, page 13 (line 9), omit "24 hours", substitute "5 business days".

(7) Schedule 1, item 1, page 13 (after line 9), at the end of subsection 47C(2), add:

Note: For the definition of business day, see section 2B of the Acts Interpretation Act 1901.

(8) Schedule 1, item 1, page 31 (after line 17), after subsection 55C(2), insert:

(2A) In appointing a Board member under paragraph (1)(b), the Minister must ensure that the Board members appointed under that paragraph, as a group, have qualifications or experience relevant to the operations of providers from across the international education and training sector.

(9) Schedule 3, item 5, page 91 (line 23) to page 92 (line 6), omit subsections 27(3) and (4), substitute:

Limit on when remaining tuition fees may be required

(3) Once an overseas student begins a course, the registered provider for the course must not require any of the remaining tuition fees for the course to be paid, in respect of the overseas student, more than 2 weeks before the beginning of the student's second study period for the course.

Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (12:39): I move:

That the amendments be agreed to.

Question agreed to.

Road Safety Remuneration Bill 2011

Road Safety Remuneration (Consequential Amendments and Related Provisions) Bill 2011

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Ms SMYTH (La Trobe) (12:40): I am very pleased to speak on such an important piece of legislation as the Road Safety Remuneration Bill 2011, which will have the effect of establishing a new Road Safety Remuneration Tribunal. We on this side know that this is an important move towards establishing safer roads both for those who work regularly on the roads as truck drivers and transporters and for the general public. I should say that my electorate of La Trobe in particular is one where electors will be particularly pleased to see the results of this bill. Because of its position on the outer fringes of Melbourne it is serviced by a number of significant arterial roads, and heavy road usage inevitably means that it faces significant road safety issues. Indeed, the heavy usage of roads within my electorate has meant that one of the municipalities, Casey, has one of the highest numbers of road fatalities in the state of Victoria. Across the four municipalities in my electorate in 2008, 29 people lost their lives. Last year there were four fatalities involving heavy trucks. With over 120,000 residents, La Trobe also has over 3,000 local people who are working within the transport sector. So I know that this bill and the
initiatives that it implements will be of tremendous interest to them.

The bill is extremely significant because it reflects the government's commitment to address the underlying economic factors that create unsafe road practices. The bill will encourage drivers to drive safely, manage their hours and maintain their vehicles. We all know that making our roads safer is vital. The road transport industry is a major part of our economy, but truck driving is also sadly a very dangerous occupation. Truck driving has the highest incidence of fatal injuries, with 25 deaths per 100,000 in 2008-09. That is 10 times higher than the average for all industries.

In this debate we have heard much from those opposite about there being no meaningful correlation between rates of pay of truck drivers and safety on the roads. It is important to respond to that, because it was a particular focus of the Leader of the Nationals in his contribution to this debate. A number of people have spoken of the correlation between rates of remuneration for truck drivers and safety on our roads. Indeed, Professor Michael Belzer, who is an internationally recognised expert on the trucking industry, had quite a bit to say on this issue in 2006. He stated:

Every 10% more that drivers earn in pay rate is associated with an 18.7% lower probability of crash, and for every 10% more paid days off the probability of driver crashes declines 6.3%.

Those are extraordinary figures and tell of the real correlation between appropriate rates of remuneration and the propensity of drivers to be involved in serious accidents. Professor Belzer went on to say:

Higher pay produces superior safety performance for firms and drivers.

Professor Belzer is by no means the only person or organisation to speak about the correlation between rates of remuneration and safety on our roads. Indeed, the 2008 independent National Transport Commission report Safe Payments: addressing the underlying causes of unsafe practices in the roads transport industry confirmed that existing remuneration arrangements in the industry 'have a significant influence' on safety. So we hear regularly in the course of this debate and through the debate which is occurring in the community in general around the campaign for safer rates of pay for transport users. While we hear from those opposite that there is no connection between those two issues, there is very clearly a connection which has been drawn upon both by experts and by the commission report itself and which would surely be recognised by most reasonable people in our community as being a significant issue affecting safety on our roads.

This government recognises that owner-drivers play a very important role in the road transport industry, comprising some 60 per cent of the sector. Yet we know that they struggle to be remunerated appropriately. Almost 30 per cent are paid below the award rate, with many unable to cover their costs. At the bottom of the supply chain, they have little commercial ability to demand the rates that would enable them to work both safely and legally. We know that they have to cope with long working hours and unpaid queuing time. According to the National Road Transport Operators Association, distribution centres regularly require drivers to wait unpaid for up to 10 hours before loading and unloading. This has an impact both on their income and necessarily on fatigue management.

The National Transport Commission report recommended that eliminating these incentives for unsafe driving and poor safety in the remuneration and conditions of Australia's road transport drivers be achieved through regulatory intervention, and this is
what we are responding to in the bill before us today. This government accepts that a regulatory approach will more effectively address current unacceptable levels of safety and potential market failures than merely a voluntary approach. The exploitation of drivers is totally inconsistent with this government's commitment to fairness, so we respond to these issues very meaningfully through the bill today. The measures in this bill are an extremely important step in creating the right environment to encourage safe roads and safer workplaces for Australian drivers. This government has a track record of having committed itself to improving safety and fairness in industries right across Australia since coming to office.

The bill also complements the existing federal legislation such as the Fair Work Act and the Independent Contractors Act, current state based schemes dealing with owner-driver contracts and the national heavy vehicle regulator laws. It recognises this government's intention to provide a framework that promotes safety by ensuring that road transport drivers do not have pay related incentives to work in an unsafe manner, such as encouraging speeding and excessive work hours. It is something that will encourage road transport drivers to be paid for their work, including loading, reloading and waiting times—something that is not necessarily the case currently. The bill will develop and apply reasonable and enforceable standards throughout the road transport industry supply chain to ensure the safety of road transport drivers. And it will ensure that hirers of drivers and others in the supply chain take responsibility for implementing and maintaining those standards.

I know that those opposite have remarked about the potential for the industry and for businesses to feel the regulatory effects of this bill and to be inconvenienced by this bill. I note that this bill has had wide support across the industry. I refer particularly to some of the comments by Mr Paul Ryan of the Australian Road Transport Industrial Organisation. Members might know that this is an organisation that represents small and medium sized enterprises, which shift around 80 per cent of Australia's freight. It supports the bill. As the organisation's representative, Mr Ryan has stated:

Will it improve safety? Yes, because it will ensure that those customers (of transport companies and operators) are held accountable for their conduct before an independent tribunal. Yes, because it would give small and medium sized enterprises and mum and dad businesses a vehicle to be heard, particularly through their associations. Yes, because contract allocation and payment terms will not be used as a penalty or incentive.

So, despite all those comments from the other side about small business being disadvantaged through the measures contemplated in this bill, we have seen that some of the strongest advocates for those parties have resoundingly indicated that they support the bill and the reasonable measures which are contemplated in it.

The bill establishes an independent tribunal which will be able to inquire into the road transport industry and, where appropriate, determine minimum rates of pay and related conditions for both employed and self-employed drivers. The tribunal will also be able to consider other matters, for example safety issues, that impact both on employees and owner-drivers, such as addressing waiting times, as I have mentioned earlier. These determinations, which will be known as road safety remuneration orders, will be in addition to any existing rights employed drivers may have under industrial instruments and existing rights that owner-drivers may have under their contracts for services. The
tribunal’s approach will be evidence based having regard to applying reasonable and enforceable standards to ensure safety and fair treatment of road transport drivers.

I particularly note that during the debate we have heard from those opposite about the concerns of business and that they say there is no correlation between safety and safe remuneration rates. We have also heard in this place, during the very many debates we have had, about the influence of large retailers such as Coles and Woolworths. We hear regularly from, in particular, members of the National Party about their concern that there is an unfair market advantage available to large retailers such as Coles and Woolworths. I say to that that this bill is a perfect opportunity to stand up for the little guy in relation to organisations such as Coles and Woolworths. As members would no doubt be aware, around 30 per cent of road transporters are carrying goods for Coles and Woolworths. Given those members’ oft expressed concern at abuse of market power and its impact on their electorates, I really hope that they will turn around and ultimately support this bill and support the protections for their communities.

I am sure that members opposite will be interested to know what the industry thinks on this particular point. I note that the publication entitled the Australasian Transport News has stated in its January editorial on these issues:

What cannot be disputed is that in many cases freight users have been getting a free ride, and have been big enough and ugly enough to keep it that way. They have no price signal for reform or increased efficiency at the interface between the truck hire and their warehouse, and that cost has been borne by those with least power.

So this is a perfect opportunity, particularly for members of the National Party, to stand up for the little guy and give effect to the things they have been saying in so very many debates about the market power of organisations such as Coles and Woolworths—to do so for all those ordinary Australians working on the roads as drivers. I hope that National Party members will reflect on that during this debate.

This bill represents the government’s response to the 2008 National Transport Commission report. While transport safety outcomes have improved over the years, there are still far too many truck accidents and deaths. That is why lasting reform is absolutely needed to redress the specific problems of the industry. Truck drivers should not have to speed, they should not have to overload their trucks and they should not have to drive excessive hours or cut back on vehicle maintenance just so they can make a decent living. Ultimately that is what this bill is entirely about. They expect government to act—and so we are acting. This bill will help make our roads safer for drivers and for the general driving public. That is why I am particularly proud to support it.

I would like to acknowledge the significant campaign by drivers around the country to raise awareness of this very important issue. In particular, I would like to acknowledge the work of Tony Sheldon and Michael Kane, whose Safe Rates campaign has raised awareness of this very important issue among politicians and across the community. I am pleased to stand here and support it.

We have heard, during the discussions about this bill, from truck drivers themselves. I refer to the evidence of Mr Freyer and Mr Black, both truck drivers, to the House of Representatives Standing Committee on Infrastructure and Communications. They reported the extreme time and financial pressures put on them and on their employers. They reported increases
in loading waiting times, they reported pressure to cut into driver break times and they reported pressure to break logbook legal requirements. This important evidence was provided to the standing committee and it reflects the reality of so many drivers right around the country. We are grateful for this evidence being put onto the public record by Mr Freyer and Mr Black.

I join with those who have been supporting the Safe Rates campaign to ensure that we have appropriate safety measures, to ensure that the general driving public, including the driving public in my electorate, is better protected on the roads and to ensure that unreasonable requests being made of drivers does not make driving on our roads a hazard for everyone. I commend this bill to the House.

Mr RAMSEY (Grey) (12:55): I rise to speak on the Road Safety Remuneration Bill 2011 and the Road Safety Remuneration (Consequential Amendments and Related Provisions) Bill 2011. Members of the government are fond of coming into this place and telling us they are in touch with their electorates. I do not think they can be talking to everyone in their electorates because, if they were, they would know that small businesses in Australia are on the ropes—in a major way. They are drowning in red tape, compliance, obligation and penalty. Yet, when we come to this place to make the laws for Australia, we find a government intent on piling more red tape, compliance, obligation and penalty on those businesses.

It is not as if transport companies do not already have a plethora of laws to comply with and regulatory bodies to deal with—and that is before the establishment of this Road Safety Remuneration Tribunal. But we are not going back to those current compliance measures. We are not going back to that current raft of legislation and regulation controlling the industry. We are not to have an updated body or a revamped body or a review of the bodies that exist. Instead, let us have a new body—and this new one is not just a mickey mouse body; it has sweeping powers. The Road Safety Remuneration Tribunal will be able to make orders. Those orders may contain minimum remuneration and employment conditions additional to those contained in the award, they may address industry practices such as loading and unloading and they may address waiting times, working hours and load limits. Load limits—as if there were not already enough laws in Australia dealing with load limits! But still this new tribunal will be dealing with load limits.

They will interfere. They will have the ability to make orders in relation to payment methods and periods and they can reduce and remove remuneration related incentives, pressures and practices that contribute to unsafe work practices, for example speeding and excessive working hours. I do not know why they do not put in there that they will get the person in the company to order the rubber bands as well, because that is about all that will be left for the company to decide upon.

Transport companies in Australia are already dealing with mass limits, length limits, combination limits and roadworthiness tests. We must have roadworthy trucks, but I will relate a little tale here. Just last year I was speaking to a person I know in the business. He operates around 80 trailers and about 40 prime movers—so it is a medium sized trucking business. One of his truckies was pulled up on the road and the highway patrolman went over to the him and said, 'Your mudflaps are 20 millimetres too short.' The highway patrol directed that the mudflaps be changed before they would let that truck—and the rest of this
operator's fleet—back on the road. So he went away, bought a new pallet of mudflaps and, a couple of days later, had them all fitted to all the trucks. Too short by 20 millimetres—you would have to wonder about the common-sense rules in all that. Companies are directed to follow only certain road routes. They have directions on work and pay standards, and fatigue management laws. They deal with the police, highway patrols and local councils on a daily basis. They have to deal with line of responsibility loading legislation. Just as an aside, a number of farmer contractors came to me last year and said that they had arrived at the local silo overloaded. They should not be overloaded, but it is a little difficult to judge sometimes; it happens from time to time. Under the current legislation, the bulk-handling operator cannot unload the trucks and cannot allow them to leave the site either. No wonder people think the law is an ass.

What do we need? We need another body, another raft of regulation! This new body will be staffed by people from Fair Work Australia. It is worth looking at Fair Work, because only last week new appointments were made to Fair Work. I had a look through the list of appointments. You would hope there was a good spread of appointments from across business and the community but just about all of them, with the exception of one, came with a union background. Steve Knott, the AMMA chief, this week criticised 'the endless tribe of union appointments'. The Australian Chamber of Commerce and Industry said that the appointments would 'add to the standing of the tribunal and should garner the confidence of business and employer associations'. We would hope so, but I am not sure that is the case. Fair Work Australia is to have a strong hand in this new body, the Road Safety Remuneration Tribunal, and in industry appointments. Given the track record of Fair Work, we would have to wonder just what that list is going to look like.

This brings us to what the basis is for assuming that more money means a safer road? The Bureau of Infrastructure, Transport and Regional Economics reported that in the three years to June 2011 there has been an average decrease of 3.5 per cent per year in trucking accidents for articulated trucks and an average decrease of 14.7 per cent per year for heavy rigid trucks. NatRoad tell us that 69 per cent of the fatal crashes involving heavy vehicles are not the fault of the truckies. But they are to wear the brunt of yet another attack on their industry.

I come from a regional electorate. I have a heavy truck licence. I have driven a few in my time. I have a number of friends who are employed and who employ within the industry, so I thought I would get on the phone and get an understanding from them of what is going down in South Australia. I was told that exclusively truck operators in South Australia already operate on hourly rates. So why am I upset about this legislation? Is it because they think this probably will not affect them directly? They pay on hourly rates because truckies are in short supply and if you do not pay properly, you do not get them and you will not get good people. They are paying hourly rates and any losses that are incurred at the site of loading or unloading are worn by the company. As I say, you might wonder why I am upset. It is because they are upset because they will have to face an unknown amount of compliance burden. Surely once this new tribunal is established, they will want reports and pay sheets from the companies, logbooks from the drivers and check-in and check-out times to make sure that the company is not doing the wrong
thing. The small truckies will have to supply
that information to the tribunal.

One of the operators told me that he had
just signed a significant five-year freight
contract. He said: 'How will all this affect
the five-year contract? Am I going to be faced
with a compliance burden? Am I going to be
faced with higher costs?' You can be
absolutely sure there are no rise and fall
clauses within that contract which he will be
able to access. As I said, they already have
the load and fatigue management laws and
workplace health and safety laws to deal
with.

We have a body called COAG, and I am
sure members of the government are aware
that COAG are working on getting these
laws in place and ensuring cohesion across
Australia. I commend them for that work
because the laws across Australia should be
uniform. But if those laws do not work, we
should fix them. We should not put in place
a new body. The government's regulatory
impact statement on the bill says:

Speed and fatigue are often identified as the
primary cause for a crash but it is a much harder
task to prove that
drivers were speeding because
of the manner of the quantum of their
remuneration.

That is what the report says, so one has to
wonder where the drive for this is coming
from. The whole world always wants to beat
up on truckies. Truckies are the root of all
ever if you ask the average suburban person. I
drive 90,000 kilometres a year and I find the
truckies are some of the best drivers on the
road; it is the blokes in the cars that I would
like to get off the road. Intelligent people
have come up to me and said, 'Those road
trains are terribly dangerous things. You
should get them off the road.' I said, 'Do you
know what they weigh?' 'No, a lot.' I said:
'Yes, about 80 tonnes. That is what a road
train would weigh, perhaps a bit more. Do
you know what a six-wheeler weighs?' 'No, I
don't know what that weighs.' I said: 'They
are about 22 or 23 tonnes, mate. What would
you rather be hit by? Seventy-eight tonnes or
23? It won't make any difference to you. You
will get the same result. If you put six-
wheelers back on the road, you will have six
times as many of them.' That is when the
accidents will really start to ramp up.

The truckies have to wear this uneducated
invective that comes from a certain section
of the public. Debates like this and moves
like this only vilify the truckies further. We
should be working in concert with them,
because it is governments that make them
drive on substandard roads. Much of the
accident statistics can be explained by the
poor network of roads, and deteriorating, in
many cases, that we have across Australia.

Last week, for instance, there were articles in
the New South Wales press in particular
about a New South Wales company called
Lennon's. It was alleged they had been
altering speed limiters. This is very serious
stuff. If that is what they have been doing,
Lennon's should have everything that is
coming to them. I would broach no defence
of altering speed limiters on trucks. But
guess what? To paraphrase a former Prime
Minister: it is already illegal! And there are
plenty of ways of dealing with Lennon's in
the courts and making sure that they comply
with the current road rules.

There are a couple of other things. There
are some quotes here. The Australian
Industry Group said:

If a casual connection between remuneration
and unsafe practices is presumed to exist, it does
not follow that the established higher minimum
rates, or prohibiting certain methods of payment
will result in drivers changing their unsafe
practices.

Additionally, the link between road safety
remuneration rates and conditions for truck
drivers assumes that the overwhelming majority
of the road accidents are the fault of the heavy vehicle driver.

As I said with those earlier figures, it is clear that that is not the case.

So, I do stand opposed to this bill. I stand opposed to the bill because I think I understand a bit about the trucking industry. I know enough people in the trucking industry that give me good advice. They are good people, they are good operators, and their backs are against the wall. It is not just the transport operators either but the businesses that rely on them. Businesses across Australia have their backs against the wall. Every week we are hearing about new manufactures closing up business in Australia. One of the reasons is the cost burden. This is just a small thing but it is another brick in the wall, another straw on the camel's back.

I am constantly approached by people saying: 'You've got to get rid of some of this red tape, you've got to get rid of some of the compliance. We can't survive. We spend half our time dealing with compliance.' I do not oppose all regulatory and compliance measures, because there are times when we have to stand up and be counted so the general public is protected. But, in general, when these bills come before us, we should examine exactly what they are trying to do and why they are trying to do it. In this case I think it comes from the Labor Party's deep-seated mistrust and misunderstanding of small business, and their preference for big business. They like big business because big business do business with big unions, and big unions support the Labor Party, the government of Australia at the moment. Big business is the Labor Party's preference. As for small businesses: tough luck. And this is just part of the attack on small business around Australia.

Mr Stephen Jones (Throsby) (13:10): The objective of the Road Safety Remuneration Bill 2011 and related bills is to make our roads safer for all Australians. We know that each week four people are killed and another 80 are seriously injured on our roads. We also know that, last year over 1,300 Australians lost their lives on our roads and a further 30,000 were hospitalised. We know that road transport is the Australian industry with the highest incidence of fatal injuries. We know that this is an industry which had 25 deaths per 100,000 workers in 2008-09. That is 10 times higher than the average for all industries. That is right, Mr Deputy Speaker: 10 times higher than the average for all other industries.

The human cost here in terms of lives disrupted and families devastated by tragedy is tremendous. Just this week there was a funeral in Bowral in my electorate of Throsby of a local tow-truck driver Geoff Clark, who had gone to the aid of a young woman whose car had broken down. Both were killed by a passing truck on the Hume Highway. An eerily similar tragedy happened to Albert de Beer and David Tagliaferri. David got a flat tyre on the Old Coast Road near Myalup in Western Australia in February 2011. Seeing David in trouble, Albert, a total stranger to David, played the part of the good Samaritan and stopped to help him. Then tragedy struck. An oncoming truck hit the men and they both lost their lives. David's wife, Lystra, and his sister Lisa; and Albert's wife, Suzanne, and his mother, Johanna Christina de Beer, are here in Canberra today to ask members to support this bill. They are joined by Stella Minos, from Sydney, and her husband, Michael Christou, a truck driver. Stella worries constantly about the pressures the industry puts on her husband and how this will affect his driving. They are joined by
other truck drivers from across Australia, proud members of the Transport Workers Union of Australia.

The families of Albert and David have had to learn a lot about the trucking industry since their tragedy. The driver who was involved in that accident was sentenced to five years in January this year for his actions. However, the de Beer and Tagliaferri families see the bigger picture. They are here today, united with truck drivers and the families of truck drivers. Of course drivers should be responsible for their actions but, ultimately, we will not see real change in the industry until every part of the retail supply chain is held responsible for setting industry standards to stop the carnage on our roads that leads to tragedies such as the one suffered by the Tagliaferri and de Beer families.

Today, we are not only talking about a human cost. Let us also talk about the economic cost because, even by that measure, opposition to these bill does not stack up. The Bureau of Infrastructure, Transport and Regional Economics calculates the cost to the Australian economy of this at well over $2.7 billion a year. Clearly, we have a problem. The issue facing us today is: how do we fix it? The challenge for us as parliamentarians is how we respond to these facts. Do we start to support measures that can do something to alleviate this terrible situation? Do we ignore the evidence presented to us by experts? Do we ignore the pleas for action from those facing these dangers every day of their working lives?

Many come to this place saying that the issue is with the quality of our roads. For example, on 14 February this year the member for Cowper, speaking on the state of the Pacific Highway between Warrell Creek and Urunga, said that ‘road safety must be the most important consideration when prioritising which projects receive funding’. On 15 June 2010 the member for Gippsland, speaking on the Princess Highway east of Sale, said:

One mistake by a motorist should not end up as a fatality, but on too many sections of the Princess Highway east of Sale we are faced with that situation. We must spend more money on the safety of the road environment.

Labor agrees with these sentiments; road safety should be a priority, and we are acting. Federal Labor has acted to double the roads budget. A record $28 billion is being spent over six years. This is the most comprehensive investment in our nation’s highways and roads since the creation of the national highway network almost 40 years ago.

Unfortunately the member for Grey, who made some comments about red tape, is not here, but we have also acted to overhaul the way our nation regulates the transport industry, particularly transport industry safety. We have acted by slashing the number of regulators from 23 to just three. We have acted by replacing the inconsistent state based regulations with one modern, nationwide system that covers maritime, rail and heavy vehicle safety.

These reforms are critical, but alone they are not enough to reduce the horrendous rate of road accidents involving heavy vehicles. The problems are systemic; they stem from the structure of the industry. That is because almost 30 per cent of owner-drivers are paid below the award rate. Many owner-drivers are simply unable to recover the cost of operating their vehicle. It stands to reason: if you incur operating costs of $500 per day and you are earning about $50 per hour then you are going to have to work 10 hours to cover your operating costs before you even make a profit. However, if you are earning only $25 an hour, that turns the number of
hours you have to work to cover your costs to a deadly 20 hours per day before you start making a profit. Quite simply, those opposite who seek to deny the link between hourly rates, hours worked and road safety have their heads in a bucket of sand.

While small businesses make up around 60 per cent of the road transport sector they really are small fry in terms of the income they earn within the industry. The terms and conditions for road transport—and I think this is a sentiment the member for Grey would agree with—are dictated by the large retailers. Large retailers are creating the conditions that put hazards on our roads. Coles and Woolworths account for 30 per cent of Australia’s national road freight task and, as such, have an enormous impact on the road transport industry.

In 2008 the National Transport Commission’s review into remuneration and safety in the Australian heavy vehicle industry found that commercial arrangements between an array of parties to the transport of freight—including load owners, clients and receivers, consignors and brokers, freight forwarders, large and small fleets and owner-drivers—have a significant influence on safety. Drivers are at the bottom of the contracting chain and have little commercial ability to demand rates that would enable them to perform their work safely and legally. In this market, owner-drivers are forced to accept work at the going rate or have no work at all. Not only is remuneration for owner-drivers low, but working hours are dangerously long.

There are other issues that affect the payment systems for owner-drivers and employee drivers and the productivity of the industry. For example, unpaid queuing time was highlighted as a major issue in the transport industry during fatigue related reforms and consultation for the Safe rates, safe roads directions paper. Large retailers put the squeeze on operators and drivers in the road transport industry, just as they notoriously put the squeeze on other parts of the supply chain such as farmers.

A recent study funded by New South Wales WorkCover showed that truck drivers are frequently forced to break driving regulations in order to make a living. The frightening statistics in that report included that 60 per cent of drivers surveyed admitted to ‘nodding off’ at the wheel over the last 12 months; that drivers are working an average of 68 hours a week, with almost a third breaking all driving laws and doing more than 72 hours a week; that only 25 per cent of drivers are paid during waiting times; and that almost 60 per cent of drivers are not paid for loading or unloading.

There have been numerous inquiries into these facts—coronial findings, reports and investigations into these issues over the past 20 years—which confirm this situation. That is why I stand here gobsmacked that some on the other side of this chamber seek to deny the link. However, some on the other side do get it. That is because they have some expertise. The member for Moore, for example—a medical doctor by profession—had this to say on 27 February this year:

According to research by Professor Drew Dawson, head of the University of South Australia’s Centre for Sleep Research, staying awake for 17 hours has the same effect on performance as having a blood alcohol level of 0.05 per cent and after 21 hours awake, people demonstrate the same deterioration as having a blood alcohol content of 0.1 per cent. Many people begin to show signs of mental fatigue later in the working day and tasks seem much more complicated, concentration wavers and mistakes can be made.

The member for Moore goes on to say:
Late nights spent working can cause mental fatigue, making it harder to recollect information and affecting the ability to think clearly.

And he goes on:

No matter how rational and high minded you try to be, you can't make decision after decision without paying a biological price. It's different from ordinary physical fatigue—you're not consciously aware of being tired—but you're on low mental energy. One shortcut is to become reckless: to act impulsively instead of expending energy to think first through the consequences.

This was a speech about the working hours of parliamentarians—not a deadly profession, many might say. But if the member for Moore is right about the impact of sleep deprivation on members of parliament then this must also be true of people driving heavy vehicles up and down our highways.

The overwhelming findings of report after report show that there is a link between safety, rates and structures of remuneration in the road transport industry and the accidents, deaths and injuries on our roads involving these vehicles. The bills before the House today will establish a new Road Safety Remuneration Tribunal, whose objects are to promote safety and fairness in the road transport industry. The tribunal will be empowered to inquire into sectors, issues and practices within the road transport industry and, where appropriate, determine mandatory minimum rates of pay and related conditions for employed and self-employed drivers. These determinations, to be known as Road Safety Remuneration Orders, or RSROs, will be in addition to any existing rights employed drivers have under industrial instruments or contracts of employment and self-employed or independent contractor drivers have under their contracts for services. RSROs may be made by the tribunal on its own initiative or on application.

The tribunal will also be empowered to grant 'safe remuneration approvals' in relation to the remuneration and remuneration-related conditions contained in a road transport collective agreement between a hirer and self-employed or independent contractor drivers with whom the hirer proposes to contract. The tribunal will be empowered to resolve disputes between drivers, their hirers or employers and participants in the road transport industry supply chain by mediation, conciliation or private arbitration. The tribunal will be made up of a mixture of Fair Work Australia members and expert members with qualifications relevant to the road transport industry. The tribunal secretariat will be provided by the General Manager of FWA.

The bills will also establish a compliance regime for the enforcement of RSROs, safe remuneration approvals and any orders arising out of the arbitration, by consent, of a dispute. These are enforceable instruments. Compliance functions will be performed by the Fair Work Ombudsman. The bills complement existing federal legislation such as the Fair Work Act 2009 and the Independent Contractors Act 2006, current state-based schemes dealing with owner-driver contracts and proposed state-based heavy vehicle laws. The system is scheduled to commence on 1 July 2012.

Earlier this year I had the opportunity to meet with a constituent of mine, a truck driver by the name of Len Hartley. He is a keen advocate of the bills before the House, and I was pleased to give him my pledge that when this legislation came before the House it would have my wholehearted support. I give that support willingly, not only because it is in the interests of the truck drivers of this nation but also because two of Australia's major highways cross through my electorate—the Princes Highway and the
Hume Highway. I know that this legislation, together with what we are doing in doubling the Commonwealth's road overhaul spend, will have a big impact on road safety in this country.

I commend the words of the member for Moore. He is right when he draws the link between mental fatigue and safety and the hours worked by parliamentarians. He should be applying the same principle to those people who are charged with taking the nation's freight burden from place to place, from city to city, in sometimes very dangerous conditions. He should show the same sentiment towards their working conditions by voting in favour of this legislation. All of those on the other side of the House—particularly National Party members, who would have many owner-drivers in their constituencies—should support it as well because it is in their interests, in the interests of their families and in the interests of all road users in the country. I commend the bills to the House.

Debate adjourned.

**Crimes Legislation Amendment (Powers and Offences) Bill 2011**

**Report from Federation Chamber**

Bill returned from Federation Chamber with amendment; certified copy of the bill and schedule of amendments presented.

Ordered that this bill be considered immediately.

**Federation Chamber's amendments—**

(Government AF224)

1. Clause 2, page 3 (at the end of the table), add:

   16. Schedule 9 The day this Act receives the Royal

   (2) Schedule 4, item 1, page 38 (line 10), at the end of paragraph (b) of the definition of constable, add "or Territory".

   (3) Page 73 (after line 18), at the end of the Bill, add:

   **Schedule 9—Re-appointment of Integrity Commissioner**

   **Law Enforcement Integrity Commissioner Act 2006**

   1 Subsection 175(3)

   Omit "5 years" (second occurring), substitute "7 years".

   2 Application

   The amendment made by item 1 of this Schedule applies in relation to a person appointed or re-appointed as the Law Enforcement Integrity Commissioner before, on or after the commencement of this item.

   (Government BN232)

   (1) Schedule 2, item 27, page 27 (lines 3 to 5), omit paragraph 59AB(1)(e), substitute:

   (e) disclosing the ACC information:

   (i) would not prejudice the safety of a person, or prejudice the fair trial of a person who has been charged with an offence; and

   (ii) would not be contrary to a law of the Commonwealth, a State or a Territory that would otherwise apply.

   (2) Schedule 2, item 27, page 28 (line 3), at the end of subsection 59AB(4), add:

   ; and (c) one or more conditions that the body corporate must meet in order to ensure that the information is not used or disclosed in a way that might prejudice the reputation of a person.

   **The DEPUTY SPEAKER (Hon. DGH Adams):** The question is that the amendments be agreed to.

   Question agreed to.

   Bill, as amended, agreed to.

   **Third Reading**

   Mr DREYFUS (Isaacs—Cabinet Secretary, Parliamentary Secretary for Industry and Innovation and Parliamentary Secretary for Climate Change and Energy Efficiency) (13:27): by leave—I move:

   That this bill be now read a third time.

   Question agreed to.

   Bill read a third time.
Mr O’DOWD (Flynn) (13:28): I begin my contribution on this road safety remuneration legislation by saying that the way the government is handling the legislation leaves much to be desired. It is unusual that we are debating these bills when neither side of the House has had sufficient time to review the report from the Standing Committee on Infrastructure and Communications. The trucking industry has also been left in the dark. So, I will have to speak on many facets of the industry without knowing what is contained in the report or knowing what amendments the government plans to introduce. It has already planned amendments to the legislation.

I come from a trucking industry background. I was in the fuel game for some 20 years, and I have been in the timber business for the last 10 years. I have owned trucks over those 30 years. My son Ben is a professional driver who works for Queensland Rail. When I was in the fuel industry we carted dangerous goods around the countryside. We had a run-in with our insurers because they followed the concept that, because we carted fuel and it was a dangerous industry, our insurance premiums should have been higher than anyone else’s. With a lot of planning we, the fuel truck drivers around Australia, started our own insurance company, OAMPS, which is listed on the stock exchange to this day. It was very successful. All of a sudden the insurance rates we were paying came tumbling down to less than a third, because of what we started. The fact is that fuel truck drivers were very competent, well paid and well trained.

That is the background I come from. But many types of operations make up the trucking industry. There are the large corporate truck drivers, employed drivers, prime contractors, subcontractors, tow operators, small-fleet operators, medium-fleet operators and large-fleet operators. We all know some of these people.

But can we link driver remuneration and safety as the No. 1 factor in deaths on our roads? There is no proven link between pay rates and the incidence of road safety. There is, however, a direct link between driver behaviour and road safety. Speed and fatigue are often identified as the primary causes. We should note that the incidence of death and serious injury has declined over the past few years. However, any death is a tragedy and we can always improve our record.

There are many causes for truck accidents. It is not just the salaries or wage rates that our employees or contractors are receiving. I think the No. 1 killer on our roads is the lack of infrastructure. We have a white line some 100 centimetres wide separating cars and trucks. This is particularly so in the case of the Bruce Highway, which is said to be the worst highway in Australia, not by me but by the RACQ. It is a debacle that needs to be fixed very quickly. There are potholes and the roads get dished out by the tracks of the heavy vehicles. If you have driven a prime mover with a trailer you will know that the trailer can kick around. Your prime mover could be on the right side of the road, but if your trailer hits a pothole or a dished out section of the road it can cross to the other side of the highway. This is lethal.

Our roads are getting more and more busy and the heavy loads are increasing. Going
back 30 or 40 years ago a lot of our freight was carted by rail. Rail is very efficient for carting product but, alas, less and less is being carted by rail, and there are reasons for that. More and more of it is going on the road. With the mining boom, in my area alone you cannot go on the Bruce Highway or the Capricorn Highway any day or any night without coming across wide or long loads. With the mining booms in Queensland and Western Australia a lot of professional drivers have come off the road and gone to work in the mining areas, where they are offered huge salaries, some upwards of $150,000 or $200,000 a year. When they leave, these professional drivers leave behind a vacuum in the general cartage area.

The lack of driver education is a problem. You cannot just get in a truck and drive off into the wilderness. You have to be conditioned to be a truck driver. The lack of driver rest stops and facilities at the rest stops is deplorable. The regulations say that after 5½ hours you must pull up. Where do you pull up in most areas? Out in the middle of nowhere? There are no facilities for our drivers to have a shower and a decent meal. That is another problem, and it is a big one.

On the matter of how you get a drivers licence, I think that can be tightened. The fuel industry was, I think, the first industry to have a 35-hour week for its drivers. But you have to attract the right drivers, and you have to pay good money. A lot of people do pay well over the award rate to get the right type of driver. So, we have that flexibility there now. It already exits. If I want a quote to send a load of timber from my electorate out to the Maranoa electorate, I will often ring up a trucking company in Longreach and he will say, 'Yes, we will do that job,' and he will give me a rate and I will accept it and off it goes. We have that flexibility there, and having it is great. It is private enterprise working at its best. If I do not put the right driver on the job, the product will not get there and the customer will not be happy. I will shoot myself in the foot if I do not do it right. That is how to be a successful business: doing the right thing by your staff and by your customer.

Speeding and tailgating are other reasons for accidents. We cannot deny that. A 22-year-old man was killed at Mount Larcom about two weeks ago. He was stopped in a line of traffic because of another accident, would you believe. A truck came along and the driver was distracted, and was pulling something off the floor of the cabin of his truck and did not see the line of traffic in front. He careered straight into the back of this car and the young guy from Gladstone was killed outright.

Fitness for duty, the way that we employ new drivers and fatigue management are, as I see it, all part of the problems on our roads. There are many factors to be considered when we talk about the industry. There is the livelihood for the drivers and their families. There is a greater red tape burden on the operators. There is the road toll and the road conditions. The road conditions between Melbourne and Sydney are different from the road conditions from Longreach to Tennant Creek or Darwin—much different. The cost of freight to the Australian consumer is another issue. The impact the carbon tax will have on the industry is a big issue. Electronic monitoring is another one. Regarding a centralised wage system, not all hats fit the cause. Horses for courses is the recommended way. Behavioural and cultural training is another thing. You cannot just pluck someone out of the air and put him behind the wheel of a truck. It is quite interesting to note that Rio Tinto are going to use driverless trucks in WA at their mine site. That is food for thought. The heavy vehicle sector is already one of the most
regulated industries in Australia. It certainly has some impacts.

NatRoad is opposed to the removal of incentive payments. In particular, they are strongly opposed to the removal of cents per kilogram rates in the long distance awards. Higher wages combined with a carbon tax will put inflation through the roof. Small to medium businesses are in jeopardy and could go down the drain. Red tape, as the member for Grey has already alluded to, is a very important issue. Different rates keep the industry competitive. If you fix rates, you will take the competitiveness out of the industry. Remember that we all must have competition to make sure that we are doing the right thing by the consumer.

If we get this legislation wrong the industry will end up in chaos, with more bureaucracy and more costs. Is this piece of legislation about improving road safety or is it industrial relations in the guise of road safety? This must be questioned. Will increased remuneration increase our safety on the roads? With the other issues that I have mentioned, this has to be looked at more broadly. There are many other things connected with road safety. The biggest road killer is the condition of our roads where you have a small white line separating all sorts of vehicles, heavy and small, with about two feet of space between what is going one way and what is going the other way. Those are the reasons we oppose the legislation.

Mr Neumann (Blair) (13:42): That was a most extraordinary contribution from the member for Flynn. He said that there was no linkage between pay rates, conditions on the road and accidents and fatalities. I refer the member for Flynn to the 2008 National Transport Commission report Safe payments: addressing the underlying causes of unsafe practices in the road transport industry. They clearly found a linkage between pay rates and unsafe driving. Some pay rates set by owner drivers and employers create incentives to drive unsafely, resulting in poor outcomes on the roads. We see 330 Australians killed every year in truck crashes. Trucking fatalities are 10 times the national fatality average across all industries. This is a very serious question.

The member for Flynn talked about us needing to spend more money on roads in this country—that is what he said. But he should know that those opposite oppose the $36 billion that we are putting into roads, rail and ports through our nation-building fund. His side of politics oppose it. In our home state of Queensland, $8.5 billion is being spent. We have doubled the road funding that the previous coalition government provided. And we are spending 10 times the rail funding.

I want to show the quality of those who represent the coalition in this place and elsewhere, and purport to do so—like the member for Flynn. Today in the Queensland Times in Ipswich the LNP candidate for Bundamba said that it was fair and reasonable for a pressure group to say that the money that we spent on the Ipswich Motorway was a waste. The coalition have campaigned against road infrastructure in Queensland, such as the Ipswich Motorway and the Blacksoil interchange time and time again. The Howard government capped the road funding for the Warrego Highway and we increased it massively. So do not come into this place and complain that we are not spending enough money on roads and railways et cetera, because those opposite have a shocking record when it comes to road infrastructure in my home state of Queensland. In three elections in a row, they campaigned against the most vital road funding initiative in Queensland—funding for the road that links Brisbane, Ipswich and Toowoomba. Their position at the last
election was to stop construction on that road. Now the LNP candidate is also opposing it.

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

STATEMENTS BY MEMBERS
Carbon Pricing
Mr BILLSON (Dunkley) (13:45): COSBOA, Family Business Australia and some of the government's own advisers have really belled the cat that the political turmoil wreaking havoc through this government is actually damaging small business. It is distracting this divided and dysfunctional government from addressing the key issues that the small business community is confronting: the carbon tax, workplace relations, competition policy reform and the need for a small business ombudsman. Perhaps the alert that the Chamber of Commerce and Industry in Queensland should have rung bells with this government—but it has not. Three in four Queensland businesses surveyed by the Chamber of Commerce and Industry in Queensland believe the carbon tax will have a negative effect on their business. Eighty-four per cent of those surveyed urged the scrapping of the carbon tax. These small businesses are not looking for a handout. They are looking for some support and some encouragement. They are looking for someone who is looking out for them. Perhaps this is the time to remind this Labor government that it is long past time for a small business minister to be in cabinet, a minister that will have a role and an important contribution to make at important decision-making times when the big cabinet table need small business represented, not sent off to the kids' table. It is important that the member for Griffith note this. He was out there advocating for 'new work' and he was told that new work, including work in the small business area, ran against Labor's values. I remember what Kim Beazley said, that 'we never pretended to be a small business party, the Labor Party; we have never pretended that '. By golly, isn't this crowd proving it! (Time expired)

Blacktown and Districts Soccer Association
Mr HUSIC (Chifley—Government Whip) (13:46): Harry Kewell, Mark Schwarzer, Brett Emerton, Brett Holman, Alex Brosque, Tim Cahill, Jason Culina and Kyah Simon—this roll-call of proud current Australian footballers has more in common than performing at the top of their chosen sport; they all hail from Greater Western Sydney, one of this country's largest, greatest and fastest growing regions. Every weekend—across Granville, Nepean, Blacktown, Southern Districts and the Macarthur and Bankstown districts—close to 60,000 players participate in park football. That is tremendous support, and we are seeing improved infrastructure to support these players. For example, last Saturday it was fantastic to see the opening of the Blacktown and Districts Soccer Association's new $6 million facilities at Rooty Hill. Given the talent we have out our way—and with the infrastructure that exists to support it—the prospect that we could get our own Western Sydney A-League team is truly exciting. As recently as yesterday, FFA chairman Frank Lowy, someone who had a great start in Blacktown, said, 'I will not rest until we have a team in Western Sydney.' As a Western Sydney MP and the new patron of the Mount Druitt Rangers Football Club, I say this to Mr Lowy: you have tens of thousands of Western Sydney players and fans that feel exactly the same way. We're
ready, willing and able to support that great ambition. Let's give the beautiful game a huge leg-up with the establishment of our own A-League team within a terrific region of Australia: Western Sydney.

**Education: Foreign Languages**

Mr FRYDENBERG (Kooyong) (13:48): I raise the important issue of foreign language training in our schools and universities, in particular the rapid decline in the number of Australian students learning an Asian language, including that of our largest and most important near-neighbour, Indonesia. In 2005, 6.6 per cent of year 12 students were learning an Asian language; in 2009, it was 5.8 per cent. In fact, in 2009 there were fewer year 12 students studying Indonesian than in 1972. In the years from 2001 to 2010, enrolments in Indonesia across the country fell by 40 per cent and in New South Wales by 70 per cent, when at the same time the undergraduate population increased by nearly 40 per cent. If this trend continues over the coming decade, Indonesian will only be found on university syllabuses in one state and one territory, Victoria and the Northern Territory. This is clearly not good enough. We need generations of Australians who can speak Asian languages, understand their culture and are familiar with their people. These generations of Australians will become a vital national asset, opening doors and paving the way for a constructive and productive bilateral relationship.

I would like to pay tribute to Murdoch University's Professor David Hill for his recent study of Indonesian language teaching in Australian universities. His valuable and comprehensive report makes 20 specific recommendations, requiring limited new funding, as to how we can improve the current state of affairs. I commend this report to the House and say to the government we need urgent action on this issue before it is too late.

**New South Wales Police Force**

Mr HAYES (Fowler) (13:49): Today is a very proud day for members of the New South Wales Police Force. Police will be marching through the streets of Sydney, celebrating 150 years of the New South Wales Police Force. 'Turning the city blue' is indeed a fitting tribute to the police officers, including my late father, who have been part of a police force serving the community since 1862. On many occasions I have spoken in this place about the pivotal role that the police play in our communities and to recognise the difficult and often dangerous jobs that they perform on our behalf.

On many occasions in this House I have referred to the fact that I am a son of a police officer, and also with my close association with the police and police associations, I have come to understand that it takes a special kind of person with a special kind of courage and commitment to wear the police uniform, and that we are truly indebted to the men and women who choose to do so. We must also recognise that over this period 250 police officers have lost their lives while serving the community of New South Wales. Policing certainly comes with a degree of risk that, thankfully, many of us will never have to face. It is therefore appropriate to acknowledge their contributions during today's anniversary. I congratulate the NSW Police Commissioner, Andrew Scipione, and the men and women of the New South Wales Police Force on this fine achievement. On behalf of a grateful community, I thank them for their commitment and dedication. We remain always in their debt.

**Queensland State Election**

Mrs PRENTICE (Ryan) (13:51): This morning, in the Federation Chamber, the member for Wills gave a clear demonstration
of just how desperate the ALP is to cling to power in Queensland. Just as the Labor campaign has resorted to sleaze and innuendo, the member for Wills shamefully attacked the future Premier of Queensland, Campbell Newman. I challenge the member for Wills to repeat his accusations outside this place—without the cloak of privilege. But what we really heard this morning was the death rattle of a tired and incompetent Labor government in Queensland. They have no policy, they have no vision and they have no plans. All they have is a campaign of smear and innuendo. I found it more than interesting that a member from Victoria should take such an interest in planning issues to do with Brisbane City Council. He claims that ‘residents are entitled to have a say’—and I can assure him that they did. Due process was followed. Indeed, Brisbane City Council has a robust approval process which developers regularly complain about. The member for Wills neglected to mention that the development to which he referred is located in Premier Anna Bligh’s seat. The Premier never raised any objections to the development—yet the member for Wills seems to think he knows better. His intemperate outburst this morning is an attack on the integrity of hardworking council officers. Queenslanders have endured 20 years of excuses and political promises; we have heard them spoken and broken time and time again. Labor is a broken record. Queensland needs strong action now, not more empty promises and political tricks. It is time to get Queensland back on track. Queensland needs Campbell Newman as Premier.

Petition: Trans-Pacific Partnership Free Trade Agreement

Mr STEPHEN JONES (Throsby) (13:52): I rise to table a petition.

The petition read as follows—

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

This petition of concerned citizens draws to the attention of the House:

The Australian government is negotiating a Trans-Pacific Partnership free trade agreement (TPPA) with the US, New Zealand, Chile, Peru, Brunei, Singapore, Malaysia and Vietnam. But the agenda is being set by giant US corporations. They see many Australian health, social, cultural and environmental policies are barriers to trade which should be removed. They want to use the negotiations to undermine the Pharmaceutical Benefits Scheme and charge higher prices for medicines, to give special rights for corporations to sue governments, to remove labelling of genetically modified food, to undermine local jobs and fair employment conditions for government contracts, and to weaken policies for Australian content in film, television and digital media. They also oppose including enforceable labour rights and environmental protections in the agreement.

We therefore ask the House not to support any agreement which undermines any of the above listed policies, to support the inclusion of enforceable labour rights and environmental protections in the agreement, and to support publication of the text of the agreement for public and parliamentary debate before it is ratified.

from 3,272 citizens

Petition received.

Mr STEPHEN JONES: I present the petition on behalf of some 3,270 citizens of Australia who are concerned about some aspects of the Trans-Pacific Partnership Agreement on free trade that is being negotiated with the United States, New Zealand, Chile, Peru, Brunei, Singapore, Malaysia and Vietnam. This petition is being considered by the House of Representatives Standing Committee on Petitions and has been certified as being in accordance with the standing orders. The petitioners are particularly concerned about the possibility that this trans-Pacific partnership could undermine Australian policies with regard to
our Pharmaceutical Benefit Scheme, our intellectual property rights, our labour rights and our environmental protections.

I am a strong believer in the importance to our national prosperity of open trade arrangements. However, these multilateral trade agreements should be used and seen as an opportunity to enhance our intellectual property standards internationally, our labour relations and labour laws, and our laws in relation to environmental protection. They should not, at any cost, be undermining our important Pharmaceutical Benefits Scheme. I commend the petition to the House.

**Bennelong Electorate: Eastwood Ryde Netball Association**

**Mr ALEXANDER** (Bennelong) (13:53): I wish to recognise a wonderful sporting organisation in my electorate of Bennelong, the Eastwood Ryde Netball Association. Eastwood Ryde is a New South Wales district netball association with over 3,500 members. The association comprises 30 clubs with 359 teams registered in the Saturday competition, playing at Brush Farm Park and Meadowbank Park. Last year the Eastwood Ryde under 21 team was crowned state champion after being undefeated all season. Players Amy Sommerville and Kimberley Ravaillion were selected in the Australian under 19 team and competed with Sophie Halpin in the national championships, and Phoebe Seamer represented Australia in the international schoolgirls championship. Anita Keelan is the state assistant coach, and Anne Doring does a sterling job as the President of the Eastwood Ryde Netball Association.

I am delighted to be joining all the team next Monday night to turn on the floodlights at Meadowbank for the first time. I wish Eastwood Ryde Netball Club all the very best for the 2012 season and congratulate these great role models on behalf of all our Bennelong community.

**International Women's Day**

**Ms PARKE** (Fremantle) (13:55): I rise to recognise the 101st celebration of International Women's Day, which will occur next week, on Thursday, 8 March, with the global theme 'Connecting Girls, Inspiring Futures'. On that day women in my electorate of Fremantle and elsewhere will gather to celebrate the contributions and achievements of women while acknowledging that there is more to be achieved and while committing to achieving those things together.

Important advances for Australian women in recent times include the momentous decision made by Fair Work Australia on 1 February 2012 with regard to pay equity for 150,000 social and community sector workers, 120,000 of whom are women. I hope that this landmark principle will flow on to benefit other sectors of the workforce that are predominantly staffed by women, including in aged care and child care. Other positive achievements include the introduction of the Australian government's Paid Parental Leave scheme, which came into effect on 1 January 2011; the introduction of the National Plan to Reduce Violence against Women and their Children 2010-2022; the maintenance of 35.5 per cent female representation in Australian parliaments since December 2004; the commitment by Commonwealth nations at the recent CHOGM in Perth to end the practices of early and forced marriages of girls; and the announcement in February by Attorney-General Nicola Roxon of government plans to outlaw forced marriage.

It is important to acknowledge that there is still considerable progress to be made within Australia, especially in Indigenous, migrant and refugee communities, and in
many developing countries, to ensure that women and children have the basic conditions for a stable life. *(Time expired)*

**Brisbane Electorate: Hospitals**

Ms GAMBARO (Brisbane) (13:56): Following media questioning about me and the future closure of the Royal Children's Hospital in my Brisbane electorate, Premier Bligh claimed that funding for public hospitals had decreased under the federal coalition government. This is blatantly false. According to the Australian Institute of Health and Welfare, Australian government expenditure on public hospitals increased from $5.2 billion in 1995-96 to over $11 billion in 2006-07, and in 1995-96 annual spending on health and ageing by the Australian government more than doubled from $19.5 billion in 1995-96 to $51.8 billion in 2007. The AMA Public Hospital Report Card 2011 reports the number of available hospital beds of 2.4 per 1,000 Queenslanders remains unchanged from 2008-09, which is well below the national average of 2.6. It is some 900 beds short.

What has the Queensland Labor government been doing with all its funds? Mismanaging is the answer, including with a calamitous health payroll that is wasting hundreds of millions of dollars. Ms Bligh, you should hang your head in shame. The disastrous closure of the Royal Children's Hospital will occur under a plan to build an inadequate hospital in the Premier's own electorate. For the past two years I have supported Dr Harry Smith and his tireless campaign on behalf of the families in Brisbane's northern suburbs who will be negatively impacted by this decision. When an LNP government forms, they can be ready to remedy the ills of the Queensland health and hospital system. Clearly it is time for change.

**Australian Defence Force**

Ms BRODTMANN (Canberra) (13:58): I am a strong supporter of the ADF. I am a strong advocate of the ADF. I have the greatest admiration and respect for our serving men and women. I worked in Defence for 10 years. I have been to Afghanistan. I am on the Defence Subcommittee. That is why last night's report on 7.30 was deeply disturbing and deplorable. The misogyny and racism of the featured Facebook site was, quite frankly, disgraceful, particularly in the week before International Women's Day. I therefore commend the actions taken by the Chief of Army.

The secretary, the CDF and the minister have zero tolerance for inappropriate behaviour, including inappropriate use of social media. All members of defence must meet modern-day community standards and expectations. In April last year the minister announced a range of comprehensive reviews into aspects of the culture within the ADF to address growing concern in relation to appropriate ADF conduct. One of these reviews was the use of social media within defence. The impact of social media has created new challenges for the ADF and the Defence organisation. The release of these reports and the government's response are expected in the very near future. I commend the government's action on these reviews and look forward to them being released later in the year.

**Queensland State Election**

Mr BUCHHOLZ (Wright) (13:59): I would like to advise the House that Queensland needs a new, fresh start. Queensland needs a new leader, Campbell Newman. Newman is the only man in Queensland who can deliver us a new, fresh government—a government with vision, a government with integrity, a government that...
is not hung by the strings of union domination—

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

STATEMENTS ON INDULGENCE

World War II

Ms GILLARD (Lalor—Prime Minister) (14:00): Two weeks ago the Leader of the Opposition and I joined the Governor-General in the Northern Territory to mark the 70th Anniversary of the Bombing of Darwin. The member for Solomon, amongst others, was there. The member for Lingiari was also there with me. This was the first time this anniversary had been observed as a national day of commemoration. In my remarks on that day I noted that the events of that day began a series of raids across Northern Australia, which lasted almost two years. One of the saddest and most destructive of those raids was in Broome on 3 March 1942, a day when that very quiet coastal outpost joined the front lines of a global war. I know the member for Robertson has been a forceful advocate for ensuring that this story is told. I also thank the Special Minister of State, who will be representing me at the ceremonies in Broome this coming Sunday.

The circumstances in Broome that summer were tragic and unusual. A large number of Dutch citizens had fled from the Netherlands East Indies, now of course Indonesia, to the safety of Australia as the Japanese advanced. Many of them came in flying boats, which stopped to refuel at Broome. When the nine Japanese Zero fighter planes launched a lightening raid on 3 March, a number of those flying boats were in Roebuck Bay for refuelling, where they were sitting ducks for an attack, as was the nearby airfield where six large planes were destroyed.

This attack was horrific. Japanese strafing runs destroyed over 20 aircraft, many of them packed with Dutch women and children as well as with military personnel. An Australian observer described the civilians trapped on one of the flying boats in the following words: 'The faces at the window were contorted with panic, terror-stricken fingers clawing at the glass. Two of the women and one of the children were badly burned. Their clothes flaked and black, their skin cracking and lifting. What a slaughter.' The total number of casualties may never be known but it is estimated that up to 88 people lost their lives that day, including as many as 48 on those flying boats and, among them, 20 believed to be children.

They were our allies and our friends who came to seek shelter but found only death as the war they tried to outrun caught them unawares. For those who survived, many owed their lives to courageous individuals like Charles D'Antoine, a local Indigenous man, who swam through burning fuel and wreckage to rescue two Dutch women and was awarded a Silver Medal for Humane Assistance by the Queen of the Netherlands. It was a day of terror but it was a day of valour too.

The attacks on Northern Australia taught us painfully just how much effort would be required by the whole nation to turn the tide. It is to the lasting credit of our nation that we did that and found the strength and unity of purpose to do so, led by our greatest wartime Prime Minister, John Curtin. It was the battle for Australia when the world-wide war came to our shores and summoned the very best from our nation and our people. From the dark days of Darwin and Broome in 1942 to the days of victory 3½ years later, Australia passed its greatest test, served and sustained by a great generation. They will not be
forgotten and they will be remembered this weekend in Broome.

Mr ABBOTT (Warringah—Leader of the Opposition) (14:04): Ten days ago, on the 70th anniversary, we remembered the bombing of Darwin. On the motion of the member for Solomon, unanimously backed by this parliament, we will now have an annual Bombing of Darwin Day, as we should. Today we remember 70 years ago the bombing of Broome, another terrible event—up to 100 people were killed, 24 aircraft were destroyed. We remember the Dutch and the US citizens who died on that day as well as the Australians.

These were difficult times for our country. The fortress of Singapore had fallen, some 15,000 Australian soldiers had become Japanese POWs and attacks on the Australian mainland had begun. We held on and we have prevailed. We salute our forebears who fought and won the Second World War, and we trust that we can meet the very different challenges of these times, with no less resolution.

Reference to Federation Chamber

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (14:05): I move:

That further statements by indulgence in relation to the 70th Anniversary of the Bombing of Broome be permitted in the Federation Chamber.

Question agreed to.

QUESTIONS WITHOUT NOTICE

Carbon Pricing

Mr ABBOTT (Warringah—Leader of the Opposition) (14:06): My question is to the Prime Minister. I remind her of the statement of Don Argus that the carbon tax is 'badly designed, hurriedly implemented' and will not achieve its core aims. What is the Prime Minister's response?

Ms GILLARD (Lalor—Prime Minister) (14:07): To the Leader of the Opposition I say the government has a very different view about the future of the nation. First, our nation has been debating the impact of climate change and the need for a price on carbon for the better part of a decade. Indeed, the former Howard government developed a plan for an emissions trading scheme which, had the former Howard government been elected in 2007, it would have legislated for to commence by now. If the former Howard government had been re-elected in 2007, under the platform the Leader of the Opposition took to that election as a senior minister, there would be a carbon price in place by now.

The SPEAKER: Order! The Prime Minister will return to the question.

Ms GILLARD: So any claim that this has been hurried in development of course does not stand the test of looking at that history.

In terms of the impact of carbon pricing, we know that the most efficient way of cutting carbon pollution is to put a price on carbon. That is what the legislation does. We know that it will cut the amount of carbon pollution—

Mr Abbott: Mr Speaker, I rise on a point of order. Don Argus said that it was badly designed and would not achieve its core aim. She should be directly relevant to that question in her response.

The SPEAKER: I am sure the Prime Minister is imminently about to address the substance of the question. The honourable the Prime Minister continues to have the call.

Ms GILLARD: I am answering the claim that the scheme is badly designed by explaining why the scheme is well designed and will achieve its purpose. A price on carbon will cut carbon pollution at the least possible cost to the economy.
carbon will reduce the amount of carbon pollution that is in the atmosphere by 160 million tonnes in 2020. A price on carbon will enable us to increase pensions, to increase family payments and to triple the tax-free threshold. What that means is that there will be better rewards for people to going to work, particularly second income earners who are perhaps making a choice to return to work part-time—overwhelmingly women. What this means is we will see our economy transform to a cleaner energy future whilst Australian families are supported. Millions of families will actually come out better off as a result of putting a price on carbon and seeing a pension increase of family payments or a tax cut.

Mr Van Manen interjecting—

The SPEAKER: The honourable member for Forde will remain silent.

Ms GILLARD: This is therefore a well-designed—indeed, the best designed—scheme.

It is a sharp contrast to the scheme advocated for by the Leader of the Opposition, which of course is the most efficient way to do it, would impose huge costs on Australian businesses and would require Australian—

Mr Simpkins interjecting—

Ms GILLARD: families to stump up a payment of $1,300 per year each, having lost their tax cuts, family payment increases and pension increases. We stand by seizing a clean energy future. The Leader of the Opposition knows nothing except scare campaigns.

Employment

Ms SMYTH (La Trobe) (14:10): My question is to the Prime Minister. Will the Prime Minister update the House on how the government is supporting jobs today while helping Australians get the jobs of tomorrow? Why is it important that we get things done on the reforms that we need for the future?

Mr Pyne interjecting—

The SPEAKER: The honourable member for Sturt has not been sent out of the chamber for a while.

Mr Pyne: Too long, Mr Speaker!

The SPEAKER: The honourable member is indicating he would like to leave. However, I call the Prime Minister.

Ms GILLARD (Lalor—Prime Minister) (14:10): I thank the member for her question. The most important thing we can do for working families is to make sure that anyone who goes to work comes home that night or at the end of their work, which is why it was a very great privilege for me to meet today with the families of truck drivers, the families of people who know what it is like to lose someone in a road accident—not just someone who works in the truck-driving industry but the people who have been killed in accidents because of lack of safety by big trucks on our road. There would not be too many Australians who do not know what it feels like to be on a major highway and be concerned about their safety as a big truck comes in the vicinity of their car.

We can do better than that. We know that so much of that conduct that we see on our roads is driven by the structure of the industry—the inability of drivers to get safe rates and an incentive system that encourages them to drive faster and longer, beyond the limits of human endurance and beyond the limits of fatigue. That is something that, for those drivers, we need to understand under the current industry system, but it is something we can change. We can change it by having safe rates in the truck-driving industry, and we intend to do so. We have brought legislation to the parliament to achieve just that.
Working families want to see their loved ones come home. Another great desire of working families is that their children have a better opportunity in life than they did. Most working families aspire more than anything else to see their children enjoy a level of success in their lives beyond what they themselves were able to achieve. That is why we are so passionate about investing in education—it is so important to the future of our economy. We cannot make the happy assumption we will be the high-skilled, high-wage economy in our region. Unless we invest in education, others will win the education race and, as a result, win the economic race too.

We are investing in education, and it is making a real difference. So I am very pleased and proud to report to the House today the fact that student numbers in universities have increased by 27 per cent since we came to office. That is over 150,000 more students going to university as a result of our special incentives. Many of them come from poorer households and are the first in their family to step inside a university.

Many of us of my generation know our lives were transformed by getting access to higher education and that we would not have done so if it had not been for the Whitlam reforms. I am very pleased to be able to report to the House today there is another generation getting access to the opportunity because of the reforms of this Labor government.

Carbon Pricing

Mr TRUSS (Wide Bay—Leader of The Nationals) (14:14): My question is to the Prime Minister. I remind the Prime Minister of Virgin Airline's announcement on Tuesday that it will increase ticket prices because of the government's carbon tax. Does the Prime Minister stand by her statement that the carbon tax will not hurt Australia's tourism industry when Virgin's carbon tax bill will be nearly 80 per cent higher than its current company tax bill and will add $45 million to the cost of its airline tickets in the first year alone?

Ms GILLARD (Lalor—Prime Minister) (14:14): I thank the member for his question. It is very similar to one that I have answered in the past in relation to Qantas when it made some announcements and the answer is the same. Virgin Australia will not face any carbon price on its international operations in Australia. There will be a modest impact from the carbon price on its domestic operations. The nature of the impact is comparable to what has been announced by Qantas and I remind the House of those Qantas figures. I understand that the opposition is trying to yell at this point because they know they do not want these figures on the public record because they bring the scare campaign to an end.

It has been announced by Qantas that for zones of 900 kilometres or less, we are talking about $1.50 in impact, and so it goes on. If it is less than 2,000 kilometres, $3 on the average ticket price. That has been modelled in to the CPI impact of putting a price on carbon to 0.7 per cent. We have responded to that by increasing family payments, increasing pensions and cutting tax. To give the House the figures for that—and I know the opposition will not be interested in benefits to working families—there will be pensioners who end up in front as a result of the amount of money that comes to them in the increase in their pension. They will end up better off. We want to see pensioners better off; I understand the opposition does not.

There will be family payments increases in order to assist people with children—once again, a benefit to working families—and
there will be tax cuts for Australians who earn less than $80,000 a year. Many of them will see a tax cut—

The SPEAKER: Order! The Prime Minister will wait a minute. I know the point the Leader of the Nationals is about to make. The Prime Minister will return to the substance of the question.

Ms GILLARD: Thank you very much, Mr Speaker. I am directly on the substance of the question because in order to view these claims in context one needs to direct their eyes as well to the amount of money that is flowing to families. I know the opposition always want to forget that because they have pledged to rip that money away. They do not want people looking at what is coming through tax cuts and pension increases and money for families because they have pledged to rip it away. The reality is the impact on airlines that the member has raised is modelled into the price impacts and people are receiving compensation in the form of tax cuts, family payments increases and money for families because they have pledged to rip it away. The reality is the impact on airlines that the member has raised is modelled into the price impacts and people are receiving compensation in the form of tax cuts, family payments increases and pension increases. No amount of fear campaigning by the opposition changes that fact. I just wish they would be honest about ripping those benefits away and charging working families $1,300 per family in order to pay for their scheme. (Time expired)

Economy

Ms LIVERMORE (Capricornia) (14:18): My question is to the Treasurer. Will the Treasurer update the House on the latest national capital expenditure figures for the economy? How do these show the importance of spreading the benefits of the mining boom across the economy?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:18): I thank the member for Capricornia for that important question because today's capital investment figures are a resounding vote of confidence in our economy and a reminder of the strength of our economic fundamentals. It is remarkable that these could be achieved given the global instability that we face.

Planned business investment is going from strength to strength. Total capital expenditure is expected to increase from a staggering $164 billion this financial year to a record $173 billion next financial year. That is an extraordinary amount of strength in our economy and an extraordinary amount of money to be spreading across our economy. We are going to see some lumpiness in this investment, as we have seen in the December quarter figures, as different projects cease and others begin. But it is a huge investment pipeline which is gearing up and it is providing a bedrock of support for our economy, for economic growth and for jobs.

It is not all just about mining because we know that the growth of middle classes in Asia is going to bring demand for a whole range of goods and services elsewhere in our economy. We also understand that parts of our economy are not as strong as others and that is why, if we are going to meet the challenges of the future, we do need to spread the opportunities of this mining boom across the whole of our economy, not have it concentrated in a few regions in this country. That is why putting in place the MRRT, getting a source of revenue so that we can spread the opportunities of this mining boom across the whole of our economy, not have it concentrated in a few regions in this country. That is why putting in place the MRRT, getting a source of revenue so that we can spread the opportunities of the boom right across the economy, is what our economic circumstances demand. And that is why we are using the revenue stream from the MRRT to give a significant tax cut to 2.7 million small businesses right across the country; to substantially increase the superannuation savings of Australian workers, particularly those on low incomes; and to make sure that we have some money to invest in critical infrastructure, particularly in the mining regions, which are having their quality of life
severely impacted by mining in nearby communities.

When it comes to these tax breaks for small business, the boost to superannuation for Australian workers, the investment in infrastructure, those on the other side of the House want to rip it all away. They do not understand the challenges of dealing with mining boom mark 2. They would rather give a tax cut to Gina Rinehart and Clive Palmer than give a tax cut to 2.7 million small businesses right across our great country. They would rather side with those vested interests than side with Australian workers.

The SPEAKER: The Treasurer will return to being relevant. I call the honourable member for Capricornia on a supplementary question.

Ms LIVERMORE (Capricornia) (14:21): Thank you, Mr Speaker. The Treasurer has talked about the national benefit from the minerals resource rent tax. Can the Treasurer please outline what this means for local communities like mine in Central Queensland?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:22): I thank the member for her question. There will be tax cuts—tax breaks, if you like—for 14,200 small businesses in Capricornia, there will be a boost to superannuation accounts for 48,000 workers right across Capricornia and there will be critical funding for infrastructure projects, particularly $120 million for the Peak Downs Highway, because we understand the importance of investing in these regions. Those opposite do not. They are prepared to take away tax breaks, from 32,000 businesses in North Sydney, for example. They are prepared to deny the workers in Warringah—54,000 workers—the boost to superannuation.

Carbon Pricing

Mr HOCKEY (North Sydney) (14:23): My question is to the Prime Minister. I remind the Prime Minister of her response to John Laws in July last year when he demanded a list of the 500 companies who will pay the carbon tax. I quote the Prime Minister: 'So there is a list available that we can send you, John. That's available on the website and we can send that through to you.' When will the Prime Minister keep her promise and release the list of 500 companies that will start paying the world's biggest carbon tax in just four months?

Ms GILLARD (Lalor—Prime Minister) (14:24): In answer to the member's question: as the member would probably be aware, there is greenhouse gas reporting legislation which dates from the period of the Howard government, and so people can get on the website and have a look at that information. As I have made the point before, that information is of course not directly comparable to how carbon pricing will work, because, under the legislation that was in this parliament—and I am presuming that the opposition looked at it before they voted against it and voted to endorse their shambolic scheme, so they would be aware of this—the carbon price liability falls on sites that generate carbon pollution in excess of 25,000 tonnes. We have had these debates in the parliament before, because of course there was a period of time when the Leader
of the Opposition was saying you could not measure carbon pollution.

Mr Hockey: Mr Speaker, I rise on a point of order; it goes to relevance. It is simply a question of when the Prime Minister will release the list that she said she would release last July.

The SPEAKER: The Prime Minister has the call to answer the specifics of the question.

Ms GILLARD: I am explaining to the House—

Opposition members interjecting—

The SPEAKER: And the Prime Minister will be heard in silence for the duration of her answer.

Ms GILLARD: I am explaining to the House the mechanisms under the carbon pollution legislation, our clean energy future legislation that went through the parliament, and the identification of which sites and businesses will pay a carbon price. When the legislation comes into operation on 1 July, businesses will commence paying that price. There is the ability to measure, as has been shown by past legislation. What should strike the opposition at this point, as they talk about these matters, is that the legislation to first track carbon pollution emissions was introduced by the Howard government. It was described then—and I quote the member for Wentworth when he introduced it—

The SPEAKER: Order! The Prime Minister will be directly relevant.

Ms GILLARD: I am responding to the question in regard to the measuring of carbon emissions and I am referring to the member for Wentworth's statement, on the legislation I have referred to, that 'This bill is the first major step in establishing the Australian emissions trading scheme'—a time when they believed in carbon pricing; political hypocrisy from them now.

Mr ABBOTT (Warringah—Leader of the Opposition) (14:27): Mr Speaker, I ask a supplementary question. I do not wish to embarrass the Prime Minister, but I wish to ask again—

The SPEAKER: Order! The Leader of the Opposition, if he has a supplementary question, should ask it as a supplementary question without preamble.

Mr ABBOTT: Given that the previous question was not answered, I wish to ask, as a supplementary, the same question: where is the list and when will she produce it?

Mr Albanese: Mr Speaker, I rise on a point of order. By the admission of the Leader of the Opposition, that should be ruled out of order, because he himself said it was not a supplementary.

The SPEAKER: The Leader of the House will resume his seat. I call the Prime Minister to answer the supplementary question.

Ms GILLARD (Lalor—Prime Minister) (14:27): I have just explained the way in which the carbon pricing legislation will work. I do not want to embarrass the Leader of the Opposition, but when is he going to explain his hypocrisy in going to the 2007 election wanting to put a price on carbon and this conduct now?

Opposition members interjecting—

The SPEAKER: Order! The Prime Minister will pause. Honourable members on my left have to understand, as do all honourable members, that the office of Prime Minister must be respected, as indeed the office of the Leader of the Opposition. I will not tolerate a crescendo of sound at a level that means the Prime Minister cannot be heard. Has the Prime Minister finished? The Prime Minister has finished.
**Taxation**

Mr OAKESHOTT (Lyne) (14:29): My question is to the Treasurer. Treasurer, at the October tax forum, the Business Council of Australia made the sensible call for government to provide Australia with a 10-year comprehensive tax road map on the back of the Henry tax review. In the last sitting week, this House moved a unanimous motion instructing you to do this prior to the May budget. Treasurer, are you going to listen to the combined voices of the House of Representatives and the Business Council of Australia and, if so, can you provide details on how and when you will follow this instruction?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:29): I thank the member for his very good question, because this government has an impressive record of tax reform. The first reform recommended by the tax review was for a resource rent tax, which has now passed this House and is up in the Senate. It is a very important tax because it gives us a revenue stream which enables us to implement some of the other recommendations of the tax review, including a very substantial tax cut for small business.

The member asked what the future for tax reform is in terms of all of those measures that we have already implemented that have been recommended by Henry. We had a very good forum in this parliament at the end of last year. And when it comes to business taxation, for example, we currently have a business taxation reform group which is working on a number of issues, which I am sure all members will be very interested in because we need to take into account the patchwork nature of our economy and that there are some businesses out there doing it tough, particularly when it comes to the non-resource sector.

I expect to receive that report from that group sometime in the next month or so. In the context of that, the government will be considering a range of measures for possible inclusion in a future budget and responding to the agenda that has been put down by the members. So we are working our way through a range of issues. I take the motion seriously. We have a substantial record of tax reform, both personal tax and business tax, and we do intend to progress that over the months ahead.

Mr OAKESHOTT (Lyne) (14:31): Mr Speaker, I ask a supplementary question of the Treasurer. In the theme of other supplementaries, can you explain the impacts on the seat of Lyne by your not doing comprehensive tax reform, if that is the message that you are giving the House today?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:31): It is not the message I am giving the House today. There are tens of thousands of small businesses in the seat of Lyne which will receive a very substantial tax cut, a big boost, a $6,500 instant asset write-off, a huge boost to their cash flow, and that is all coming when the Senate votes on that legislation in the next couple of months. So there is already very substantial tax reform.

We have already put in place very substantial reform to income tax rates—three lots of tax cuts—but I do agree that there is an agenda for the future. We are happy to work with the parliament and the Independent members of this parliament to progress those reforms. We are receiving reports from the business tax working group, and the government will be considering all of these matters in the budget context. So there is substantial tax reform for the electors of Lyne, substantial tax reform right across this country, particularly for small business, and
a substantial boost to the superannuation savings of Australian workers. That is a pretty good record.

Family Payments

Mr HUSIC (Chifley—Government Whip) (14:32): My question is to the Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform. Will the minister outline for the House how the government is getting the job done to support Australian families?

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (14:33): I thank the member for Chifley very much for that question. He knows how important it is that this government keep working and keep delivering for Australian families, first and foremost doing everything to get families into jobs and, of course, delivering the support that families need with their most important job—that is, looking after their children.

One of the things that this government is very, very proud of is the implementation of the nation’s first Paid Parental Leave Scheme. We have delivered that scheme. We now have 140,000 families who have registered for the scheme. Eighty thousand of those families have already taken their paid parental leave. What that has meant for those families is that they have not had to make the difficult choice that they had to make in the past when those opposite were in government, the very difficult choice of whether they would stay at home with their baby or go out to work. As a result of this government's efforts, families are now able to stay at home with their newborn babies, and we all know how important that is for the baby and of course for the parents. Many Australian families have written to the Prime Minister indicating how important this has been for them and their children, and we do understand how important it was for the government to do it—without whacking a great big new tax on business to pay for it.

We know from this Leader of the Opposition that he wants a Rolls-Royce scheme, but we have also had confirmed by the member for Goldstein just yesterday that they are going to whack a great big new tax on business to pay for the Leader of the Opposition's Rolls-Royce scheme. There are many people in the opposition who are now calling on the Leader of the Opposition—

Honourable members interjecting—

Ms MACKLIN: He is even calling the member for Goldstein a faceless man! Over here we have the member for Goldstein, a faceless man—

The SPEAKER: Order! The minister—

Ms MACKLIN: who wants to introduce a new tax—

The SPEAKER: The minister will pause!

Ms MACKLIN: on everything.

The SPEAKER: The minister does not have the call at the moment. The minister was asked a question about how Australian families were going to benefit. I think even the minister would admit that she has seriously deviated from the substance of the question. She has made her point. She will now return to the specifics of the question.

Ms MACKLIN: The specifics of the question go to the benefits for families of paid parental leave, which this government is delivering. As the member for Goldstein has indicated, every single family will pay more under the opposition's great big new tax to deliver their Rolls-Royce scheme of paid parental leave.

Mr HUSIC (Chifley—Government Whip) (14:36): Mr Speaker, I have a supplementary question. The minister talked
in her answer about the successful rollout of Australia's first paid Parental Leave Scheme. Why is it important for this to be delivered responsibly and at least cost to taxpayers and the economy?

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (14:36): Once again I thank the member for Chifley. It is very important that it is delivered in a responsible way. We have delivered it so that families are getting 18 weeks of paid parental leave paid at the federal minimum wage. We know that those opposite want to deliver a paid parental leave scheme that would see very wealthy mothers get $75,000 of taxpayers' money to pay for it. Of course, it was this Leader of the Opposition who said he did not want to increase taxes. Now we have got the member for Goldstein saying that is exactly what you are going to do. You cannot make up your mind. One day you are not going to introduce a new tax; the next day it is confirmed that you have a great big new tax that everybody is going to pay more for every time they go to Coles and Woolies. Every time they go to the supermarket they will pay more because of your great big new tax.

Gillard Government

Mr ABBOTT (Warringah—Leader of the Opposition) (14:37): My question is to the Prime Minister. Will the Prime Minister confirm that she spoke to Bob Carr on Monday in relation to her ministry?

Ms GILLARD (Lalor—Prime Minister) (14:39): Yes, I will repeat that statement and I will repeat the words that I said at the doorstep yesterday about this matter. I was asked about matters in the Australian. I said that they were untrue. I went on to say:

… let me make this very clear: of course my door is open to talk to people as I work my way through the reshuffle, but the decisions are mine and I’ll make them.

So that is the situation. What then happened in question time of course is that the Leader of the Opposition came in here and made a claim that he could not sustain in question time. He came in here and made a claim about the nature of the discussions I had had with Bob Carr. In stark contradiction to what the Leader of the Opposition came into this parliament and claimed yesterday, Bob Carr, the former Premier of New South Wales, said yesterday that while party officers had talked to him about the possibility of him filling the New South Wales Senate vacancy and being able to be considered for the office of foreign minister, Prime Minister Gillard had definitely not made any offer about the foreign affairs ministry, nor had anyone on her behalf—a stark contradiction to the many false claims, many stated false claims, by the Leader of the Opposition yesterday. I am surprised, given the Leader of the Opposition came in yesterday and said things that were
false, that he would be continuing to pursue those falsehoods today.

The SPEAKER: I give the call to the honourable member for Blair.

Mr NEUMANN (Blair) (14:41): Thank you, Mr Speaker.

The SPEAKER: The honourable member for Blair will resume his seat for a moment.

Mr Pyne: Mr Speaker—

The SPEAKER: The Manager of Opposition Business, this had better be something that is within the standing orders. The Manager of Opposition Business.

Mr Pyne: It is, Mr Speaker. Yesterday you required a member on this side of the House to remove the imputation that the Prime Minister was being dishonest. She just made the imputation that the Leader of the Opposition was making false claims yesterday, and we would ask you to ask her to withdraw it.

The SPEAKER: There is a difference between making an assertion that a claim is false and making an assertion that the person making the statement is deliberately making a false statement. I call the honourable member for Blair.

Workplace Relations

Mr NEUMANN (Blair) (14:41): My question is to the Minister for Employment and Workplace Relations and Minister for Financial Services and Superannuation. Will the minister explain what the government is doing to improve our workplaces. There are some well-known facts about how we are improving our workplaces. We are lifting superannuation from nine to 12 per cent, and in fact there will be 43,500 people in the member for Blair's own electorate who will have better retirement savings courtesy of the people on this side of the House. Not only are we doing that; we are going to lower the corporate tax rate to 29 per cent; we have got the Fair Work Act, which puts fairness back into Australian workplaces; we have got the NBN, which is going to improve productivity; and we have got more people than ever working in Australia's history.

What is lesser known in terms of our attempts to improve the workplace is what we are actually doing to make workplaces safer. Members of the House would probably know that nearly 300 people are killed each year in Australian workplaces, over 2,000 die from industrial related diseases and 640,000 Australians suffer workplace injury or illness. This costs Australia $60 billion. But this government is determined to improve one workplace in particular at the moment, and that is Australia's roads.

Let us never forget in this place that, even as we and our families drive on the roads to go home or to go on holiday, every time a truck passes it is a workplace. And let us not forget in this place that 277 people last year were killed in truck related collisions and accidents. Let us not forget in this place that 1,000 people get seriously injured each year in truck related accidents. This is a terrible toll. We were joined briefly in the gallery before by Suzanne de Beer and Lystra Tagliaferri. These two ladies happen to be widows. Their husbands were killed in a truck related collision in Western Australia at the end of 2010. Indeed, what we want to do is make sure that the roads of Australia are not generating more widows. That is why this side of the House is putting up safe rates
legislation, because we believe in safe roads. We understand the cost of $2.7 billion due to not having proper, safe rates in Australia. That is actually only the second-most important issue. What is most important is the fact that some people go to work and do not come home at the end of their shift that night. We know this is because of speeding. We know it is because of the pressure put on drivers to meet their deadlines. The safe rates bill will create safe roads. We can have the safest roads in the world. More than 30 years ago this nation introduced seatbelts, and we have seen the improvement that made. This House should unite on making sure that we do something to decrease the road toll caused by trucks. Perhaps for once I could ask those opposite—and I believe they are sincere about this issue—to let's do something that will not only help those widows but also ensure that others do not become widows as well; let's make sure all our families—(Time expired)

Mr Pyne: Mr Speaker, I rise on a point of order. The Prime Minister was asked a very straightforward question without debate—without argument—about who made the offer and on whose authority. She has not answered that question, so she cannot refer to previous answers.

The SPEAKER: The Prime Minister has hardly started her answer, and she knows what the question is.

Ms GILLARD: As I have said publicly, I am the only person who can make offers in relation to ministries. On the false claim made by the Leader of the Opposition yesterday, I refer to Bob Carr’s statement yesterday—though I am not surprised that the Deputy Leader of the Opposition is a believer in conspiracy theories in relation to this matter; after all, she had the humiliation of the Leader of the Opposition saying about the member for Kooyong that it is nice to have someone in the parliamentary party who understands foreign affairs at last.

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (14:45): My question is to the Prime Minister. On whose authority and by whom was the offer to Bob Carr made in relation to her ministry?

Ms GILLARD (Lalor—Prime Minister) (14:46): I refer to what I just said in my last answer. The Leader of the Opposition made a false claim yesterday. I have read the statement made by Bob Carr yesterday indicating that that was a false claim.

Mr Speaker, I rise on a point of order. The Prime Minister was asked a very straightforward question without debate—without argument—about who made the offer and on whose authority. She has not answered that question, so she cannot refer to previous answers.

The SPEAKER: The Prime Minister has hardly started her answer, and she knows what the question is.

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The SPEAKER: The Prime Minister will not go down that line. She will return to the substance of the question.

Ms GILLARD: So I understand that she would be a conspiracy theorist, given that the Leader of the Opposition thinks the member for Kooyong should do her job.

MOTIONS

Prime Minister

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (14:47): I move:

That so much of standing and sessional orders be suspended as would prevent the Deputy Leader of the Opposition from moving—

Honourable members interjecting—

The SPEAKER: Members on both sides will return to silence, including the Leader of the House.
Ms JULIE BISHOP: I move:

That so much of the standing and sessional orders be suspended as would prevent the Member for Curtin moving immediately—that this House call on the Prime Minister to explain the circumstances surrounding the botched attempt to install Bob Carr as Foreign Minister, the role of the Defence Minister in vetoing it and how the Australian people can have any trust in a Prime Minister with a pattern of behaviour that calls into question her integrity and who lacks the authority to control the faceless men of the Labor Party.

Standing orders must be suspended—

Government members interjecting—

Mr Laming interjecting—

The SPEAKER: The member for Bowman will leave the chamber under the provisions of standing order 94(a).

The member for Bowman then left the chamber.

Ms JULIE BISHOP: Standing orders must be suspended, and this motion must take precedence, because overnight more revelations have emerged that contradict the Prime Minister's version of events over the Bob Carr fiasco. The pattern of behaviour that is emerging borders on the pathological. The Prime Minister has turned denying the undeniable into an art form. The Prime Minister, when confronted with indisputable facts, manufactures a version of events that invariably turns out to be the opposite of what is true. She is a fabricator. That is why standing orders must be suspended—so that the Prime Minister can explain how it is that she claims that the offer being withdrawn after the intervention of the factions was completely untrue. These matters require the Prime Minister's explanation. Legitimate questions are arising about the Prime Minister's respect for the truth. Even those who are desperate to give the Prime Minister the benefit of the doubt admit that she has a passing acquaintance with the truth. I would say that the Prime Minister and the truth are total strangers. That fact is—

The SPEAKER: Order! The Deputy Leader will withdraw that. I point out that this is not a motion of censure. The Deputy Leader must focus on the substance of the motion, and the sorts of things that she could talk about in a substantive motion cannot be talked about in a motion to suspend standing and sessional orders.

Ms JULIE BISHOP: I withdraw. Standing orders must be suspended so that the Prime Minister can explain her behaviour. I have spoken about the pattern of behaviour which is part of the motion, and that is why standing orders must be suspended. For example, the member for Griffith learned, to his great personal cost, that her word is worthless. For months leading up to 23 June 2010 she declared loyalty that she would not challenge the Prime Minister. Even on the night she betrayed him she promised she would give him more time, only to go back on her word
moments later. That is why standing and sessional orders must be suspended.

The member for Denison learned to his great cost that the Prime Minister's written word cannot be relied upon, and she must explain this. The member for Denison was strung along for months, seduced into believing that her written word was worth something—but then he was betrayed. There is a pattern of behaviour here. The Australian people learned this when she made her promise that there would be no need for concern over the erosion of the private health insurance rebate. Now this Prime Minister is eroding that very same rebate. The Prime Minister also told the Australian people that, if they voted for her, there would be no carbon tax under the government she led. This is part of the pattern of behaviour that she must explain. The Prime Minister betrayed their trust and standing orders must be suspended so she can explain why she makes these statements that are then shown to be false.

We will recall that before the last election the Prime Minister announced the East Timor processing centre. She said she had spoken to the East Timorese President. She was subsequently ridiculed for poor judgment, for her diplomatic failing, and then she denied that she had nominated East Timor for the processing centre. In fact, she said:

I'm not going to leave undisturbed the impression that I made an announcement about a specific location.

So are we led to believe that she was speaking to President Ramos Horta about a processing centre in Antarctica? No wonder Laurie Oakes said of the Prime Minister—

The SPEAKER: The deputy leader will return to the substance of her motion.

Ms JULIE BISHOP: I am speaking about the pattern of behaviour, Mr Speaker, which is why the suspension motion should be carried.

The SPEAKER: The deputy leader must focus on why standing and sessional orders should be suspended.

Ms JULIE BISHOP: That is right, Mr Speaker. Standing and sessional orders must be suspended so that the Prime Minister can answer the charge from Laurie Oakes that she is silly and slippery and slimy and shifty. She must be given the opportunity to come into this place and explain this same behaviour that emerged over the Australia Day riot. When the truth would have done just fine, this Prime Minister gave a version of events that has proven not to be true. Even on the most straightforward issues the Prime Minister seems incapable of calling it as it is. After unleashing her dogs of war with a most personal and vitriolic attack on the member for Griffith, she now wants to believe that she was not publicly humiliating him—she was in fact honouring him. Standing orders must be suspended so she can explain this behaviour. The Prime Minister could not even get it right when she was talking about his achievements, saying that the member for Griffith created the G20 and created the East Asia Summit. Not even the member for Griffith would claim such grandiosity. That is why the Prime Minister must explain herself.

Standing orders must be suspended so that the Prime Minister can give her version of the events of the Carr wreck. We will recall that the Prime Minister said she was not involved in the toppling of the member for Griffith; that she was not in any plot to overthrow the Prime Minister. We now know she was hawking around polling; she was having speeches written in her own office. Her version of events is simply implausible. Last week the Prime Minister's version of why the member for Griffith had to be
removed was revealed as not sustainable. She said she believed that it was a good government that had lost its way, but we now know that she did not believe it was a good government. She in fact thought it was chaotic and disorganised and paralysed and not focused on the national interest. In fact her deputy said—and this is what she should be called in to explain and this is why standing orders must be suspended—that this was a government that had contempt for the cabinet, contempt for the caucus, contempt for the parliament and contempt for the public. So, far from the Prime Minister's version that it was a good government that lost its way, she now admits that it was a bad government getting worse. That is why standing orders must be suspended.

The Prime Minister wanted us to believe that she did not tell the truth about the events of 23 and 24 June because she did not want to hurt the feelings of the member for Griffith. Spare us, Mr Speaker! Do we have to have any more of this? Having unleashed the most personal abuse on the former Prime Minister of this country, she now wants us to believe that she did not want to hurt his feelings. The fact is that the Prime Minister's instinct is to manufacture and to fabricate to suit her political purpose. No wonder a third of her caucus decided that she was not worthy of their vote.

Standing orders must be suspended so the Prime Minister can explain the circumstances surrounding the role of the Minister for Defence in vetoing the Prime Minister's choice of Bob Carr for foreign minister. The Prime Minister says that allegation is completely untrue, but we will soon know. If the Prime Minister appoints the defence minister to be the foreign minister, that is evidence of his veto. Surely the Prime Minister would not otherwise want to appoint the fourth Labor defence minister in four years. We have learned that the minister for regional Australia has also vetoed the Prime Minister's choice of Bob Carr, so both ministers want the job. The Prime Minister is faced with a choice between the member for Perth and the member for Hotham—a choice between a rooster and a feather duster, so wipe the floor with that one. Standing orders must be suspended so the Prime Minister can explain how she can claim a new assertiveness one day when the next day she is completely and comprehensively undermined by the factions.

Standing orders must be suspended so the Prime Minister can explain matters that go to her very character, to her personal integrity and to her fitness to hold office. We are seeking the opportunity for the Prime Minister to explain why she seeks to construct versions of events when the truth will do. Members will recall the Prime Minister telling us that she was a prize winner in Bible studies. Perhaps she might remember Matthew 12:37: by your words you will be justified; by your words you will be condemned. (Time expired)

The SPEAKER: Is motion seconded?

Mr PYNE (Sturt—Manager of Opposition Business) (14:58): I second the motion, Mr Speaker. Standing orders must be suspended because the Prime Minister says you cannot believe everything you read, but the real problem with this Prime Minister is that you cannot believe anything she says. The Prime Minister should be required to come into the House and explain the extraordinary circumstances surrounding the botched attempt to appoint Bob Carr as the foreign minister. The Prime Minister is condemned by her own words. In question time today the Prime Minister said, in answer to a question from the opposition:

I believe that it is appropriate for me as Prime Minister to have discussions with people about having the best possible team. I have got a great
team, but when we are seeking to add to the team of course you have a range of conversations.

The reason the Prime Minister was speaking to Bob Carr on Monday night is that she was seeking to bring him in from the outside to add to the team. It does not stack up with her statement yesterday that the Australian's report of this story was completely untrue.

Again, she was condemned by her own words. In question time today she was asked a very straightforward question.

The SPEAKER: The Manager of Opposition Business will return to the substance of the motion.

Mr PYNE: The reason standing orders should be suspended to give this motion precedence is that we on this side of the House would like to give the Prime Minister the opportunity to explain to the House her answer today to a question from the opposition, which was that, if her statement to the Australian at a press conference that the story was 'completely untrue' was in fact true, would she repeat the statement in the House. Do you know what she did? She did not repeat it in the House. She left out a crucial word. She left out the word 'completely' from her statement today. We know why. It is because they are weasel words. She knows that if she tells the truth in this place, if she misleads the House in this place, it is a sackable offence, whereas misleading the press and misleading the people is just more Labor spin, which she has been getting away with for 4½ years in government.

The reason standing orders must be suspended to give this motion precedence is the pitiful truth that the faceless men used this Prime Minister to politically assassinate the former Prime Minister in 2010. They did it again on Monday and they don't need her any more. The circus has moved on and the Prime Minister is going to be left in the litter as the faceless men divide up the spoils of a new government under a new leader.

The facts that have been agreed in this case were well put by Dennis Shanahan today in the Australian. He said:

These are the agreed facts … Carr was offered the Senate vacancy and the position of foreign minister; Gillard spoke personally to him at least twice on Monday night; after the conversation Carr believed he was going to be foreign minister; Carr was prepared to come to Canberra on Tuesday for an announcement; Stephen Smith and Simon Crean objected; and finally the offer of foreign minister was withdrawn on Tuesday morning and the alternative of defence (Smith’s portfolio) or trade (Craig Emerson’s) was offered. None of those facts has been disputed by anyone in the government. The Prime Minister has been left like a shag on a rock with nothing to protect her from the truth in this case. The opposition will prosecute this case, and we are getting plenty of help from the Labor Party. Even this morning backbenchers and frontbenchers were throwing up their hands in horror about the performance of the Prime Minister.

The SPEAKER: The Manager of Opposition Business will return to the motion.

Mr PYNE: There was this brief shining moment of independence for the Prime Minister on Monday. She was like a hostage briefly freed.

The SPEAKER: Order! The Manager of Opposition Business will talk to the substance of the motion.

Mr PYNE: The reason this motion should be given precedence is that, like a hostage freed briefly on Monday, the Prime Minister tasted freedom but she was quickly wrapped up by the faceless men and put back in the dark where they think she belongs.

The Australian people deserve better than this. They deserve a government that will
Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:04): Today I rise for the 44th time to a suspension of standing orders motion moved by the opposition. Every day they come in here and stop question time in order to move a suspension of standing orders, because they have nothing to say about the future of this nation. Not only do they have nothing to say about the future of this nation, they do not even bother to try to hold the government to account on any of the major issues of the day that confront Australia—not on the economy, not on social policy, not on health policy and not on education policy. I have had one question in years on infrastructure and transport, even though the Leader of the National Party is the shadow minister. It shows—and this is the reason we should not support the suspension motion moved by the opposition—that every day this is just an act of self-indulgence. Every time they do this they say that they just care about themselves and not about those they purport to represent. Every time they do it they remind the Australian people that they are not interested in issues. They remind Australians that, in today's case, they are pushing off the matter of public importance debate, which is about a price on carbon. Remember that. They thought it was important, but today they move a motion that, if carried, will mean we will not have a debate today about the price on carbon. We on this side of the House are very happy to debate a clean energy future, what it will mean for our economy, what it will provide in terms of support for pensioners, what it will provide in terms of the support for working Australians through tax cuts, what it will mean for families in the suburbs and what it will mean for future jobs as we move to a carbon constrained economy.

Regarding the resolution today moved by the shadow minister for foreign affairs, you would think that she would just be embarrassed. The only questions that we have had from the shadow minister for foreign affairs have been ones that have sought to play politics and make fun. They are the only things that have been raised. There is never anything serious. There has never been anything about famine in Africa, the great global issues confronting the G20 or the European economy and there has never been anything about the implications for this nation of all those great global issues.

It is no wonder that the Leader of the Opposition said about the member for Kooyong on 28 August last year, 'I've got to say it's nice to have someone in the parliamentary party who understands foreign affairs at last.' What an endorsement! And he heard his name: he thought it was a call from the Leader of the Opposition. I am sorry, Josh, it is not my decision; it is the decision of the bloke in front of me. And this bloke in front of me is quite happy to have a lame duck who is not interested in foreign affairs as the shadow minister. We want to debate the substantial issues. That is why we do not support the suspension of standing orders. The member for Kooyong came in with some hope and he did not last a minute! That says it all about those opposite.

We are happy to debate the great issues of the day, such as our stance as enhancers of opportunity versus their stance of entrenchers of privilege, or our stance as builders of the nation versus their stance as wreckers, or our stance on a return to surplus...
versus their stance, with their $70 billion black hole, or what we stand for with our positive vision for the future versus their stance as a bunch of negative hollow opportunists.

The SPEAKER: The Leader of the House will return to the question before the chair.

Mr ALBANESE: I am speaking on the question, Mr Speaker. During question time, I want to continue to debate our politics of conviction versus their politics of convenience. I want to have questions asked of us about the great issues of the day and the fact that we are focused on the big picture: infrastructure, skills and climate change. I want to debate how we put the national interest first while they just play politics and put their party first. I want to debate how we stand for a fair share for working people while they stand for special deals for the big end of town.

We saw this in the last question asked by this side of the House of the minister for workplace relations about safe rates. I also had the privilege of meeting today the families of those who have lost loved ones in accidents involving heavy vehicles. This is a big issue. It is one on which the member for Hinkler produced a seminal report many years ago—a decade ago. But it was not acted upon. We on this side of the House have given this issue a very considered response. We have consulted independent contractors.

The SPEAKER: The Leader of the House will talk about why standing orders ought not be suspended.

Mr ALBANESE: Yes, Mr Speaker. These are the issues that we could have got more questions on this afternoon rather than this petty politics. These are the issues that matter. I bet that if this suspension had not occurred I would have got the next question. This is a very good argument for why we should not suspend standing orders. I care about these issues. This parliament should not just be concerned with the negative. This parliament has to be concerned with the positive and with the future issues facing our nation, such as the need for safe rates for people who drive our trucks and keep this country going.

We very firmly believe that we have a strong, positive agenda across the policy spectrum. Day after day, ministers come in here and they may as well bring in novels, because there is no chance of them getting—

Mrs Bronwyn Bishop: Mr Speaker, I rise on a point of order. In relation to the defence of why standing orders should not be suspended, is it appropriate for the Leader of the House, who did not support the Prime Minister, to stand and defend her?

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

The member for Mackellar then left the chamber.

Mr ALBANESE: Mr Speaker, that decision is a very popular one on both sides of the chamber!

The SPEAKER: The Leader of the House will return to the substance of the motion before the chair.

Mr ALBANESE: I will, Mr Speaker. I have nothing more to say about the future of the modern Liberal Party, who leaves the chamber as we speak. The fact of the matter is this: we oppose this suspension because we want to discuss positive issues. Those opposite just want to muckrake during question time and during these daily suspensions. When we do discuss issues, those opposite say no to a surplus, no to jobs, no to action on climate change, no to a future
for manufacturing, no to the NBN, no to helping working people, no to tax cuts for small business, no to better superannuation for workers and no to pension increases. That is all that they have to say about the issues facing this nation. That is why every day they come in here and move these motions. They have done so on 44 occasions.

I will conclude with a Robert Menzies quote, who said this:

...on far too many questions we have found our role to be simply that of the man who says 'No.' ... There is no room in Australia for a party of reaction. There is no useful place for a policy of negation.

All those years ago, in 1944, Robert Menzies had figured this bloke out. Robert Menzies was indeed a visionary, because he knew what his party would become. Frankly, the Australian people deserve better and that is why this ridiculous suspension motion—the daily suspension motion typed up in advance, typed up in the morning and moved like clockwork at 2.48 pm every day—should be rejected. *(Time expired)*

**The SPEAKER:** Order! The time allotted for this debate has expired. The question before the chair is that the motion for suspension of standing and sessional orders, moved by the honourable Deputy Leader of the Opposition, be agreed to.

The House divided. [15:19]

(The Speaker—Hon. Peter Slipper)

Ayes.....................68
Noes....................73
Majority.................5

**AYES**

Abbott, AJ
Andrews, KJ
Baldwin, RC
Bishop, Ji
Broadbent, RE
Chester, D
Ciobo, SM
Crook, AJ

Entsch, WG
Forrest, JA
Gambaro, T
Griggs, NL
Hartsuyker, L
Hockey, JB
Irons, SJ
Jones, ET
Kelly, C
Marino, NB
Matheson, RG
Mirabella, S
Moylan, JE
O'Dowd, KD
Prentice, J
Ramsey, RE
Robb, AJ
Roy, WB
Schultz, AJ
Secker, PD (teller)
Smith, ADH
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Washer, MJ

**NOES**

Adams, DGH
Albanese, AN
Bandt, AP
Bowen, CE
Brodmann, G
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
Crean, SF
D'Ath, YM
Elliot, MJ
Emerson, CA
Ferguson, MJ
Garrett, PR
Gibbons, SW
Gray, G
Griffin, AP
Hayes, CP
Jenkins, HA
King, CF
Livermore, KF
Macklin, JL
McClelland, RB
Mitchell, RG

Adams, DGH
Bandt, AP
Bowen, CE
Brodmann, G
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
Crean, SF
D'Ath, YM
Elliot, MJ
Emerson, CA
Ferguson, MJ
Garrett, PR
Gibbons, SW
Gray, G
Griffin, AP
Hayes, CP
Jenkins, HA
King, CF
Livermore, KF
Macklin, JL
McClelland, RB
Mitchell, RG

Albanese, AN
Bandt, AP
Bowen, CE
Brodmann, G
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
Crean, SF
D'Ath, YM
Elliot, MJ
Emerson, CA
Ferguson, MJ
Garrett, PR
Gibbons, SW
Gray, G
Griffin, AP
Hayes, CP
Jenkins, HA
King, CF
Livermore, KF
Macklin, JL
McClelland, RB
Mitchell, RG

Ayes.................68
Noes.................73
Majority............5
Question negatived.

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

STATEMENTS ON INDULGENCE

Lane, Ms Cheryl

The SPEAKER (15:24): I would like to make an announcement in relation to the highly regarded Cheryl Lane, and I think it is appropriate that honourable members resume their seats. I wish to advise the House that today Cheryl Lane, our Attendant Supervisor, is retiring. Cheryl has worked for the House since August 2001 and as supervisor since February 2005. She has managed the attendants service supporting this chamber, the Federation Chamber and committee rooms in providing messenger services across the department with military precision and good humour. While clapping is disorderly, I am sure the clapping we have just had was appropriate in this instance.

Cheryl, I am sure that all honourable members join me in wishing you sincerely a long and happy retirement and we would like to thank you profusely for your services above and beyond the call of duty.

Honourable members: Hear, hear!

Ms GILLARD (Lalor—Prime Minister) (15:25): I join with you, Mr Speaker, in saying to Cheryl: thank you for everything that you have done for government members in your occupation as supervisor of the attendants, and I know that means your duties are not just here in this chamber but throughout Parliament House. It is very appreciated by government members. I was gesturing before at the member for Chisholm because I have had such a rap for Cheryl from the member for Chisholm that I easily could give an hour-and-a-half address on the things that she has done in the role that she performs, but I do not know whether or not that hour-and-a-half address is appropriate at this stage, Mr Speaker. But I do want to say a very big thank you from us to you, Cheryl, and we wish you all the best in your retirement.

Mr ABBOTT (Warringah—Leader of the Opposition) (15:26): I rise to join the Prime Minister in wishing Cheryl Lane a long and happy retirement and in thanking her for her long and dignified service to this parliament. It could well be said that those who love this parliament most are not necessarily those who are elected to it but those who work for it on a day-to-day basis and who ensure that the parliament functions with precision and dignity. We can say with absolute confidence that in her many years working for this parliament Cheryl has certainly added to the dignity of the parliament and she has conducted herself with honour—at least as much honour as the rest of us can manage. We should appropriately acknowledge those who enable us to do our work. Cheryl, you have been a fine servant of this parliament in this country.

Mr FITZGIBBON (Hunter—Chief Government Whip) (15:28): On behalf of the broader federal parliamentary Labor
Party—in particular those of us who sit up the back here—who on a very regular basis find reason to express our appreciation more generally to those people who keep this place running, on this occasion I would particularly like to express our appreciation to Cheryl. She will be sadly missed. She is highly regarded and respected. She does a wonderful job.

I would like to remind members that last year Cheryl and her partner, Kay, were involved in a very serious motor accident and as a result of that Kay has not returned to work. I have no doubt that Cheryl and Kay will now, in retirement, have an opportunity to spend some more quality time together.

Mr ENTSCH (Leichhardt—Chief Opposition Whip) (15:28): I also offer my support for what has already been said in relation to Cheryl's outstanding service. Can I reflect just a little. We see people around this chamber in their green jackets providing a whole range of services for us, which we greatly appreciate. But often we do not realise what the backgrounds of these people are. Cheryl served in the Royal Australian Navy for 15 years from 1972 till 1987. She reached the rank of chief petty officer. She became a defence civilian after her military service from 1987 to 1993 and was awarded the Assistant Chief of Naval Staff's personal commendation in 1991 for her work in setting up a call centre for family and friends for service personnel involved in Australia's contribution to the 1991 Gulf War. So there is a story behind the story there which I think we need to reflect. She had an outstanding service prior to her coming to this place, and that additional 11 years here has been, I think, a wonderful contribution and a great service to this parliament and to the people who sit in it.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:30): Mr Speaker, on indulgence: as Leader of the House, I would like to associate myself with the comments of the Prime Minister, the Leader of the Opposition, the whips and you, Mr Speaker, in thanking Cheryl for all the assistance that she has given. I think the spirit in which this discussion is taking place is a sign by which each and every member of the House of Representatives acknowledges the assistance that we get without question. We often impose sitting timetables that shift around, which the attendants and the staff of the parliament do not have any control over. I have been in this place for 16 years tomorrow. I always remember the date because it is my birthday. During my entire 16 years here, we have had extraordinary support from the staff of the parliament. Cheryl is always happy to do whatever is requested of her, and I wish her and her partner very well in their retirement.

Mr NEVILLE (Hinkler—The Nationals Deputy Whip) (15:31): Mr Speaker, on indulgence: in the absence of our chief whip, who, as you know, is on sick leave, I rise to associate myself with the chief government and chief opposition whips and, on behalf of the National Party, acknowledge Cheryl's service to the House. I think one of her most endearing qualities is her unfailing courtesy, and I hope that her retirement is everything she would wish it to be.

Mr SCHULTZ (Hume) (15:32): Mr Speaker, on indulgence: I would like to wish Cheryl all of the best for her retirement because she is a gold-plated member of the constituency of the Hume electorate. One of the things that I first learnt when I came into this place in 1998 was the wonderful calibre of the people here who serve us, the politicians. I know I can speak for both sides of the House about the wonderful contribution that Cheryl has made to her country in many, many ways. She must have
had an enormous amount of tolerance to keep up that beautiful friendly smile of hers day in and day out. Well done, Cheryl. Good luck and thank you for making me look good by being one of the lovely people that lives in the electorate.

Mr WINDSOR (New England) (15:33): Mr Speaker, on indulgence: if I could add my thanks to Cheryl for the work that she has done. On behalf of the cross-benchers, could I say that she has been an outstanding individual and a great representative. I was just saying to her at the door before this discussion began that we are very lucky in this parliament to have people of the calibre that we do have here. We have all recognised that today. But I think we have to really ensure that we maintain that calibre and that appreciation of the people who work within this building. I have been in two parliaments and the member for Hume has been in two as well. I have seen the loss of esteem of the people who actually work within one building. We have it here and it will be up to the members of this chamber and those who administer it to make sure that those people are shown the appreciation they absolutely deserve. Cheryl is an outstanding example of the calibre of people that we have within this building.

The SPEAKER: Cheryl, once again, thank you very, very much. On behalf of all honourable members, I wish you a long and happy retirement and thank you for your service to all of us.

DOCUMENTS

Presentation

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:37): Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings and I move:

That the House take note of the following documents:


Debate adjourned.

PERSONAL EXPLANATIONS

Ms OWENS (Parramatta) (15:35): Mr Speaker, I wish to make a personal explanation.

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

Ms OWENS: Yes.

The SPEAKER: Please proceed.

Ms OWENS: Yesterday in the House the shadow Treasurer referred to me by name in a statement that the Labor controlled House Standing Committee on Economics had used the majority numbers to block an inquiry into the Corporations Amendment (Phoenixing and Other Measures) Bill 2012. The process of the committee is under privilege so I cannot go into detail, but I would refer the House to the public record, which is the minutes of the meeting of 21 February, which is up on the website.

The SPEAKER: The honourable member should show where she personally has been misrepresented. I think the honourable member has made her point.

STATEMENTS ON INDULGENCE

Farmer, Mr Patrick

Mr HUNT (Flinders) (15:36): Mr Speaker, on indulgence: I want to very briefly acknowledge the very good news that Pat Farmer, the former member for Macarthur, recently completed his run from the North Pole to the South Pole. He lost his
preselection, reacted appropriately and decided to run from the top of the earth to the bottom of the earth. It was a 21,000-kilometre odyssey, an enormous amount of pain, a great adventure and a great Australian achievement. He marked it with a simple message via text to anybody who was on his list—'Job done'. So, well done, Pat, and congratulations.

The SPEAKER: I am sure that all honourable members would associate themselves with the congratulations to the former member for Macarthur.

COMMITTEES
Selection Committee

The SPEAKER (15:37): I present Selection Committee report No. 45 relating to the consideration of bills. The report will be printed in today's Hansard.

The report read as follows:

Report relating to private Members' business and the consideration of bills introduced 27 February 2012 to 1 March 2012

1. The committee met in private session on 29 February 2012 and 1 March 2012.

2. The committee determined that the Tax and Superannuation Laws Amendment (2012 Measures No. 1) Bill 2012 be referred to the Standing Committee on Economics for inquiry and report.

3. The committee recommends that the following items of private Members’ business listed on the Notice Paper be voted on:

Orders of the Day—
Fair Work Australia investigation (Mr Abbott)
Orange juice concentrate imports (Mr Secker)
Most Venerable Thich Phuoc Hue OAM (Mr Ruddock)
Apology to the Stolen Generations (Ms Saffin)
Australian Year of the Farmer (Mr Scott).

MATTERS OF PUBLIC IMPORTANCE

Carbon Pricing

The SPEAKER (15:37): I have received letters from the honourable member for Flinders and the honourable member for Deakin proposing that definite matters of public importance be submitted to the House for discussion today. As required by standing order 46(d), I have selected the matter which, in my opinion, is the most urgent and important; that is, that proposed by the honourable member for Flinders, namely:

The urgent need for the Government to abandon the carbon tax.

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

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

Mr HUNT (Flinders) (15:38): This matter is urgent because this week the very people who are proposing to implement in four months time the world's biggest carbon tax blew up the solar sector. The people who want to implement the world's biggest carbon tax could not even protect the solar sector; they blew it up. They also blew up their own house, but, more importantly, they blew up the solar sector. But don't take out word for this. Let's listen to what the Clean Energy Council said:

The clean energy industry says the unexpected cut of a key government solar hot water program late yesterday will put jobs under threat... The CEO of the council said that the: ... decision will immediately affect sales and will put more than 1200 manufacturing jobs and 6000 installation, sales and back office jobs in jeopardy.
Cutting this program without warning in the middle of a financial year is yet another example of stop-start policy making that continues to plague the entire clean energy sector.

That is what they do to their friends. This is a government that seeks to implement in four months time the most complex, most far-reaching, heaviest and widest carbon tax in the world, and they cannot even run a solar hot water program. It is important to note this program was the successor to—it wait for it—the Pink Batts program. So they replaced the Home Insulation Program on 19 February 2010 and they blew up its successor this week, on 28 February 2012. That is what they do to their friends.

Let's look at the carbon tax and how in their hands this measure is going to be destructive to the Australian economy and damaging to families and, above all else, it is going to fail to achieve its purpose. Very simply, we have had matters of great urgency this week, when the most senior people in the industry have made it clear that we are facing a real and significant threat to jobs, to competition, to viability and to electricity prices.

Let me start with what the CEO of Australia's largest power producer, Macquarie Generation, said. Sir Russell Skelton made it absolutely clear on the front of the Australian Financial Review yesterday. The article reads:

The head of Australia’s largest power generator has warned that electricity prices will rise more than the federal government predicts under an option to ration output in order to stay profitable under the carbon tax.

There are two fundamental things in what the head of Macquarie Generation has said. Firstly, power prices will rise more than the government predicts under an option to ration output in order to stay profitable under the carbon tax.

Australia has said it will be 20 per cent. And here we have the head of the largest power generator in Australia belling the cat, calling the government to account and making it absolutely clear that power prices will rise by more than the already high 10 per cent—on top of the 50 per cent price rise across Australia over the last five years.

But there is something even more concerning than the price rises which will have a huge impact on industry, whether it is on aluminium, cement, steel, other forms of heavy industrial production, small businesses or families. The question is: what could have more of an impact? That is the issue of energy security. And it is not us that say that. It is the government itself and the key generators. In recent days we have seen that InterGen, one of Australia's most significant power providers has been reported as facing huge refinancing issues directly as a consequence of the carbon tax. We have seen that Loy Yang is having enormous trouble refinancing, directly as a consequence of the carbon tax. And Macquarie Generation has warned of rationing power.

Let's understand this. In the 21st century, in a developed economy, in a country with extraordinary resources, the consequence of the carbon tax on power supply is, according to the CEO of the largest generator, that we are looking at facing rationing of power supplies. That is the sign of a government that could not manage a home insulation program, could not manage a Green Loans Program, could not manage a solar hot water rebate program and certainly could not manage the world's largest and widest carbon tax. There is real and present danger to the supply of energy in Australia.

If the government doubts what we say, why did they have to create an Energy Supply Council? Why did they have to create a fund which will give a billion dollars
directly to the largest Victorian brown coal power producers between 31 May and 30 June this year—cash, no strings attached? Because their balance sheets are at such a risk that this government is giving not $100 million, $200 million or $300 million of cash to the largest companies in the power generation sector just so as they can keep the lights on.

We have a situation where prices will go up, by more than the 10 per cent that the government has argued, and there is a reason for that. Because of the system that they have set in place, companies will have to make forward purchases because they have to make long-term contracts to deal with the carbon tax that is being imposed on them, and therefore there price rises will be higher than the government has said. Again, not us. That is what the Electricity Supply Association of Australia said. So power prices are going to skyrocket. If energy security is being put at risk, something is deeply, profoundly wrong. The history, the practice, the reality of the way this government has managed—green loans, pink batts, solar hot water, solar panels, cash for clunkers and citizens assembly—gives you a sense that all of these pale into insignificance when compared with what will be a $27 billion tax over three years with profound impacts on industry right across the country.

The next thing, though, is that it is not just this detail from the CEO of Macquarie Generation, but also something far more significant than that. We have Professor Warwick McKibbin, a former Reserve Bank board member, an ANU professor, and what did he say this week? He predicted the carbon tax would push up prices more than Treasury forecast. That is what a former Reserve Bank board member said. But he is not the only Reserve Bank board member: Graham Kraehe in the last week has given deep warnings about the impact of the carbon tax. Graham Kraehe and Warwick McKibbin together have made it absolutely clear that the design, the construction and the intent of this tax is deeply and profoundly flawed.

Don Argus, one of Australia's most senior business people, just today said this: The carbon tax was the result of political expediency. I am concerned that we have a badly designed, hurriedly implemented tax that imposes significant costs on the economy but that may not achieve its core aim.

That is absolutely right. It will not achieve its core aim because what happens to Australian emissions between now and 2020? They go up from 578 million tonnes to 621 million tonnes—a 43 million tonne increase in domestic emissions, almost two tonnes per person. How do we meet the government's objective? We have to go offshore and buy 94 million tonnes of foreign carbon credits by 2020 but at a carbon price which by their own reckoning will be $37 in actual dollars at that time. That makes $3½ billion of expenditure on top of the carbon tax.

Let us be clear here. The likely carbon tax liability to the Australian economy will be about $14½ billion by 2020 but on top of that they then have to go and purchase 94 million tonnes or $3½ billion worth of foreign carbon credits, which are paid for by Australian companies. So that money is in addition because the carbon tax does not achieve its purpose. Why does it not work? Because Australians have historically shown that if you increase electricity prices they do not change their consumption significantly; they substitute out of other things. The pensioner substitutes out of the once-a-month meal at a restaurant; the parent substitutes out of the swimming lessons; the self-funded retiree might not be able to give the present they want to their grandchildren at the end of the year. It is a reality that there is that substitution.
On every observation, electricity is an inelastic good in Australia. The fact that electricity prices have risen 50 per cent with barely any significant change in demand over the last five years ought to say to the government, 'This is not the right mechanism to reduce emissions.' All it does is increase the cost of living, destroys jobs in companies such as Alcoa, in places such as the Kurri Kurri smelter, in places such as Tomago, in places such as Gladstone where the QAL smelter is at risk in the alumina area precisely because of the carbon tax. That is what others have made absolutely clear.

Again, do not take our word or industry's word. Let us hear what the Minister for Resources and Energy, Martin Ferguson, says. This is what he said this week, reported in the *Age* on 27 February:

I think there's a lot of concern in industry at the moment about the price we've locked in given where Europe is at the moment in terms of price of carbon—whether we've locked in a price that's to our disadvantage as a nation.

That was the Minister for Resources and Energy, the minister in charge of Australia's power sector, sending a message to the Prime Minister: This system is bunk; this system is broke; this system will not work; it won't achieve our emissions reduction outcome, but it will drive up our prices. It will not work in comparison with our competitors and therefore it is a dud, it's a fix, it's a fraud, it's a failure and it will not achieve the outcomes. But it will hurt Australian families and it will hurt Australian workers.'

That is the problem. It will send jobs to India, China and Indonesia but it will not reduce global emissions. Just today we have seen reports that council rates will also be forced up. Councils right across my home state of Victoria are talking about an increase in council rates of three per cent in the first year alone, because of the carbon tax. So every time you take out the rubbish bin, every time you seek additional work on a drain, you are going to pay more because council rates will be up. That will happen in the first year.

What we see is a tax that is profoundly flawed because it does not achieve its core outcome and is not in line with what the rest of the world is doing. Only this week, Japan has made it clear there will be no carbon tax under any government that the current Japanese Prime Minister leads. So Japan has walked away from a carbon tax. Canada held an election and ditched the carbon tax. The US President said while he was here in Australia that heading forwards there would be no carbon tax or equivalent scheme in the United States. So the rest of the world is running away from this proposal at 1,000 miles an hour. Even in Europe, you find that the European scheme averaged out at $1 per head across the continent while the Australian scheme will average out at $400 per head. We are almost 400 times heavier in our first five years than the experience under the European scheme in its first five years. There is no comparison.

I return to where I began—on the issue of competency. The structure, the nature, the purpose, the intent and the effect of the carbon tax are all deeply and profoundly flawed because of the impact on electricity prices and electricity security. The competency of those who seek to implement it is fundamentally broken. This week they could not even run a solar hot-water scheme. That scheme, which was the successor to something announced by the coalition, was announced on 19 February 2010 by, guess who, the former minister for the environment and current Minister for School Education, Early Childhood and Youth, as the successor to the Home Insulation Program. It was terminated 48 hours ago, without notice, without warning, by the man sitting next to
the government dispatch box, the Parliamentary Secretary for Climate Change and Energy Efficiency.

The Clean Energy Council have denounced the termination. Numerous people within the industry have denounced it. The government has tried to make it clear that the money ran out. Two weeks ago, the portfolio budget statement showed there was $24½ million in the forward estimates for next year—so this program was extended a year ago with an additional $24½ million. That was done in the budget papers in 2011. It was reconfirmed by Treasury two weeks ago, and now that money has mysteriously gone. The government has ripped the solar sector off. It cannot manage the carbon tax, and this tax should be abolished immediately. (Time expired)

Mr DREYFUS (Isaacs—Cabinet Secretary, Parliamentary Secretary for Industry and Innovation and Parliamentary Secretary for Climate Change and Energy Efficiency) (15:53): I want to put on the record that we will not abandon the pricing of carbon. That is the one thing that was raised here by the member for Flinders which he did not actually want to go to in his remarks. We will not abandon the pricing of carbon. This parliament, the parliament elected by the people of Australia, has legislated for the pricing of carbon, and we will not be abandoning the pricing of carbon. It is a mark of the extraordinary extreme economic irresponsibility of the opposition that they would propose even a delay or a modification of the pricing of carbon. But in fact they are proposing here its abandonment.

Mr DREYFUS: I need to make clear that we have joined the world effort to combat climate change, which the Howard government dragged its feet on until the last minute before the 2007 election. But even the Howard government finally got there, agreeing with Labor's policy of introducing a price on carbon, agreeing with Labor's policy of introducing an emissions trading scheme, agreeing with Labor's policy to take action to fight climate change. It was led in that agreement—dragging the rest of the government along with him kicking and screaming—by the member for Wentworth, as the last Liberal minister for the environment.

This gives me an opportunity to put the record straight in relation to some of the fictions that the member for Flinders has been advancing here in the House about the solar hot-water rebate scheme that was closed this week—or closed with effect from 30 June 2012, because rebates will continue to be paid in respect of applications made through to 30 June 2012 provided there was a contract entered into by 28 February 2012. That scheme, far from having being introduced just recently, far from being in some way—as I think the member for Flinders colourfully put it—a successor to the Home Insulation Program, was in fact a scheme commenced on 17 July 2007, when it was announced by the then Minister for the Environment and Water Resources, the member for Wentworth. I had an occasion to look for the press release, because I wanted to check when it was announced and I wanted to check the way in which it was announced. The member for Wentworth said:

Funding of $252.2 million over five years will also be provided for up to 225,000 solar hot water rebates of $1,000 for households which install eligible solar and heat pump water heaters in their homes.
That is what the then Liberal minister for the environment, the member for Wentworth, said on 17 July 2007.

Mr Hunt interjecting—

The DEPUTY SPEAKER: The member for Flinders will be silent or he will leave the chamber!

Mr DREYFUS: We in 2009 extended the program to $320 million and have in fact delivered this program. It has now provided rebates in respect of some 250,000 installations and it has been in four budgets. This should be no surprise to any member of this House. It is certainly no surprise to the member for Flinders that this was a time-limited program that has been at all times described as a program for five years. It was described as a program for five years when introduced by the Liberal minister for the environment and it has been described by us as a program running for five years. It has been in four successive federal budgets, there for all to read. Because it was coming to an end in 2012, we have also provided, for run-off purposes, another $24.5 million in respect of rebates that are claimed right up to the last day, 30 June. We will need some funding to make sure that those rebate claims made by Australians are able to be paid. That is the reality of this program. It is a Liberal government initiative continued by us.

But I want to get to the context for this initiative rolled out by the member for Wentworth when he was the last Liberal minister for the environment. The 17 July 2007 media release was headed—and this shows how far the Liberal Party has fallen from economic responsibility and from any real attempt to take action on climate change—‘Australia leading the world on climate change’. In it, the last Liberal minister for the environment—and I hope we do not have another one anytime soon—is quoted:

The Australian Government will commence work on a world-leading greenhouse gas emissions trading scheme with careful analysis on a long-term goal for emissions reduction, the Minister for the Environment and Water Resources, Malcolm Turnbull, said today. ‘Australia’s emissions trading scheme will be the most comprehensive in the world,’ said Mr Turnbull.

How far has the Liberal Party fallen from economic responsibility since 2007? A very long way. This is now the party of the $70 billion black hole. It is the party that wants to put up taxes, as demonstrated by the Leader of the Opposition’s paid parental leave scheme, which he says he is welded to, that is going to be funded by a new tax on business.

The last Liberal government of this country was completely committed to the pricing of carbon. We remain completely committed to the pricing of carbon, and the parliament elected by the people of Australia has legislated for the pricing of carbon. The opposition needs to realise that abandoning the pricing of carbon—which the member for Flinders calls for in this matter of public importance—would condemn Australia to future economic disruption as we get closer to 2020, because the world is now on track to an agreement to reduce the world’s emissions. This is a world problem. Once upon a time the Liberal Party actually understood that. We have it clear that abandonment of sound policy is now a hallmark of the opposition. We have it, for example, in seeing that the opposition would abandon the minerals resource rent tax as well because they do not want the people of Australia to have a boost to superannuation and they do not want the people of Australia to have a boost to infrastructure—they do not want the people of Australia, indeed, to share in the benefits of the mining boom.
I have to admit that, like most Australians, I am getting very, very sick of the opposition's endless negativity. We saw confected outrage this week in relation to the orderly closure of a five-year time-limited program for solar hot-water rebates. We saw it again today from the member for Flinders. We need to be clear about this: climate change is happening, climate change is real, and we have to act. The opposition say that they believe this. They say that they support our emission reduction targets. But instead of supporting policy that is in the national interest they engage in an utterly unprincipled scare campaign. What a joke.

Last time I spoke on this issue in this chamber, I noted just how astounding it was to see how those on the other side of this chamber have wilfully perpetuated their own ignorance. They have deliberately ignored the benefits of our clean energy future plan for reasons of political expediency. They try to maintain that we should not put a price on carbon. I remind the House that those opposite do not even believe what they are saying—and, in particular, the member for Flinders does not believe what he is saying. The member for Flinders is very familiar with the benefits of pricing carbon. After all, he did win a prize for his 1990 university thesis entitled 'A tax to make the polluter pay'.

*Mr Hunt interjecting—*

**Mr DREYFUS:** The member for Flinders is saying he did not win a prize for the essay, but in fact he did write his 1990 thesis on 'A tax to make the polluter pay'. The member for Flinders, back when he had intellectual integrity, even pointed out the benefits of pricing carbon, including that it produces a strong incentive for firms to engage in research and development. But now he goes on and talks about the opposition's so-called direct action plan, toeing the party line. Indeed, this so-called direct action plan is a policy that he is well aware would cost Australians dearly, because this is the substitute that the opposition puts forward for the economically responsible and environmentally responsible policy of pricing carbon.

To reach the five per cent reduction target using the coalition's so-called direct action plan would impose a cost on taxpayers of something in the order of $30 billion between now and 2020. The so-called direct action plan would lead to bigger costs for households than a broad carbon price, and that is something that the member for Flinders and most of those opposite who have any kind of economic understanding understand. That is well understood by all responsible commentators and all responsible economists. The member for Flinders has had a complete loss of credibility, and he has clearly taken lessons from the Leader of the Opposition, who is, as we all know, the master of negativity.

Because our government is focused on actually governing rather than just playing politics and taking positions, because our government is focused on actually governing as opposed to the bizarre and confected hysteria of those opposite, let me explain why our policy is the best way to address climate change. The clean energy future plan is in fact a huge opportunity for Australian workers and a huge opportunity for Australian business. It is a plan which will cut pollution. It is a plan which will drive investment and create jobs in clean energy technologies and infrastructure like solar, gas and wind. It will help build the clean energy future that future Australians deserve.

Action on climate change can help position Australia to take full advantage of the opportunities presented by a future carbon-constrained global economy.
world is taking action. The world is continuing to take action on climate change. Failing to act, which is what those opposite would have us do, will mean that Australia will not be able to fully participate in the new global economy. Failing to act now would mean missing out on access to new markets. It would mean missing out on the benefits that will flow from a more innovative Australia and it would risk the economic costs imposed by late action.

That is what those opposite seem to have failed to understand. If, as it is now agreed that we will work towards, the world reaches an agreement by 2020 that imposes a legally binding obligation on Australia to achieve very major cuts in our emissions and we have not, as we intend to do, embarked on the path of cutting Australia's emissions—and we are a very carbon-intensive economy—if we have not embarked now, in 2012, on the path of reducing Australia's emissions, then the cost to Australia, the cost to the whole of the economy, to Australian workers and to Australian businesses, will be immense. It will cause immense disruption to our economy. But that is the path that the opposition would have us now embark on. That is what they are calling for when they are saying that we should abandon the pricing of carbon.

The clean energy future plan is one of the most significant industry and innovation policies that this nation has seen. It is over $15 billion invested in creating the jobs of tomorrow, most notably in manufacturing. Those opposite would have our industries stand still as their overseas competitors reduce their pollution intensity and get a head start in competing with the low-carbon global economy, because that is where the world is headed.

Of course, because we are the Labor Party, we are a party that represents working people. We will be making sure that low- and middle-income earners receive assistance as we make these changes. In none of the speeches that one hears from those opposite do we ever hear about the assistance part of the clean energy future package. They never talk about assistance, only hysterically inflated estimates of the costs of imposing a price on carbon. It is important to keep the assistance in mind. We have tax cuts. We have increased payments which are targeted at those who need them most. Labor will make sure that pensioners, low- and middle-income earners and families doing it tough are looked after. The rest of the world is acting. Our economy and our environment will be badly damaged unless Australia acts too. It really must take a lot of collective effort to deny reality so comprehensively as the opposition seeks to do. We do know that many of those opposite like to pretend that climate change is not happening. Perhaps one of the people sitting opposite me at the ministerial table—the member for Flinders, I think—is prepared to accept that climate change is happening, but many of those opposite simply ignore the facts, the overwhelming weight of evidence from the scientific community, that climate change is happening, and they have cobbled together a policy which they have got no intention of pursuing if they ever hold office—their so-called direct action policy.

Do not be fooled: this is a policy which is not designed to reduce emissions; it is simply a policy that is designed to give an appearance of action. It is a fig leaf to cover the fact that they do not actually want to take any action in respect of climate change.

(Time expired)

Mrs Mirabella (Indi) (16:08): We need to start at the very beginning. Why do we have a carbon tax? Did the Prime Minister say before the election: "We need this carbon tax so we can be competitive. We
need this carbon tax so new industries can develop? No. As we, infamously, are now all too often reminded by people in the street, the Prime Minister said, 'There will be no carbon tax under the government I lead.' So all the reasons that the member for Isaacs has given—this feigned moral high ground—are an absolute farce. It is just another excuse to hide—he mentioned a fig leaf, so I will perhaps borrow—behind the fig leaf of responsible government.

This Prime Minister has pursued a carbon tax not because our competitors are going down this path, because they are not, and we have just recently heard that Japan has categorically ruled it out, and not because our industries are demanding it. The only reason that this Prime Minister has pursued a carbon tax is that the Prime Minister, in her poor, pathetic judgment, thought that that is the price she had to give to the Greens in order to retain power. It is as simple as that. I ask members on the other side: for goodness sake, how could you keep the Prime Minister in her job when her judgment was so lacking? As if the Greens would ever have supported the coalition to form government! All the Prime Minister had to do was throw the Greens a few carrots and say, 'Either you support me or you will end up with the coalition, the mainstream political party, that you hate.' That is all she had to do. She did not have to sell Australian families, Australian power generators, Australian manufacturers and Australian industry down the drain. That poor political judgment is her crime. That poor political judgment will be the nail in her political coffin.

The member for Isaacs talked about the solar hot water rebate. His words yesterday, as they were reported in the media, were astounding. He said that it was actually good economic practice, good budget practice, not to tell anyone you were going to gut a program. So here are Australian retailers and manufacturers saying, 'We believe you, Prime Minister, when you say you want to provide incentives for Australians to move to renewable energy, to alternative energies, so we will invest. We will mortgage our home. We will take out leases on vehicles and on warehouses. We will do all of that because we believe you,' and they did. So now there are small businesses across this country—and we have read about some of them in the media—who are saying: 'What a disgrace. The government has betrayed us. They have removed a scheme that we invested in and now we are going to have to sell up our home because we relied on the word of this government.' And that is an absolute disgrace.

For this government to totally mismanage the economy, to pour billions down the drain with a whole litany of programs and then try to scramble and find a few savings to fulfil the myth that they are going to deliver a surplus, begs the question: if they cannot manage a program like the solar hot water rebate, how on earth can they adequately manage an economy-wide carbon tax? How on earth can we believe them when they make predictions that electricity prices will only go up by 10 per cent, when we have had contrary evidence in the last couple of days with power firms facing a $4 billion carbon slug and predictions that electricity prices will blow out of the water? You cannot trust them. They cannot manage a program like pink batts. There are still warehouses full to the ceiling with pink batts, and the solar hot water rebate program is just pink batts mark II. These people could not organise a party in a tent let alone manage an economy-wide carbon tax.

Even some of the most respectable people on that side know that the carbon tax is a dud. It is no coincidence that we had several members in heavy manufacturing seats—like the member for Corangamite, the member
for La Trobe, as well as the current manufacturing minister, Kim Carr—voted for the member for Griffith in the leadership ballot this week. Labor's position on the carbon tax further unravels with the member for Griffith calling for a review after six months, and Martin Ferguson saying in February, 'There is a lot of concern in industry about the price we have locked in and whether we have locked in a price that is to our disadvantage as a nation.' At least he is speaking some truth. At least the Australian people can say that there is at least one person in the Labor Party who is stating the bleeding obvious. Talking about the bleeding obvious, how can a political party that is engaged in an absolute blood feud with the faceless men who are still the puppeteers and holding back the Prime Minister from anointing the foreign minister of her choice—a party that cannot govern itself and cannot administer the solar hot water rebate program—be trusted to administer an economy-wide carbon tax?

The real myth with the carbon tax is that it will grow new jobs, that it will be great for our economy. Well, it is not going to be, because we are going it alone. With this carbon tax we are putting lead in the saddle bags of industries that are already doing it tough. There are challenges: a high dollar, high commodity prices—so why on earth, at this time, would you impose this additional tax?

We have heard from a multitude of industry leaders that the carbon tax will not make a difference to worldwide emissions. Why is that? It is because our industries are relatively efficient. Industries like cement, aluminium and steel have adopted world's best practice and have reduced their emissions. When they have to compete with imported products that do not have a carbon tax imposed upon them, investment is going to go offshore and jobs are going to go offshore. And that investment and those jobs will go to countries that will create more emissions making the things we used to make.

So, hey presto: here we have a carbon tax that has the very real potential of actually increasing worldwide emissions, and the government is still refusing to publicly acknowledge this. How many brownie points would the Prime Minister get by saying: 'You know what? I shouldn't have listened to the Greens. I should have listened to Australian workers. I should have listened to Australian businesses that have done the right thing and become more energy efficient. I should have listened to common sense and actually governed in the national interest.'

The reason they cannot admit they are wrong is that the Prime Minister used to work for the former Premier of Victoria, and his rule was, 'Never admit you're wrong'—never admit you are wrong; just plough through and get through it. That is why this Prime Minister is losing so much respect.

We have heard not just from the heavy industries. We have heard also from food and grocery manufacturing. Kate Carnell said:

For Julia Gillard to say that food companies who aren’t in the top 1000 emitters won’t be affected by carbon tax is simply wrong.

Manufacturers will be impacted right across the supply chain from higher costs in transport, power, refrigeration and food and grocery manufacturing.

That is the reality for so many industries across the board. This government talks about compensation, but you do not compensate people unless you injure them. As Graham Kraehe said, any compensation will be like a bandaid over a bullet wound. These people cannot add up basic figures on the back of an envelope. Does anyone really
believe that their compensation to the industries it goes to will actually be adequate? Absolutely not. *(Time expired)*

Mr KELVIN THOMSON (Wills) (16:18): The opposition wants us to say no to a price on carbon. But I believe we should say yes to a price on carbon, because human-caused climate change is confirmed by every academy of science in the world and 97 per cent—I repeat, 97 per cent—of practicing climate scientists. No study that contradicts the fundamentals of climate change has not been rebutted.

The opposition peddles climate change denial. The Leader of the Opposition last year described carbon as an 'invisible, odourless, weightless, tasteless, substance'. Apparently carbon dioxide is some kind of damned elusive scarlet pimpernel, impossible to find or capture. Yet the government of which he was a member enacted legislation—the National Greenhouse and Energy Reporting Act—requiring businesses to measure, monitor and report this allegedly weightless and elusive substance.

The fact is that average air temperature at the Earth's surface has continued on an upward trajectory at a rate of 0.17 degrees Celsius per decade over the past three decades. The fact is that the extent of arctic sea ice cover continues on a long-term downward trend, and recent observations confirm net loss of ice from the Greenland and West Antarctic ice sheets. The fact is that the sea level has risen at a higher rate over the past two decades.

We should say yes to a price on carbon because climate change will have major impacts on Australia in the future, both on our environment and on our economy. We in Melbourne got a real taste of the future in February 2009 when the Black Saturday bushfires took advantage of Melbourne's 46.4 degrees—it was the hottest day we have ever had—and took advantage of the second driest January since records began. In pre-industrial times, CO2 concentrations were 280 parts per million. They are now 380 parts per million and rising. We are pumping into our atmosphere more carbon than it can deal with, leaving behind a debt for our children—for future generations.

The planet's weather system is a very complex thing, and the changes vary from place to place, from country to country. But the headline impacts are rising temperature, melting polar ice caps, rising sea levels, inundation of low-lying coastal regions, movement of tropical diseases and more frequent extreme weather events, such as droughts, bushfires, cyclones and floods. In Australia, coral bleaching on the Great Barrier Reef is of particular concern. The drought we saw in southern Australia during the first decade of this century and the floods we have seen in Queensland, New South Wales and Victoria will be our future if we do not put a price on carbon. I am intrigued that the opposition completely ignores the insurance industry, which is very clear about so-called natural disasters and on insurance premiums.

We should say yes to a price on carbon because a price on carbon will cut carbon emissions and drive investment in clean energy technologies and infrastructure like solar, gas and wind. It will help build the clean energy future that Australia—and the planet—needs. It establishes a long-term economy-wide target to reduce emissions by 80 per cent from 2000 levels by 2050. That is a bold but science based target which Australia and Australians should be proud of.

We should say yes to a price on carbon because with it will come a $10 billion Clean Energy Finance Corporation which will invest in the commercialisation and
deployment of renewable energy and low-emissions technologies. The Clean Energy Finance Corporation will play an important role in removing the barriers to investment and encouraging private investors. It is a shame that Australia's world quality renewable energy research has not led to more Australian manufacturing and Australian jobs. The Clean Energy Finance Corporation will be about changing that.

We should say yes to a price on carbon because it will be paid by around 500 of the biggest carbon polluters. It will not be paid by ordinary Australians. It is not a tax on ordinary Australians; indeed, millions of Australians will pay less tax as a consequence of the carbon price. We should say yes to a price on carbon because the government has gone out of its way to protect those industries and jobs that could potentially be adversely affected by the carbon price. There is a $1.3 billion coal sector jobs package to preserve local communities by providing transitional assistance to emissions-intensive coal mines; a $70 million Coal Mining Abatement Technology Support Package to support technologies to fight fugitive emissions from coal mines; a $300 million Steel Transformation Plan to help the steel industry transition to a clean energy future; a $200 million fund for regional workers in the event they are affected by the introduction of a carbon price; a $200 million Clean Technologies Food and Foundries Investment Program which will provide grants for manufacturers in the food processing and metal forging and foundry sectors; and $5.5 billion of transitional assistance for highly emissions-intensive coal fired electricity generators to promote a smooth transition and maintain energy security.

We should say yes to a price on carbon because all of the money raised from it will go to jobs, clean energy and households. The government will not make a cent from it. Nine in 10 households will receive assistance through tax cuts and/or payment increases. Almost six million households will get tax cuts or increases in payments that cover the entire average price impact. Over four million Australian households will get an extra buffer with assistance that covers 120 per cent of the average price impact of the carbon price.

Over one million Australians will no longer need to lodge a tax return. This is fantastic reform, with the tax-free threshold being trebled from $6,000 to $18,000 per year. While on average the carbon price will cost households $9.90 per week, they will get back even more—an average $10.10 per week—in government assistance. This assistance is permanent and will increase. It is not like the Howard government's one-off compensation to pensioners for the GST. The government will review the adequacy of assistance each year and increase it further if necessary. Pensioners will receive an extra $338 per year if they are single and up to $510 per year for couples combined. This increase will be delivered as a new, permanent and tax exempt Clean Energy Supplement.

We should say yes to a price on carbon because the price will help rural communities benefit from carbon farming, and our birds, plants and animals will benefit from measures to protect biodiverse landscapes. Under the Carbon Farming Futures program $276 million over the forward estimates will help farmers and other landholders to benefit from carbon farming. Through the Biodiversity Fund $572 million over the forward estimates will restore and protect Australia's biodiverse landscape. Under the Indigenous Carbon Farming Fund $10 million over the forward estimates will support Indigenous
participation in carbon farming. There will be $40 million for the Regional Natural Resource Management Planning for Climate Change Fund, and there is a carbon farming skills package to support green jobs and ensure that landholders have access to credible high quality advice and carbon services. All up, there will be $1.7 billion over seven years for these really important land and biodiversity measures.

We should say yes to a price on carbon because this is what the world is moving to do. Ten American states, including New York, have already put a price on carbon pollution from their electricity generators. California, the world’s eighth largest economy, will start a carbon trading scheme this year. China has announced that it will introduce emissions trading commencing in key cities and provinces including Beijing, Shanghai and Guangdong, and India has introduced a clean energy tax on coal. Europe of course has an emissions trading scheme—that is, a price on carbon. I acknowledge that there are plenty of countries around the world that could be doing more, but the idea that we should stand back and wait until everyone else has moved is incredibly short-sighted and irresponsible.

Finally, we should say yes to a price on carbon because, as a garden sign in a house in Brunswick in my electorate puts it, ‘Say yes to a price on carbon, because my kids are worth it’.

Mr CHRISTENSEN (Dawson) (16:28): The clock is ticking on the discussion of this matter of public importance, and it should be ticking on the carbon tax too. The carbon tax symbolises the stark difference between what people were told before the last election—that there would be no carbon tax under the government the Prime Minister led—and what people are now having shoved down their necks. It is a symbol of deception, but in reality it is also a hit for Australian working families. The Prime Minister claims that most families will have to pay $9.90 per week, but I can assure the Prime Minister and government members opposite that families in my electorate are going to be paying a lot more than that under the carbon tax.

Deloittes says that Mackay will be basically ground zero—the hardest-hit region in the hardest-hit state in Australia. As a result of the carbon tax, Mackay families will be paying, for their high use of electricity through air conditioners, somewhere around $10 a week, if you use the figure of a 20 per cent rise in energy costs that the energy providers are saying the carbon tax will cause. That is just the start. Families will also have to fork out for council rate rises. Rates are a huge impost on many families, and the Deputy Mayor of Mackay claims there will be a two per cent rate rise. That is why local people in the Dawson region do not want this carbon tax. They want it repealed. I have a petition here from 1,100 signatories calling for an election on the carbon tax. That is the least the government can do. I seek leave to table that petition.

Mr BRIGGS (Mayo) (16:30): Let's hope the rain does not wash away the road, so we can get to the airport! I rise this evening to speak on this Year of the Farmer, a very
worthwhile and appropriate nomination this year which gives us time to reflect upon the importance of regional Australia to our country, our economy and our very existence. Mayo is a regional area in South Australia. It has—and I am sure the Leader of the National Party will agree—some of the finest agricultural land in the country. We produce some of the best food in the country. I can see the Leader of the National Party at the table nodding his head vigorously, and I am sure my constituents appreciate his support. It is true. I agree with the Leader of the National Party that we do produce some of the best food in Australia. It is a great thing. We have dairy. We have wheat. We have sheep and beef. We have some of the very best wine in the world, and we produce a range of other fresh produce.

There are challenges, we know, in the agricultural sector in the boom-and-bust cycle of it. We went through, sadly, in the 2000s some of the most horrific times in drought and it caused significant challenges. We forget now with all this rain coming down how bad it was, particularly towards the last part of the last decade. Some of those issues are still being worked through.

There are additional challenges and structural changes. We have seen that the price of land for people trying to enter the farming community has been a prohibiting factor. We are now dealing with the challenges of ensuring that we have a sustainable Murray-Darling Basin. That is a contentious issue. It is something which has no easy solution. We have a very strong Australian dollar which is making it more difficult for our farm producers to compete globally. Added to that, we have a government who is intent on trying to damage the farming sector with the world's largest carbon tax, a tax that my farming community certainly does not want. I am constantly being lobbied by those people who can see the damage this carbon tax will do. Farmers are very practical people. They know that this is the world's largest carbon tax, without any genuine environmental benefit for our country.

There are some real challenges but I think the future has never been as bright as it now is for our agricultural sector either. The growth and the opportunities in our region are quite staggering. The OECD tells us that in 2010 there were some 550 million of the world's middle class in our region, in Asia. By 2030 the OECD predicts there will be 3.2 billion of the world's middle class—2.7 billion new people in the middle class. We know that as they move into the middle class they will wish to enjoy the same lifestyle that we benefit from so much. That means consumption of food and fibre will continue to grow at rates never seen in human history, which creates great opportunities for the highest quality food producers in the world. That is what Australian farmers are. We should celebrate that in the Year of the Farmer. We should celebrate the contribution our regional sector and our agricultural sector make to our country and to our globe. They produce some of the finest, safest, most high-quality food in the world. We should genuinely appreciate what they do.

There are 10,000 people in my electorate who are employed directly in this industry. It is the third-highest employer in my electorate. It is an area of potential growth not only in my electorate but across our country as we seek to service these markets. What I do greatly fear, as we play to our strengths in this area, is that government will get in the way with inappropriate regulation or by intervening in the markets to make it harder for people to compete on an international scale. We know that we import half as much as we export to China when it comes to food. That is a great thing because there is a great and growing opportunity for
us to do more. I say, in the Year of the Farmer, let's reward the farmer. Let's have a new government that will offer hope and reward as this country moves towards a great opportunity for our regional sector and for our regional people in this year, the Year of the Farmer. (Time expired)

**Hazardous Household Waste**

Mr SYMON (Deakin) (16:35): Today I would like to talk about the issue of hazardous household waste and what can be done with it. I would like to congratulate my local council, Maroondah City Council, for organising a collection of such waste just last weekend. It is done under a state government program run through Sustainability Victoria called the Detox Your Home program. I am very proud to say that that program has run in Victoria since 1994. It has run across both Liberal and Labor state governments. The only problem that I see with it is that not enough people know about it. It is a program whereby you can take all your leftover liquid chemicals, paints, used fluorescent tubes—and a whole list of things, which I may go through a bit later on—and deposit them at a mobile facility for free.

I am sure that many people here have had the experience of having an old barbecue with a gas cylinder, for instance, that has gone beyond its use-by date of 10 years. Of course the refuelling station will not refill it and the rubbish collectors will not take it. So you end up with lots of things like that sitting in garages and other places.

Even worse than that though—and it is something I have most certainly had a problem with over the years—is paint. Many people do a bit of their own painting, and that is a great thing. But the thing about it is that there is never quite the right amount; you either use it all up and have to get another one or there is half a can left. I am certainly one of those people. So on Saturday, 25 February, I, along with around about 1,700 other people, attended the drop-off point that Maroondah council had set up in Lincoln Road in Croydon. It was a great turnout. In many ways it was a too good turn out because it created a fairly major traffic jam. But to know that people in the Maroondah LGA area, which is part of Deakin, care so much that they do not just throw chemicals like that down the drain or over the fence and make them someone else's problem, but keep them for a period of time and then make sure they are disposed of properly, is a really good thing.

It was quite heartening to see people sitting in a traffic jam for literally an hour and a half on a Saturday morning in the outer suburbs just waiting their turn so they could get rid of their hazardous household chemicals. There were utes—tradesmen's utes and tradeswomen's utes—full of empty paint cans and half-empty paint cans. There were all sorts of things, gas bottles, as I said, and other chemicals. There was a really great team employed by the council through Sustainability Victoria that was making sure that everything was separated and put into the right pile so that it could be disposed of safely or, in some cases, recycled. It is not something we get with our standard household waste collection, but it is something that needs to be advertised more widely. The event was so successful that Maroondah council is now putting on another one—it has organised one for 17 March as well. That is also a good thing.

There are a lot of other things that could be done and probably should be advertised with the program. The program has been running since 1994 and there was a review in 2011 of how well it works. The review found that, over the life of the program in Victoria, over 8,000 tonnes of potentially harmful chemicals were disposed of through the program. That means that those chemicals
have not ended up in our landfills or our waterways, and that is particularly important.

Some of the statistics on the program: between 1 July 2005 and 30 June 2010 there were 175 mobile collections across Victoria that were visited by more than 46,970 people. The usage rates are interesting, because the metropolitan collections, as the report says, sometimes attracted over 1,000 visits—obviously ours got 1,700 on the weekend—but noted that some of the rural ones, because of their locations, sometimes got only 10 visits. In the period between 1 July 2005 and 30 June 2010, over 2,100 tonnes of material was collected, three-quarters of it in the Melbourne metropolitan area. The important part that I should also talk about is that removing these chemicals from the home really helps solve some OH&S problems that come up. A lot of people think that occupational health and safety only belongs at work; it belongs in the home as well when you are dealing with some of the fairly heavy duty chemicals that are easily purchasable in retail amounts from your local hardware store.

I need to talk more about some of these things at a future date—one of them is rechargeable batteries. A lot of people end up disposing of rechargeable batteries by throwing them in the bin. They end up in our landfill and the run-off from that pollutes our waterways. It is a great program. (Time expired)

**Foreign Investment**

**Mr TRUSS** (Wide Bay—Leader of The Nationals) (16:41): Over recent months in particular there has been widespread concern, especially in regional Australia, about the level of foreign ownership of our land and agribusiness. There is not reliable data available in this country about precisely what levels of foreign ownership currently exist. Only Queensland has a foreign ownership register. The information coming from that register suggests that while foreign ownership of land in that state was relatively stable up until about 2006-07, in the three years to 2009-10 the level of foreign ownership increased from 1.4 million hectares to 4.4 million hectares—a trebling of foreign ownership. When it comes to agribusiness, Foreign Investment Review Board data shows a tenfold increase in investment in agriculture, forestry and fishery agribusiness from an average of $284 million a year in the first half of last decade to over $2.5 billion a year in the three years to 2009-10. Everyone has seen reports, almost daily, of purchases in the sugar, dairy, meat, grain, food processing, chemicals and fertiliser sectors, all of those parts of agribusiness that are so essential to keeping the business in operation.

The reality is that decisions about the future of our country and our food supply are increasingly being made in foreign boardrooms. That is an issue for this country, as we need to prize very highly the important task of guaranteeing our nation's food supply in the future. We first need to have better data about levels of foreign ownership in this country. The US system, which requires annual notification to the federal government by foreign purchasers of US land, is a model that is worthy of consideration for this country. Most purchases of land by foreigners in Australia are not subject to Foreign Investment Review Board consideration. When Labor came to office it lifted the trigger for notification to $230 million and in the midst of the controversy in recent months it has actually increased again to $244 million. We all know that there is not a single farm in this country that is worth $244 million, so effectively none of these land purchases are picked up by this trigger. Indeed, under the US free trade agreement, Americans can buy up to $1 billion worth of
land without it going to the FIRB. Curiously, if a foreigner buys a single suburban block or a single suburban house he has to go to the Foreign Investment Review Board, but he can buy the biggest farms in the nation without any consultation whatsoever.

Clearly the FIRB triggers must be lowered, but what many people who are critical of these triggers do not realise is the fact that any purchase by a company owned by a foreign government or a sovereign wealth fund has to go to the Foreign Investment Review Board. That means that controversial purchases, such as those by the Chinese and the Qatars, have in fact been through the Foreign Investment Review Board process. They have all been approved. In fact, it is a very important point to make that the Foreign Investment Review Board has never said no to the purchase of agricultural land in Australia. They have never said no to the purchase of any agribusiness in this country.

So clearly there is a real failing in the way in which the Foreign Investment Review Board undertakes its task. It needs a new policy direction. Agriculture should be put on the sensitive list, like media and defence, so that there can be a proper consideration of the impact for our nation of any purchases in this sector. There need to be new directions given to the Foreign Investment Review Board so that it takes into account our nation's food security when assessing the national interest of any foreign purchase. In addition to that, the board itself of the FIRB needs to be given broader expertise, real business expertise, so that they are better able to assess what is actually in the national interest.

Foreign investment has been important to this country and important also to agriculture. We would not have achieved what we have without that investment and we expect it to continue into the future. But Australia must maintain control of its own destiny. We must know who owns our land and we must be the people who decide under what circumstances they acquire it. The government has been asleep at the wheel on this issue. An incoming coalition government will make sure that Australia maintains control of its own food security.

(Time expired)

Parramatta Electorate: Northcott Disability Services

National Disability Insurance Scheme

Ms OWENS (Parramatta) (16:46): I rise to speak about a recent visit to Parramatta by the Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform, the Hon. Jenny Macklin MP. The minister came to Parramatta last week to visit a wonderful organisation called Northcott Disability Services, and to witness firsthand the great work they do.

Northcott Disability Services is an innovative and dynamic not-for-profit organisation. While they are based in my electorate of Parramatta, their support extends across New South Wales and the ACT to 10,000 people with a broad range of disabilities and to their families and carers. Northcott provides a broad range of services, including accommodation, respite, recreation, day programs, therapy, employment, equipment, community development and support for individuals and families. They serve a client mix that covers all ages and a broad range of disability types. Indeed, some people with rare or lesser known disabilities find Northcott to be the only provider of appropriate support and services for them.

CEO Kerry Stubbs, Chief Operating Officer Lee Carpenter, Chief General Manager of Client Services Tracey Gleeson
and board member John Surian gave the minister and the other guests a tour of the centre. The tour included programs such as Northcott Equipment Solutions, in which trained technicians repair and maintain manual and powered wheelchairs as well as hoists and electric beds, and make wheelchairs specifically for individuals; Jobmatch, which provides job seekers with advice and job-seeking skills to those seeking to gain open employment; and Computer Assistive Technology Services, which provides information, advice and support regarding assistive technology options for people with disabilities. We then visited their community participation program, where Minister Macklin helped put together a cupcake mix—unfortunately, we didn't get to stay long enough to eat them but they looked pretty good.

But without a doubt the highlight of the minister and I visiting Northcott and really the reason I rise to speak today was an extraordinary speech by a young woman, Gretta Serov, on the importance of the National Disability Insurance Scheme. Gretta is no stranger to publicity, having received coverage in the Sydney Morning Herald last year about how the National Disability Insurance Scheme will vastly improve her life. Gretta has cerebral palsy, she is in a wheelchair and she cannot speak. She told those present her story by communicating through an iPad. Gretta told the minister and those present:

Although my disability has never fazed me or my loved ones, the main frustration that has increased for me and many others throughout the years is the lack of, or restrictions on, much-needed funds.

She went on to say:

This issue has affected every aspect of my life, including accessing equipment such as electric wheelchairs and speech devices, which are crucial to both my independence and my ability to access the community. This year when I finished my Higher School Certificate, I have realised how serious this issue really is. Although there were many reasons for this, the main one which has affected both my emotional and intellectual health is the lack of support there is for people with disabilities wanting to go on to tertiary education. This includes the lack of care available while attending TAFE or university.

I have no doubt that Gretta will get to university and achieve her goals, but it is up to us to remove the unfair and unequal barriers that currently stand in her way. That is why I support the implementation of the National Disability Insurance Scheme and encourage all members to do the same. A National Disability Insurance Scheme will give people like Gretta the kind of support they have the right to expect, and give Australians who are born with or acquire a disability the confidence that they will get the helping hand they need to live a good life. An NDIS will offer people with disability greater choice and control over the support they receive and how it is delivered.

In 2012 we will commence work on the design of the National Disability Insurance Scheme. We will establish a Commonwealth agency to lead our work on planning for the launch of the NDIS, working with the states and territories. I would like to thank Northcott Disability Services for being such gracious hosts, both to myself and the minister. While the government works towards the NDIS, Northcott is working hard to help people with disability reach their potential now. They are a truly remarkable organisation and I feel incredibly privileged to have them in my electorate.

New South Wales Police Force

Mr MATHESON (Macarthur) (16:50): I rise with great pride today to pay tribute to the members of the New South Wales Police Force, which celebrates its 150th anniversary today. I felt very proud to see the public line
the streets of Sydney this morning to watch hundreds of officers march through the city to commemorate this special day. Our police force is made up of thousands of hardworking, dedicated and courageous people. Today is their day and they should feel very proud of their profession and the great work they do in our communities.

I was a member of the New South Wales Police Force for nearly 25 years. Whilst my career was very rewarding, I can relate to the challenging and confronting situations that our officers face on a daily basis. Attending my first autopsy, finding my first deceased person in the middle of summer, the first time I attended a fatal motor vehicle accident—these are experiences I will never forget. Our police officers deal with these heartbreaking circumstances on a daily basis. They leave their own families at home to go out and risk their lives to protect others. I join many residents in Macarthur who believe that the fine men and women in our police force deserve the utmost respect and admiration. That is why I stand here today to help commemorate the 150th anniversary of the New South Wales Police Force. The anniversary is held on 1 March because on this day in 1862 the independent police units of the colony were amalgamated into the single New South Wales Police Force. The celebrations kicked off in Sydney today with the NSW police banner being led by a police marine contingent across Sydney Harbour to The Rocks. A sea-of-blue marching contingent then carried the banner from the Marine Area Command before marching up George Street to Town Hall. More than 800 police men and women took part in the march. This included representatives from all over New South Wales, including the Campbelltown, Camden and St Marys local area commands from my electorate and the neighbouring Macquarie Fields LAC, which is part of the Macarthur region. Today’s march was the biggest police march of its type ever held in New South Wales. This morning, New South Wales Police Commissioner Andrew Scipione said that today’s march would be a fitting tribute to the police force that has served the people of New South Wales so well since its inception in 1862. I could not agree with him more.

These officers serve our community with great integrity and honour. I hope that one day everyone will appreciate the sacrifices they make and the risks they take to protect us. Yesterday's Daily Telegraph featured a story about Senior Sergeant John Thompson, who celebrates 50 years in the police force this year. He began his career in 1962. I was fortunate enough to work with Senior Sergeant Thompson towards the end of my career in the police force. He comes from a long line of dedicated police officers. Sergeant Thompson's great-great-grandfather John Carroll caught the bushranger Captain Moonlight. His grandfather and his father were also police officers. Sergeant Thompson is now the second-longest serving police officer in New South Wales—but he works alongside his good mate Sergeant Bob Boyd, who is the longest-serving member in the New South Wales Police Force. I am sure there is a little bit of rivalry there to see who is going to stay the longest.

I mention Sergeant Thompson today because he is a fine example of the dedication and commitment that our police officers give to the job, and it is not an easy job to do. Far too many officers have made the ultimate sacrifice, losing their lives in the line of duty. Today is also an opportunity to remember our fallen officers, those who have died while serving their community. One in particular that I would like to mention is a courageous officer from the Campbelltown LAC. Highway patrol officer Senior Constable Jim Affleck was run down during a police pursuit along the F5 in 2001. His
death was a shock to Jim's family, his fellow police officers and my entire community. Senior Constable Affleck, like all of the brave officers who have been killed on duty, left his own family at home to go out and protect others. Unless you have worked in the police force or have a family member who does, it is hard to comprehend the danger these men and women put themselves in every day to keep the community safe.

Today I would also like to make special mention of all of the police men and women working tirelessly in my electorate. Macarthur owes a great deal to these police officers for their ongoing commitment to protecting our community. Today is a very special day for the New South Wales Police Force and I am very proud to stand here to pay tribute to all of our courageous police officers—both past and present. I am sure that they will celebrate this milestone with great pride. In the words of the Police Commissioner Scipione, the New South Wales Police Force has 'much to celebrate and much to remember from the last 150 years'.

I am proud to have been part of New South Wales policing history, just as I am proud of all officers who have served their communities. On behalf of the people of Macarthur, I thank those who currently serve our community. You deserve the highest respect for the work you do. I also congratulate past and present members of the police force as they celebrate 150 years of serving the public today. I wish them all the best as they continue their fight to make our communities a safer place to live.

Page Electorate: Campbell Hospital

Ms SAFFIN (Page) (16:56): I want to put on record my serious concerns about the future of Campbell Hospital in Coraki in my seat of Page. These serious concerns are shared by the approximately 1,200 residents of Coraki. The concerns are these. The hospital has been closed since last September after sustaining serious damage from a storm. We were told that the hospital had to be closed for safety reasons while repairs were carried out. Given that this had happened once before—there had been damage to the hospital and it had then been closed, repaired and then reopened—we believed that it would be repaired and then reopened. It seems that we were wrong—hopefully we were only wrong and not deceived. The repairs have been done and there is a structural report in, but there has been no reopening.

Today I read on page 3 of the local newspaper, the Northern Star, about comments from the chair of the Northern New South Wales Local District Health Board. The chair was reported to have said that the hospital was not going to be reopened and that 'the present status of Campbell Hospital will remain unchanged'. According to the report, the chair went on to say:

The local health board will not be making any final decisions regarding the provision of clinical services to the Coraki and surrounds population until it receives and discusses the clinical services plan that will be developed.

That worries a lot of people—yes, they want a clinical services plan, but how long will this take? They have no information about that and they feel that it has been sprung on them.

In the same article, the local general practitioner, Dr Craig, is reported to have said that it was becoming clear that the long-term plan was to close the hospital for good. That is the fear of the local community and I understand those fears. I hope Dr Craig is wrong and I would caution the board against such a move. If they want to put improved health services into Coraki and district, they should do so—but, in order to have the trust
and cooperation of the community, they need to get back to taws. They should open the hospital first, then develop the plan and then work in consultation with the community. It is sad that one of the first actions of this relatively new board—with community representatives on it—is to do this. It is not a good action and it is not a good look. Lack of communication with the Coraki and district community about the health service is a perennial concern of mine and all residents.

I raise three other points. Firstly, I have a petition which went out into the local community. This is a small but significant community—it has about 1,200 residents. The petition has over 1,400 signatures. Secondly, I want to put on the record that the CEO of the health district rang my office and said that he wants to meet with me next Tuesday. I am happy to do that but I shall report the outcome of that meeting to the local community—they are the people I represent. Thirdly, I have also received a letter from the Bogal Local Aboriginal Land Council. It says:

Dear Janelle
Re: Campbell Hospital, Coraki
I write in regard to the possible closure of this vital facility. The Bogal Local Aboriginal Land Council has over 100 members from the local area who rely heavily on this facility for regular and emergency medical treatment. The nearest facility is at Casino or Lismore—some 30 minutes away by road and this could be the difference between life and death for a seriously ill or injured person. The Campbell hospital services have declined dramatically in the past 20 years—At one stage it had a rehabilitation unit, 30 beds and a mental health service that was recognised around the world for the work it did. The further demise of the hospital is seen as detrimental to the well-being of the local people and places them in a compromising situation with regard to their seeking health services. We strongly request the hospital remain as a vital health facility offering essential services in the Coraki area.

Yours sincerely,
Lance Manton
Chief Executive Officer

The SPEAKER: Order! It being past 5 pm, the debate is interrupted.

House adjourned at 17:01

NOTICES
The following notice was given:

Ms Rishworth: To move:
That this House:
(1) welcomes the introduction of the Australian Standard for Olive and Olive-Pomace Oils in 2011 which clearly defines the grade, content and quality of olive oil products and establishes labelling and packaging requirements;
(2) notes the findings of an analysis conducted recently by the Australian Olive Association which revealed that a significant number of imported olive oils in particular, still fail to comply with this national standard;
(3) recognises that misleading labelling practices present considerable challenges for the commercial viability of our domestic olive oil industry, lead to low levels of consumer confidence in olive oil products and prevent consumers from making informed choices about the products they consume, and which may have adverse consequences, including on their health;
(4) welcomes the news that some retailers intend to phase in the voluntary national standard in light of the recent findings, and calls on these retailers to do so in a timely and rigorous manner; and
(5) urges all retailers in Australia to adopt and enforce the Australian Standard for Olive and Olive-Pomace Oils so that consumers can make informed purchasing choices, and so that producers of accurately labelled olive oils benefit from a level playing field.
The DEPUTY SPEAKER (Ms AE Burke) took the chair at 9:30.

CONSTITUENCY STATEMENTS

Petition: Gladstone Post Office

Mr O'DOWD (Flynn) (09:30): I rise to table a petition, which has gone through the Standing Committee on Petitions, on behalf of the aggrieved people of my electorate regarding the recent closure of over-the-counter services at the Chapple Street Post Office in Gladstone. A rather large number of people in the area, 1,676 to be exact, found reason to support this cause by signing the petition exercising their democratic rights by registering their objections to this very short-sighted decision by Australia Post. The stealth attack by Australia Post was made during the Christmas period, when the public eye was focused on other things.

The petition against the closure was supported by every level of government: the Gladstone Regional Council Mayor, Gail Sellers; the state member for Gladstone, Liz Cunningham; and me. All levels of government in Gladstone opposed this decision because we recognise the rapid growth occurring in the city, the importance this service has provided and the impact this decision has had on other post offices in the area. In correspondence dated 22 December 2011 the shadow minister, the member for Wentworth, sought through the minister advice from Australia Post as to which outlets had been under review. To date this request has not been responded to. The correspondence also stated:

The fact that I have been unable to obtain the full list of retail outlets affected by Australia Post's review highlights the unsatisfactory level of consultation and disregard for the dramatic effect closing a local Australia Post outlet can have on the community.

In conjunction with the petition, I wrote to both Australia Post and the minister for communications. Both Australia Post and the minister's office were of little use to me as they were unable to provide me with what could only be described as a pathetic excuse. Unfortunately, the minister's response to my inquiry came after the closure had occurred, which only brought me to the conclusion that the communication minister appears to be a poor communicator. My office continues to receive correspondence regarding the closure and the impact it is having on businesses and services at other post offices. I sincerely hope that, as a result of tabling this petition, we are able to reverse this poor decision and return the post office to its original status.

The petition read as follows—

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

This petition of Residents and Citizens of Gladstone and District, Queensland draws to the attention of the House the unsatisfactory closure of the over-the-counter facilities at Chapple Street Post Office and Business Centre which is an indispensable regional service provided to Gladstone residents and businesses and the rapidly growing Gladstone region.

We therefore ask the House to ensure that the over-the-counter facilities at the Chapple Street Post Office and Business Centre remain open and accessible to Gladstone residents.

from 1,676 citizens

Petition received.
Cawsey, Ms Christine

Mr HUSIC (Chifley—Government Whip) (09:33): I want to take the brief opportunity to acknowledge and pay tribute to an energetic and passionate educator in the Chifley electorate who was recently made a Member in the General Division of the Order of Australia. Since 1997, Christine Cawsey has been the Principal of Rooty Hill High School, but her contribution to public education goes far beyond her current tenure. Before coming to Rooty Hill Christine served as head teacher and deputy principal at St Marys Senior High School for six years, and before that was head teacher of girls’ welfare at Jamison High School, both of which are in the electorate of my colleague the member for Lindsay.

Christine's connection with the Chifley electorate goes back as far as 1979 when she spent the best part of a decade teaching at what was then Bidwill High School, a school that has had its fair share of challenges but has also had its fair share of gems and great students. Christine has devoted her professional life to teaching. She has provided outstanding leadership in what would be considered high-challenge schools, which has given her a strong perspective on equity, social justice and the importance of supporting public education in our area.

Christine has been a driving force behind the establishment of a range of professional associations and professional learning programs. Since 2010, Christine has been the President of the New South Wales Secondary Principals' Council, and for four years before that was its deputy president. She is also the New South Wales delegate to the Australian Secondary Principals' Association. She has been recognised many times for her dedication to her profession. Between 2000 and 2005, Christine was a member of the Premier's Council for Women. In 2007, she received a national award for quality schooling for excellence by a principal from the Australian Council for Educational Research. In 2009, it was announced that the Australian Council for Educational Leaders had awarded Christine the Hedley Beare Award for educational writing.

If the job of high school principal was not busy enough, Christine co-authored a book entitled Learning for Leadership: Building a School of Professional Practice. Christine is a lecturer at the University of Western Sydney and, on top of that, a board member of her greater Western Sydney Giants AFL club, which has been making great strides in advancing AFL in Western Sydney. I have always appreciated Christine's counsel and advice. As I said at the outset of this contribution, her passion for public education in our area is a credit to her and a great reflection of her contribution to our local community in advancing education and self-improvement in our part of the world.

Economy

Mr BUCHHOLZ (Wright) (09:36): I rise to inform the nation about the state of the economy and about some of the mistruths that have been delivered by the government. When it comes to the state of the economy and employment, often we hear the rhetoric of jobs, jobs, jobs. I want to put some meat on that. Wayne Swan promised in his budget that it was all about jobs. I quote Wayne Swan from press conference at the budget lock-up on 10 May 2011:

Well it's jobs, jobs and jobs. It's a bigger and better-trained workforce
In fact, it is half a million new jobs. It went on to say:
We will see the creation of an additional 500,000 jobs in the next couple of years.
That is what he said again on Channel 10's *Meet the Press* in May 2011. Later, in an interview with Fran Kelly earlier this year, Wayne Swan admitted that it was yet another broken promise. I can give you the extract from Fran Kelly's comments. She said:

In terms of the positives though, the Government positively forecast half a million new jobs over the next few years to be created. Given the zero jobs growth last year, are you still confident that that figure holds …

Wayne Swan's comment:
Well, certainly we will do less than that …

So, on the one hand, they are saying that there will be enormous numbers of jobs and, on the other hand, the jobs are not delivered. In 2011, as a nation we had zero growth rate in jobs. So when the government stand up and say, 'We've created all these jobs,' the Australian people need to take into consideration that juxtaposed with that is the same number of people who lost their jobs. Because that is what zero growth rate means: when one comes on, one falls off.

The spin doctors who write the lines delivered by Labor know that these statistics they flaunt for the Australian public are mistruths. They know that, but these statistics are delivered blindly. You need only consider the papers. When the government talks about jobs and growth and how well they are doing, it must be a difficult position for people when they open the front page of the *Australian* or the *Financial Review* and they see jobs going offshore. They see announcements from the ANZ saying that jobs will be lost and they see announcements from Heinz in my area that jobs will be lost. Since the beginning of January 2012, over 5,000 job losses have been announced, many at some of Australia's biggest employers, such as ANZ, Macquarie Bank and Heinz.

But do not just take my word for it when it comes to truth. Let us go back a little further when we are looking at the credibility of Mr Swan. On August 12, on the 7.30 Report, the Deputy Prime Minister, Wayne Swan, was asked about the issue of the carbon tax. His response was, 'We've made our position very clear. We have ruled it out. Again, on 15 August on Meet the Press, on Channel 10, the journalist asked Wayne Swan, 'Can you tell us exactly when Labor will put a price on carbon?' Wayne Swan's response was, 'Well, certainly we reject this hysterical allegation that somehow we are moving towards a carbon tax; we reject that.' (Time expired)

**Donations to Political Parties**

Mr KELVIN THOMSON (Wills) (09:39): I have expressed concerns on many occasions about the improper power of property developers to get what they want at the expense of ordinary residents through the use of campaign donations. I have expressed concern that it happens at both council and state government levels and that it has occurred under Liberal, National and indeed Labor party governments. I was therefore very troubled to read reports today that the property developer Philip Usher Constructions received approval from the Brisbane City Council to construct two massive towers—12 and 20 storeys high—after the Brisbane Lord Mayor Campbell Newman's re-election fund received donations from Philip Usher. Mr Usher made five $10,000 donations under five different company names to the mayor's re-election fund and it has now emerged that the fund also received a further $20,000 from two donors with links to the developer, so $70,000 all up.
Now the 206-unit towers—I repeat: 20 and 12 storeys high—were approved by Brisbane City Council after these donations were made, even though the tower’s exceed height limits and overlook at heritage listed church and school. They were originally rejected by council officers in 2010 on the grounds that they were too bulky and dominant and failed to adequately respond to the immediate heritage context of the heritage listed Russian Orthodox cathedral and the St Joseph church and school set up by Mary MacKillop.

I well remember the corruption of the Bjelke-Petersen years in Queensland when planning and environmental decisions could be bought by bribes and campaign donations. No doubt many Queenslanders remember the state's tarnished reputation as a consequence of that time. The revelations that the Brisbane City Council has approved such a massive and lucrative development in the wake of campaign donations to Campbell Newman's campaign fund will fuel voter concerns about the forthcoming state election. No-one wants to see a return to the days when council and government decisions could be bought by donations and good planning, environment outcomes and the legitimate interests of residents overlooked. I am concerned that a donation to Mr Newman's campaign fund by a Mrs L. Christenson on 7 February last year was made from the same PO box address as Philip Usher Constructions, but there has been no personal declaration by a donor.

Residents are entitled to have a say in planning matters and to have their views respected. Twenty-storey and 12-storey towers can do great damage to the neighbourhoods in which they are built. Imagine having one built next to you. The fact that this decision came following $70,000 in donations leaves a nasty taste in my mouth and this kind of thing is a blot on Australia's reputation for honest government and as a clean place to do business.

**Centrelink**

Mr WYATT (Hasluck) (09:42): I rise today to speak about an issue that is literally affecting hundreds of people in my electorate of Hasluck and neighbouring constituencies—that is the waiting times and red-tape at Centrelink. When social security was first introduced in this country, it was designed to help those in urgent need of financial assistance when falling upon hard times. In our modern society it has expanded to encompass an enormous range of social programs and payments, with thousands of staff across the country. Unfortunately, procedures are placed on top of procedures and red tape piles up until certain people trying to access the service find it almost impossible to negotiate.

One young woman from Gosnells spoke to my office yesterday. She spent over an hour on the phone to Centrelink in an aborted attempt just to update her details. Another call was made and, after another 35-minute wait, she was told to wait for a response from a case officer. Three weeks later, she was contacted to say there had been an administration error and she would have to wait another three weeks for a solution—some six weeks. Another constituent from Mannington also expressed a similar complaint that she had spent one hour and twenty minutes on hold before being cut off in attempting to update her personal details. These were calls yesterday morning only.

This is not a criticism of the hard working people at Centrelink in Western Australia and the nation. They are understaffed and overworked. Queuing is often a major issue for people visiting an actual Centrelink office. Lines of people often wind out of the door at offices in my electorate and others across the state.
Another major area of concern is for people with a permanent disability that are required to attend Centrelink each and every year to prove their disability. By the very nature of the word ‘permanent’, their situation has not changed and, in most cases, it has deteriorated. This is unnecessary red tape that confuses and frustrates some of our most vulnerable citizens. Being out of work or on a disability pension, for example, can be some of the hardest and most emotionally difficult times that a person can experience in their lives. My biggest concern here, though, is the lack of action taken by the Labor government on this issue. It is disappointing that for the entire year of 2011 there was just one statement put out by Centrelink on how to streamline application processes and shorten waiting times. The solution was to visit a website. The people of Hasluck and people across the nation deserve a process which enables better access in a much more timely manner to the resources that have been set aside to help those who are most needy. I would hope at some point the minister will give serious consideration to the reduction of red tape within Centrelink.

Carron-Arthur, Mr Bradley

Dr LEIGH (Fraser) (09:45): Running is one of my favourite pastimes and over the years I have managed to put in a reasonable number of kilometres, but nothing like the local Canberra boy Bradley Carron-Arthur. Brad is running from Canberra to the far tip of Australia, past Cairns, past Cooktown, ending east of Punsand in Cape York, a journey of 4,000 kilometres. Brad is raising money for the Australian Foundation for Mental Health Research. To date he has raised $9,450 of his $20,000 target. Having left Canberra on New Year’s Day this year, Brad has so far travelled over 2,284 kilometres. According to the latest update two days ago, he had covered 22 kilometres that day and he was in Bundaberg. His trip has not been without its dramas. Apparently the batteries in his headlamp died just before he had to swim across a swollen creek that was cutting across the road. He made it across and arrived safely in Bundaberg, but I do not envy him with the rain that is going on at the moment.

Brad is raising money for mental illness. He points out that one in five Australians suffer a mental illness. A staggering 60 per cent of them do not seek support. Over the past decades there have been great efforts to reduce the stigma of mental illness by people like Brad, the former Premier of Western Australia Geoff Gallop, former Premier of Victoria Jeff Kennett, ex Wallabies winger Clyde Rathbone and many others. This government has a strong commitment to reducing the stigma of mental illness and investing in mental health, and we are delighted to have people like Brad raising money and raising awareness of these important issues.

Brad’s run north has been made possible through the contributions, efforts and support of many people in Canberra and along the way. It is a demonstration of the positive power of social capital, which gives a sense of connectedness, wellbeing and purpose in our day-to-day lives. I would urge those in the chamber and those watching this speech to join me in supporting Brad. Just go to his website, www.bradrunsnorth.com, and make a donation or send him a message of support. Brad’s efforts inspire all of us to help work on worthy causes and also to get out there for an occasional or a regular run. I am a great fan of Brad, and his efforts inspire many of us. Like many Canberrans, I wish him all the best as he makes his way to the tip of Cape York.
Flinders Electorate: Somerville

Mr HUNT (Flinders) (09:48): I want to talk about progress in the town of Somerville. Somerville is a fantastic town within my electorate. Historically it was a great apple-growing district. It has now become a district with a combination of manufacturing and retail on the employment side and may be, along with Mount Martha, the centre with the most number of young families in the electorate of Flinders. There have really been three great steps in terms of progress in Somerville in the last 12 months.

Firstly, it has been confirmed after a long battle, a long and protracted community campaign, that there will be a police station in Somerville. This is overdue and it is a real tribute to the community campaign and the campaign of my friend and state colleague Neale Burgess, the member for Hastings. I am delighted to have worked with Neale on the campaign over many years. The fact that the Baillieu government made it an election commitment and has now begun the process of planning and searching for an appropriate plot of land means that this police station will happen. What we had imagined as a local police station now appears to be something that will be far more significant still, with many of the district functions brought to Somerville with, as I understand it, an additional police capacity. It was a great campaign and a great win for the community. Secondly, there is Somerville Secondary College. This campaign started a decade ago at a time when the then state Labor government was set to sell the land for the Somerville Secondary College and, therefore, take that prospect away forever. Again there was a great community campaign with numerous people involved, and it resulted in: firstly, the outcome of preserving the land; secondly, creating a years 7 to 10 college merged as part of Mount Erin Secondary College; thirdly, an independent Somerville Secondary College 7 to 10; and, just now, for the first time, having year 12 students. So the dream and vision of a Somerville Secondary College independent and standalone from years 7 to 12 has been established. That was a great cause for the community.

The third area of progress is in terms of an ambulance station. We are very close to getting that. Again I want to congratulate Neale Burgess on the fact that Somerville is due to get a new peak-period ambulance station to operate during the busiest times of the day. These three services together mean real progress for Somerville, and that is a good outcome.

Makin Electorate: South Australian BMX Championships

Mr ZAPPIA (Makin) (09:51): Over the weekend of 18 and 19 February this year, the South Australian BMX Championships were hosted by the Cross Keys BMX Club at their club facilities at Unity Park in Pooraka. I was unable to stay for all of the racing, but I did manage to get to the championships for a short time on both days and see the skills, the thrills and the spills of some incredible BMX racing, including from some of Australia's Olympic BMX hopefuls. As with the Salisbury Cycle Speedway racing at Salisbury North, which I also often attend, I applaud BMX racing because of the opportunities it provides to people of all ages and, very importantly, because the racing becomes a family affair. It was wonderful to see so many families competing and supporting each other on the day.

In Australia, owning and riding a bike is very much part of a child's development. Taking the next step and turning what begins as fun and recreation into a competitive sport for children of all ages and abilities provides opportunities for so many children to participate in sport when they might otherwise lack the confidence to do so. This was particularly evident to me when parents I spoke to on the day told me stories of riders who overcame serious
disabilities to become star BMX riders. For example, children with autism or ADHD, who find it difficult to concentrate for long periods of time but can do so for the 60 seconds or so required for a race, did very well at BMX racing. The children with poor coordination not only became BMX winners but vastly improved their coordination from the BMX riding, which then enabled them to successfully compete in other sports. I was also particularly impressed to hear how the Cross Keys BMX Club had successfully engaged with Indigenous children, teaching them the skills of BMX riding and, importantly, making them feel included. In addition to all the fun of BMX riding, it is also an excellent fitness activity and, therefore, particularly relevant at a time when the government is investing in healthy lifestyle programs.

Organising a two-day championship is a huge responsibility, and I take this opportunity to commend all of the volunteers and sponsors involved. The championships were extremely well run and, given the number of competitors and events in the program, it was indeed a credit to all involved. I also acknowledge and congratulate the management committee and volunteers of the Cross Keys BMX Club, who as hosts had additional responsibilities. They did a fantastic job. The Cross Keys BMX Club boasts the best BMX track in South Australia, and that too is a credit to all of the club volunteers, who with the help of Salisbury Council maintain the facilities.

There were too many competitors and events to individually name the winners, but I take this opportunity to congratulate all of the competitors for having a go. I also thank their parents and family members for the support and encouragement they obviously give them. Lastly, I extend my best wishes to riders in future championships and wish Brian Kirkham, Anthony Dean and Sam Willoughby the best of luck in their quest for selection on the Australian BMX team for the 2012 Olympics.

The DEPUTY SPEAKER (Ms AE Burke): I want to know if the member for Makin participated in the BMX racing?

Mr ZAPPIA: No.

Road Infrastructure

Mr JOHN COBB (Calare) (09:54): I am sure we all await the next edition of About the House with bated breath!

The DEPUTY SPEAKER (Ms AE Burke): I am just going to correct the record. I didn't ask for the photo, okay? It wasn't me who asked!

Mr JOHN COBB: I would like today to address parliament on the issue of developing towns and the problems they have. There are two in my electorate in particular which have particular problems. One is Parkes, which is a well-known place on the intersection of the Newell Highway and the Western Highway as well as on the Indian Pacific line and presumably, in the not too distant future, the Melbourne to Brisbane western line. When a town is in this position and it is a storage and depot area for containers to go all around south-eastern Australia from Adelaide to Brisbane, it does need help beyond what local governments provide for bypasses to actually have the throughput it already has and for the future. It needs help from government to do this. Parkes in particular really needs a bypass. It really needs infrastructure help to deal with that issue. Likewise, the town of Blayney to the south-east of Orange is in a very similar position. Both towns have mining. Blayney in
particular is going to have more mining in the near future, although it is a smaller town. Both towns have their normal agricultural thoroughfare to deal with.

They are on major routes and they have both road and rail combining on them. It is beyond local government to actually provide the infrastructure—the bypasses and the roundabouts, which are no small thing. Blayney in particular has a safety issue, where trucks and railway combine not even on the edge of the town but in the town, and they do very much need help to deal with this.

While I am speaking on those regional issues, Regional Development Australia, although it is fine and it puts money out, does not look after anything other than major centres. The money is far too big for the smaller towns—such as, in my electorate, Trundle, Tullamore in the east, in the west down to places like Sofala and what have you. They do not have the turnover. There needs to be over $1 million in turnover by a non-government organisation before it gets a look in. No small town can get a look in. This program was designed to deal only with population centres and not necessarily where the need resides.

Holt Electorate: Schools

Mr BYRNE (Holt) (09:57): I rise today to inform the parliament that I had the pleasure of opening the new campus at St Peter's College in Cranbourne East last Friday on a glorious summers day, in the presence of 100 students, Bishop Christopher Prowse and Mr Peter Ryan, the Director of the Catholic Education Diocese of Sale. As we were proceeding to this new outstanding Catholic school in the suburb of Cranbourne East, I regret to say that we got lost. Cranbourne East is a new housing development area. As we were progressing along one road, we were told that we should look for this exquisite series of two-storey buildings, because that is where we could see where the school was. We found our way onto Berwick-Cranbourne Road and, as we were driving along, we saw this outstanding facility in the distance. That guided us towards the school. The federal government contributed $2 million under the Australian government's Capital Grants Program for this particular project, and it is money incredibly well spent.

One of the great things about being in this government is the partnership with the Catholic Education Office in developing these facilities in these areas. My area is categorised as a growth belt area. There is a lot of housing development. It has lots of housing estates. When you have this enormous surge in growth, with lots of families shifting into the area literally each week, what basically happens is that you need to provide what I call the social infrastructure—the infrastructure that is needed to provide for the community wellbeing. The development of St Peter's College in Cranbourne East is an essential part of that community development infrastructure. It was wonderful to be there with Bishop Christopher Prowse. The motto of the school is 'be not afraid', and I saw hope for our future on the faces of the 100 students. We took a tour of the school after it was officially opened. It is a $6 million facility and is stage 1 of the school. When we looked at the quality of the students and the school we could see that this school—like its predecessor, which still exists in Cranbourne—is going to make its mark on the community. It is going to offer hope and choice and a way of the future for young people looking for a school that offers values, future direction, hope and inspiration through the quality of its facilities and its teachers. I was very pleased on behalf of the government, working in partnership with the Catholic Education Office, to open this school.
This is the way of the future. The great thing about it is that it is about choice, it is about hope and it is about opportunity. I was part of that last Friday.

**The DEPUTY SPEAKER (Ms AE Burke):** Order! In accordance with standing order 193 the time for constituency statements has concluded.

**BILLS**

**Financial Framework Legislation Amendment Bill (No. 1) 2012**

*Second Reading*

Debate resumed on the motion:

That this bill be now read a second time.

**Mr ROBB (Goldstein) (10:01):** I rise today to speak on the Financial Framework Legislation Amendment Bill (No.1) 2012. This bill seeks to amend four acts and repeal two acts across three portfolios. It is part of an ongoing program of updating and enhancing the Commonwealth's financial framework. This is the ninth financial framework legislation amendment bill since 2004. These bills generally seek to correct misdescribed provisions, add clarity where required and enhance acts to make them consistent with complementary legislation. They also seek to repeal redundant components of the financial framework, such as prior programs that have expired.

Schedule 1 seeks to amend the Auditor-General Act 1997 to clarify that the Auditor-General may accept an appointment under the Corporations Act 2001 as the auditor of any company that the Commonwealth controls. This will align the act with the definitions of Commonwealth control which were made in 2008 for the Commonwealth Authorities and Companies Act 2007. We of course support this amendment.

There is though, in my view, a case for placing stronger obligations on government departments and agencies, including the minister's own department, to more strictly adhere to the Commonwealth Procurement Guidelines. We are seeing far too many instances where guidelines are being flouted. That is not conducive to achieving best value outcomes. To this end, I wrote some time ago to the Auditor-General of Australia, Mr McPhee, to seek some clarity on just what is happening with regard to the purchase of property and services, the whole procurement process and the efficiency of that process, and to ascertain whether we as a community are seeing the government and its agencies doing things in a way which best meets the responsibilities they have to handle public moneys. As part of his response the Auditor-General says:

Your letter also sought advice on whether further reform of procurement could provide savings of 5 to 10 per cent over the forward estimates without compromising the standard of property and services purchased by the Commonwealth.

He goes on:

Because our audit was only focused on direct sourcing and whether agencies were adhering to the CPGs, we did not seek to quantify the potential saving that could be achieved.

He says, though:

Nevertheless, our audit work indicates that better value for money outcomes could be achieved through improvements to the procurement practices.
He talks about the fact that direct source procurement, which may include a competitive process, accounted for 43 per cent or $10.2 billion of the total reported value of contracts for the calendar year. But among the key findings of the audit was a 'lack of documentation' of agencies' value-for-money considerations for 74 per cent of the audit sample of direct source procurements, that agencies 'did not seek multiple quotes' in 85 per cent of the direct source procurements examined and that agencies could not consistently ensure that covered 'direct source procurements examined met the limited circumstances' in the Commonwealth Procurement Guidelines which permit direct sourcing. For the Auditor-General to use this language, to be this direct and to record such significant, in my view, oversights in the procurement process suggests an area of spending that is just startling. We are talking about a contract worth $23.5 billion, and in 74 per cent of the audit sample there was a lack of documentation on how they could show value for money out of that process. I have run public companies. If you took to a board proposals for capital expenditure of sums much smaller than this which did not convince the board of a value-for-money outcome, you would not be in a job long. Yet here we have startling results from the piece of work done by the Auditor-General and, when I raised it with the government, I got a perfunctory response—no response, really, of any consequence; just politics. It is a legitimate question. We are here as an opposition to ensure the accountability of governments. An Auditor-General is prepared to write back to me and report those sorts of findings, and the minister for finance treats it as just a political act by me. It is unacceptable and it does reflect, I think, mismanagement on a much wider scale or bad supervision by a minister on a much wider scale.

It helps explain the waste that the community understands that this government has become a symbol of. This government's waste, debt and deficits have become, I think, a matter of great embarrassment to this community. It is one of the reasons we got 750,000 more votes than the Labor Party at the last election, in spite of being the first—

The DEPUTY SPEAKER (Ms AE Burke): The member will refer his remarks to the bill. He will be relevant to the bill before us.

Mr ROBB: The bill—

The DEPUTY SPEAKER: The bill has nothing to do with the votes at the last election. I draw you back to the bill, please.

Mr ROBB: I was reinforcing my point, Madam Deputy Speaker, about the waste, which is very much a part of this bill. These provisions—

The DEPUTY SPEAKER: Yes, and I allowed you to make comments that I think were pretty borderline on the Audit Office as well, so I would heed the warning and be relevant to the bill.

Mr Husic: Or just be relevant generally.

The DEPUTY SPEAKER: The member has the call.

Mr ROBB: I will restrain myself, Madam Deputy Speaker. Schedule 2 would amend the Commonwealth Authorities and Companies Act itself to ensure that directors of Commonwealth authorities and wholly owned government companies and enterprises prepare budget estimates as directed by the finance minister rather than the responsible portfolio minister. This would make the act consistent with longstanding practice.
The most significant component of schedule 2 is the new obligation on the directors of Commonwealth authorities and wholly owned companies to notify their responsible minister of decisions about significant events immediately after a decision has been taken. Significant events include forming a company or participating in the formation of a company, acquiring or disposing of a significant shareholding in a company, acquiring or disposing of significant business or commencing or ceasing a significant business activity.

I strongly support this provision. It is consistent with the obligations of public companies, with continuous disclosure required, which makes eminent sense in the case of public companies, which are responsible to shareholders and prospective shareholders to advise what really is going on with the company. There is no good reason why the minister and the government of the day should not be similarly informed about the major organisations that they are responsible for. That raises the question of accountability. I welcome measures to make the directors of government linked entities more accountable. However, they are somewhat meaningless if the Minister for Finance and Deregulation is powerless to stop poor quality spending outcomes based on what the minister could suspect in advance were bad decisions. I will provide an example. Recently, I sent the finance minister a very detailed letter seeking clarity on a number of concerns regarding government due diligence and the oversight of the wholly government owned NBN corporation. The minister responded with literally pages of bureaucratic gobbledegook, yet failed to answer the key questions. It was one of the best examples of a Yes, Minister response I have seen in all my life. There were four pages of processes which, we are led to believe or are to be convinced, show the extraordinary accountability of NBN. Yet in all of these so-called safety provisions for accountability the minister was unable to identify or outline the red flag measures she has in place to identify problematic NBN company decisions that could result in wasteful spending. There were four pages of different procedures that supposedly outlined transparency and accountability, but none of it specified her ability to red-flag measures, which is a very standard risk management procedure of any company worth its salt.

Nor could she say that she had a veto authority over the company's spending activities, regardless of how questionable they might be. The government is the sole shareholder of what is the biggest infrastructure project, at $50 billion, in the history of Australia—virtually all borrowed money. At the moment, after 2½ years, it has 4,000 customers; it has more employees than customers. At Smithton, where it started, only seven people have taken it up even though they got a free offer. The technology that was put in place there two years ago no longer connects properly to the rest of the system. It is a dynamic sector, which they were warned about.

But in relation to the financial framework surrounding the NBN project, which this bill is particularly looking to improve, the original standard was set when the government refused to subject the proposal to a cost-benefit analysis. If you have got no cost-benefit analysis, which provides some reference point against which you can judge future implementation, no wonder there is no capacity for a red flag process. To not have the potential to veto any decision, no matter how problematic or misguided activities might be, is an extraordinary situation for a 100 per cent shareholder, the minister, who is ultimately responsible for the largest project in Australian history. It is the most disgraceful example of poor governance and it is becoming a symbol around the world of how not to manage a major public project. We are becoming a...
laughing stock over the implementation, the inefficiency, the costs, the timing and the fact that we are the only country in the world, that I am aware of, that is now renationalising the telecommunications sector at a time when that sector is the most dynamic of any sector in any economy. It is the last sector that you would want to renationalise with a bureaucratic culture. Taxpayers' money is at risk in an area where technology is changing by the day. Schedule 3 of this bill is devoted to—

Ms Owens: Madam Deputy Speaker, I have a point of order on relevance—that is all I need to say.

The DEPUTY SPEAKER: The member for Goldstein has strayed quite a lot. I have let him get away with it, but if he does not come back to the bill I will sit him down. You cannot in any way, shape or form tell me that what you just said about the NBN was relevant to this bill. The member for Goldstein has the call.

Mr ROBB: This bill—

The DEPUTY SPEAKER: The member for Goldstein went off the track. I let him. If he does not come back, I will sit him down.

Mr ROBB: Schedule 3 of this bill is devoted to correcting two misdescribed provisions in the Financial Framework Legislation Act 2010, which are contained in section 27a of the Commonwealth Authorities and Companies Act that is replacing references to 'at common law and inequity' and 'at common law or inequity' with 'under the general law'. Schedule 4 relates in part to the special accounts appropriation under the Financial Management and Accountability Act 1997. This provision applies to special account appropriations which relate to either the COAG Reform Fund Act 2008 or a special account established under the Nation-building Funds Act.

Determination for such appropriations are done by way of disallowable instrument. As it stands, such a determination takes effect after the five sitting days in which the parliament can move to disallow pass. Such appropriations may be used by new government agencies once they are established. For the purpose of practicality this amendment allows the minister to prescribe a date in the instrument for which the appropriation takes effect. This allows a future date to be set which corresponds with the establishment date of a new agency. It has no material effect and serves to add clarity to the act to confirm such an instrument can come into effect at a nominated date beyond and immediately after the expiry of the disallowable instrument. At is a sensible measure.

Offsetting debt—the other key feature of schedule 4—is the provision to give the finance minister the discretionary power to offset debts owed to the Commonwealth by an individual or entity against payments owed to the same individual or entity. As it stands, Commonwealth payments must be paid in full regardless of debts owing. This new section provides a mechanism for the Commonwealth to recover debts in a cost neutral way and more efficient manner than allowed under current provisions. It is a sensible measure given the budget's vulnerability on account of this government's mismanagement and spiralling debt.

I have sought assurances from the minister, however, that this authority will not be used in a way to unreasonably disadvantage business whether big or small. For example, if a business has an arrangement in place with the ATO in relation to paying off a taxation debt, I was seeking comfort that the minister would honour such agreements. In other words, not override
them but denying a business payments owed as a means of accelerated settlement of payment to the Commonwealth, because, by definition, if they sought an arrangement they have got a cash-flow problem. If this measure was used to recover the Commonwealth debt more quickly, it cuts across what has already been a decision to help that company meet its financial taxation commitment to the Commonwealth, but also not put itself in the position where it has a cash-flow problem and might face receivership or other difficulties. I do thank the minister for assurances that this measure would not lead to such eventualities.

Schedule 5 of this bill also proposes to repeal two redundant special appropriations to clean up the statute book. These include the Appropriation (Development Bank) Act 1975 and the Car Dealership Financing Guarantee Appropriation Act 2009.

The process of ongoing maintenance and enhancement of the Commonwealth's financial framework commenced under the coalition. We support this endeavour in principle, including the changes outlined in this bill. However, we do feel in many respects it is a missed opportunity. I have taken the opportunity during my comments to point out some of those missed opportunities, which I think are highly relevant to the Commonwealth's financial framework, and in particular that NBN example. There has been $100 billion of public works, of infrastructure projects, that have been authorised by this government, none of which have had a benefit-cost analysis and certainly none which has been published. That was despite the assurances when the infrastructure Australia was set up. When infrastructure Australia was set up, the government said that it would publically conduct benefit-cost analyses that would be released. It is another example of where promises have been broken with the most blatant and brazen examples.

Mr ROBB: Madam Deputy Speaker, it goes very much to the financial framework, the financial management, which is at the heart of this bill. It is a missed opportunity. To avoid a benefit-cost analysis on $100 billion of infrastructure when it was promised and promised and never delivered is absolute disgrace.

Mr Husic: You talk the talk and you don't walk the walk.

Mr ROBB: I support the bill, but I do not support the dereliction of duty and the mismanagement of this government in regard to infrastructure.

Ms OWENS (Parramatta) (10:21): I am actually pleased to speak on the Financial Framework Legislation Amendment Bill (No. 1) 2012. It is another one of those bills that we deal with in this House which looks like it is a behind-the-scenes bill. It deals with the way the government handles and manages the people's money. I want to make a few comments before I go specifically to the bill about a number of things that the shadow finance minister had to say today. Can I start by saying how disappointing it is that the opposition, if they really did feel that there were serious issues in this bill to deal with, did not use the time honoured tradition of moving amendments and trying to contribute to the development of the financial framework.

We have currently, as everybody knows because it is covered endlessly, a hung parliament in the lower house. We have, as we nearly always have in Australia's modern history, a Senate in which minor parties have the balance of power. Having been both in opposition and in
government, I know full well that one of the ways that oppositions contribute to governance is to actually work with the government to negotiate amendments through, particularly under the conditions that we have in the lower house. If, as the shadow finance minister says, they believed that there were changes that could have been made to this bill to in fact make it better, it is a shame it is in this Federation Chamber where bills go which have bipartisan support. The fact that it is in this chamber seems to indicate that the opposition is making political points rather than considering governance issues, because if it was a governance issue, there would be an amendment and it would be in the other chamber.

But the shadow minister is right in that we must always be vigilant in finding areas that are not working as effectively as they should in regard to the government's control of the people's money. The financial framework, as it is called, underpins the appropriation expenditure and the use of money and resources within the Australian government. It is a very important feature of a government being accountable and providing transparency in their daily work with agencies, office holders and their employees. It deals with things like the framework governing the conduct of banking by government bodies, competitive neutrality, procurement guidelines, cost recovery, foreign exchange and special accounts appropriations made under the FMA Act. It covers an incredibly broad range of activity. It is very, very complex by its nature.

But because the amount of money that governments deal with is in the billions, the hundreds of billions of dollars, small errors and small changes in the guidelines in the financial framework have profound impacts in the way that government manages its money and in its relation to business. It is incredibly important that we keep an eye on this and make these kinds of adjustments on an ongoing basis.

There have in fact been nine bills since 2004. This bill is the ninth financial framework legislation amendment since 2004. It forms part of that ongoing program to address financial framework issues as they arise and assist in ensuring that specific provisions in existing legislation remain clear and up to date. It is particularly important given the growing commitment and expectation of transparency. It is particularly important, as there is more and more scrutiny of government activity, that the rules under which our public servants operate are completely clear so that when members such as the member for Goldstein do find something that they feel is not as right as it should be, they can look at the rules and the rules are clear and transparent.

Six out of nine bills have become law, with the first and the sixth bills lapsing on the prorogation of the Australian parliament for the 2004 and 2010 federal elections. The first bill focused on amending legislation to reflect the creation of special accounts, and this bill covers a range of matters, some quite significant and some less so. Firstly, it amends the Auditor-General Act 1997 to clarify that the Auditor-General may accept an appointment under the Corporations Act 2001 as the auditor of any company that the Commonwealth controls within the meaning of the Commonwealth Authorities and Companies Act 1997. Again, it seems when you read it that one would have expected that to already have been the case. This simply clarifies that that is the case.

It amends the CAC Act to ensure that directors of Commonwealth and wholly owned companies other than government business enterprises prepare budget estimates as directed by the Minister for Finance and Deregulation and that directors of Commonwealth authorities,
including interjurisdictional authorities and wholly owned companies, notify their responsible minister of decisions to undertake certain significant events. Both of those provisions are ones that most people would expect are already in existence—so, again, quite a mechanical amendment.

It also amends two misdescribed provisions in the Financial Framework Legislation Amendment Act 2010. Essentially in the two provisions it replaces references to 'at common law and inequity' with the phrase 'under the general law'. Again, this is a fairly administrative amendment.

It makes four other changes to amend the Financial Management and Accountability Act 1997 to clarify commencement dates and amend the operation of drawing rights. Some of them are quite significant in their own way, but I will not go into them here. It also does something which is quite interesting. The shadow minister for finance has already spoken about this a little. It inserts a new section 35 to enable the Commonwealth to set off in whole or in part an amount owing to the Commonwealth by a person with an amount owing by the Commonwealth to the same person and make regulations with respect to this section. The shadow minister has already raised the issue of what might happen if a company had entered into an agreement with the tax office. I am glad he has raised that. By going to the minister and seeking clarification on that one he has done exactly what one expects a good opposition to do, which is to look at a bill and find areas where it can be improved or where there may be unintended consequences. I commend him for that action. It is a shame he did not take similar actions if he has concerns about other sections of this bill. Whingeing is one thing; contributing to governance from opposition is another. I would hope, quite frankly, that they would improve their performance in that area if they genuinely do have concerns.

This is an interesting new section. I have had a number of discussions with businesses lately about the cash flow ramifications when sections of the economy get locked up—one person owes this person, that person owes another one, that person owes another one. We joke sometimes about having a clearing house where everyone can come into the same room and exchange cheques or transfer electronically and essentially free up what is currently sometimes quite blocked cash flow accounts as it trickles down to the next one. I have also heard from businesses how they get into that blocked situation with government departments, where they quite legitimately owe one government department under their normal course of actions but another government department owes them for a contract and somehow they get stuck in this 'You owe us so we won't pay you' kind of scenario, which generally blocks cash flow and in many cases is quite unnecessary. With businesses which are on the negative side of this, this is quite an extraordinary, very small addition that will make their lives a whole lot easier. We do, of course, have to be concerned about the possible opposite consequences. Again, I am very pleased to have heard from the shadow minister for finance that he has clarified with the minister that the tax office will honour the arrangements that it has with business. They do involve serious cash flow issues for business and that is a good result.

The other sections of the bill involve repealing some redundant special appropriations, which is just about cleaning up the statute books. There is always a lot of stuff in the laws of Australia which is redundant. We have a constant process of trying to clean those out. This repeals two of them: the Appropriation (Development Bank) Act 1975 and the Car Dealership
Financing Guarantee Appropriation Act 2009, which was the Car Dealership Act. Again, just a bit of housekeeping there.

I will finish by returning to where I started, that these bills appear to be very dry when you read them. They are in a language which I do not think is English, personally. Sometimes I have to read the paragraphs a couple of times. I am sure you get better at it if you deal in this area more often. But they are essentially about making sure that the way government operates is fair in its relationship with business, that it does not interfere in the market with a competitive advantage where that is not the intent, that when handling large amounts of money its processes are very clear. If you are handling large amounts of money, small changes have very, very large impacts. The changes make sure that transparency is continuing to improve and that the rules for people who manage people's money on our behalf in the Public Service have a very clear set of guidelines. And they make sure that the natural tendency to increase the complex of defensiveness by our Public Service as the transparency guidelines improve and there is more interest, along with a natural tendency perhaps to proliferation, is kept in check. This is an important bill, even though a little dry one. I commend it to the House.

Mr CIOBO (Moncrieff) (10:32): I rise too to speak to the Financial Framework Legislation Amendment Bill (No. 1). It is, as the member for Parramatta remarked, not the most existing piece of legislation that has ever gone through the chambers. Notwithstanding that, it is an important one. Like so many things in life, the important stuff is perhaps not as exciting. That notwithstanding, this bill seeks to amend four acts and repeal two acts across three portfolios. It is part of an ongoing move that is being undertaken by government, as I understand it, with respect to tidying up and updating the Commonwealth's financial framework. This is in fact the ninth financial framework legislation amendment bill since 2004. The bill operates to effectively through the various schedules of the bill clarify a number of matters. I will just walk through them, because there are some aspects that I would like to focus on and others that are purely technical that I would move to quite quickly.

Schedule 1 of the bill seeks to amend the Auditor-General Act of 1977 and effectively operates such that the Auditor-General may accept an appointment under the Corporations Act 2001 as the auditor of any company that the Commonwealth controls. As I understand it, the operation of schedule 1 moves to ensure that the definitions of the act with the definitions of Commonwealth control, which were made in 2008 through the Commonwealth Authorities and Companies Act 2007, will be aligned. I know the shadow minister has taken the view that there is a case for placing stronger obligations on government departments and agencies, indeed including the minister's own department, to more strictly adhere to Commonwealth procurement guidelines. There have been concerns that have been raised by the shadow minister and by others about procurement guidelines not being appropriately followed or not followed as closely as should be when it comes to achieving best value outcomes. This is an important aspect for taxpayers. There should be procurement obligations and concern for value for money when it comes to dealing with the taxpayer dollar.

Schedule 2 amends the CAC Act itself to ensure that directors of Commonwealth authorities and wholly owned government companies and enterprises prepare budget estimates as directed by the finance minister rather than by their responsible portfolio minister. This is effectively just a formalisation of actual longstanding practice. In this
respect, it is a tightening or a clarifying measure. The most significant component of schedule 2 is the obligation on directors of Commonwealth authorities and wholly owned companies to notify their responsible minister of decisions about significant events immediately after taking those decisions. Significant events have been defined to include forming a company or participating in the formation of a company, acquiring or disposing of a significant shareholding in a company, acquiring or disposing of a significant business or commencing or ceasing a significant business activity. There are measures that make directors of government linked entities more accountable for their decisions. I think this is perhaps the single most important aspect of this particular piece of legislation.

The reality is that we have seen too many examples of very poor quality spending when it comes to the current government. We have seen, both under Prime Minister Rudd and under Prime Minister Gillard, example after example of very poor quality spending decisions where the government has engaged, through its agencies, in spending that frankly has not delivered value for money for taxpayers. There are many examples I could talk about with respect to the so-called Building the Education Revolution. How many covered outdoor learning areas did we see that were purchased at taxpayer expense for two or three times the estimated cost of acquiring that particular COLA, as they are called.

The reality is that this government has become synonymous with a government that wastes money. This government does in fact waste money. This is a government that has undertaken a number of spending initiatives that have led to very poor outcomes. It is a great shame that we have not seen more emphasis placed on achieving value for money. If this particular piece of legislation can help to reinforce a culture that says there should be value for money then I think it is a good move. It is somewhat meaningless though if the finance minister is powerless to stop poor-quality spending outcomes on what they could in advance suspect are based on bad decisions.

Take, for example, what is Australia's single largest spend with respect to a new government agency—that is, the creation of NBN Co. NBN Co. represents the nationalisation of telecommunications in this country. NBN Co. represents, at the cost of some $40 billion of taxpayer funds, the rollout of almost a Soviet era approach to national infrastructure. You can see how proud they would be to stand up in their caucus and, in the great Soviet tradition, say, 'Look at this magnificent new project that we are building across Australia.'

Mr Husic: Reds under the optic fibre. Not reds under the bed but reds under the optic fibre.

Mr CIOBO: The fact that there are so many commercial marketplaces that exist in our metropolitan areas where private operators would be more than willing to spend private company money to achieve exactly the same outcome seems to be lost on those opposite.

The DEPUTY SPEAKER (Dr Leigh): Order! I remind the member for Moncrieff that we are debating the Financial Framework Legislation Amendment Bill (No.1) 2011 and ask him to keep his remarks relevant to that. I urge the member for Chifley to ensure that those remarks are heard in silence.

Mr CIOBO: I take this opportunity to highlight that this underscores why there is some confusion. Nothing could be more relevant to the bill than talking about the need to achieve good quality spending for taxpayers. The NBN Co. is an example of not achieving good
quality spending for taxpayers because NBN Co. is about nationalisation of telecommunications in this country. It is not about good quality spending—

Mr Husic: Mr Deputy Speaker, on a point order: I heard a very clear direction from you and I am concerned that the member for Moncrieff is challenging your ruling. I urge him to be relevant to the bill.

The DEPUTY SPEAKER: I thank the member for Chifley. The member for Moncrieff will return to his remarks.

Mr CIOBO: I will continue my remarks because, as I am very certain the Deputy Speaker understands, the financial framework legislation that is before us is about ensuring that government agencies are spending taxpayers' money appropriately. It is about accountability processes in government. The NBN Co. is a classic case of a new government agency. We are seeing some $40 billion of taxpayers' money going into NBN Co. and we are now seeing the rollout of this spending across the Australian community. I think—and I would caution that I am not absolutely certain of these figures because I am going on memory—that it has been put forward by the government that by the end of this calendar year there will be fibre rolled out to some 700,000 homes across Australia. It will be rolled out—I will come back to the bill because I can see the member opposite getting all excited—by a Commonwealth government agency to 700,000 homes.

At this point in time, as I understand it, there are 20,000 to 30,000 homes that have had fibre rolled out to them. So we are talking about 670,000 homes that are apparently going to be reached between now, February, and December this year. That kind of environment creates a recipe for disaster when it comes to good-quality spending by a government agency. That kind of environment masks a multitude of spending decisions that no doubt will run entirely contrary to the spirit of this bill and entirely contrary to good purchasing decisions when it comes to taxpayer dollars.

Mr Husic: I rise on a point of order. This is clearly outside what the bill is proposing to do.

The DEPUTY SPEAKER: The member for Moncrieff is reminded that I have read the bill and the second reading speech. I am struggling, though I have given him a long bow, to work out how discussions of the National Broadband Network are relevant to the bill. The Speaker, at the beginning of this week, issued a new ruling on relevance. It is that new ruling on relevance that I am seeking to uphold in this debate.

Mr CIOBO: I always seek to comply with the chair. I am trying to be helpful, because I am not sure if the member for Oxley is intending to speak on the bill. I will move, with great swiftness now, to a conclusion and outline just a couple of additional aspects of the bill.

Schedule 3 of the bill corrects two misdescribed provisions in the Financial Framework Legislation Amendment Act 2010. The two provisions sought to update section 27A of the Commonwealth Authorities and Companies Act, by replacing references to 'at common law and in equity' and 'at common law or in equity' with 'under the general law'.

Schedule 4 relates to special account appropriations under the Financial Management and Accountability Act 1997. Effectively this is a very minor change but one that is profoundly important. As it currently rests, determinations for appropriations are done by way of a disallowable instrument which takes effect five sitting days after the determination was
effectively moved through the parliament. Such appropriations are often used by new
government agencies once they are established. For practical purposes this act will now,
under schedule 4, move to allow the minister to prescribe a date in the instrument on which
the appropriation takes effect. It is a small change but an important change, because it
enables the appropriations for new government agencies to effectively not take place five
sitting days after it has gone in but rather on a prescribed day, which is a key thing.

In addition there is an area that raises specific concerns for me—that is, with respect to the
schedule 4 initiative to offset debt. Effectively it is a provision to give the finance minister the
discretionary power to offset debts owed to the Commonwealth by an individual or entity
against payments owed to the same individual or entity. As it stands currently, the
Commonwealth must pay in full regardless of debts owing. This new provision will ensure
that there is a mechanism for the Commonwealth to recover debts in a cost-neutral way and in
a more efficient manner than is allowed under provisions.

I want to put very clearly on the record my very profound concerns about this. I think that
this is not a good provision. The reason is this: I know of numerous examples where the
Commonwealth asserts—I emphasise 'asserts'—that there is a debt owing to the
Commonwealth. Under this provision, opportunity will arise for the Commonwealth to not
make a payment or a net payment to an individual, company or a recipient of the
Commonwealth, an amount that the Commonwealth merely asserts it is owed. My concern is
that this could have a very significant impact upon those who have dealings with the
Commonwealth, on the basis of a mere assertion. The fact is that there are numerous instances
where the Commonwealth's word is not sacrosanct—where the Commonwealth's word is not
holier than thou, is not like Scripture from the Bible that goes without challenge.

There are numerous instances where the Commonwealth can assert that a debt is owed to it
and be wrong. There are numerous instances where the Commonwealth can assert that a
certain quantum of money is owed when in reality it is owed a different quantum of money.
My concern is that, where there is already a pervasive culture that I am constantly hearing
about from members of my community—that government departments engage in a form of
bullying when it comes to payments—this provision will entrench that attitude. I suspect it
will be an approach that says: 'It's my way or the highway. We allege that you owe us $500.
We owe you $600, so you're only getting $100,' to use a basic example. I think there is very
good reason for those two processes to be entirely separate. There is very good reason for
the Commonwealth to pay the $600 and invoice the $500, to continue the example.

I believe it is not good enough, in what often is the case—and I particularly emphasise this
to the member of the executive at the table—to simply say that the Commonwealth has the
right to net out the difference between an assertion of an amount owed to the Commonwealth
and an amount that the Commonwealth does in fact owe to an external party. For that reason,
I say that I as an individual member of this House significantly disagree with the provisions of
this act that go to that particular matter. It is simply, I believe, going to be abused by
Commonwealth government bureaucrats to reinforce an assertion they make where a debt is
owed, and I do not believe it is appropriate that that should be contained in the legislation.

The final schedule is schedule 5 of the act, which proposes to repeal two redundant special
appropriations to clean up the statute book; they are the Appropriation (Development Bank)
Mr HUSIC (Chifley—Government Whip) (10:46): I thank the member for Moncrieff for his contribution, both said and otherwise. I am pleased to speak on this bill because it does have significance and reflects the fact that it is part of an ongoing process to change appropriations, governance and financial management issues. The Financial Framework Legislation Amendment Bill (No. 1), if enacted as was indicated in the second reading speech, potentially amends four acts and will repeal two others over three portfolio areas. This is all designed as part of the ongoing process of clarifying aspects of the Commonwealth’s financial framework. As I indicated earlier, it is not the first time this has been done. In fact, since 2004, there have been nine different versions of this bill. It is designed as part of the overall process to take a collaborative, whole-of-government approach to looking at the way in which we can improve the management of finances.

The breadth of appropriation, governance and financial management issues means that we do need to keep looking at how we can best improve on those matters. That is the reason why the Department of Finance and Deregulation works with all parts of government to help address financial framework issues once they emerge. If there are things that do need to be dealt with it is important that they are dealt with quickly and that, as part of that process of departments being able to appreciate changes to the way they need to operate in order to provide better value for money and better management of our finances, we do move swiftly to encourage a different focus and a different operating approach by departments.

The act will amend four acts. First, it will amend the Auditor-General Act 1997. By doing so it will clarify, for instance, that the Auditor-General may accept an appointment under the Corporations Act 2001 as the auditor of any company that the Commonwealth controls. There are a number of government business enterprises. We have heard reference to the National Broadband Network Co., NBN Co., but Australia Post is another GBE that may be affected by this. This will align the Auditor-General Act 1997 with amendments made in 2008 to expand the meaning of ‘Commonwealth control’ in the Commonwealth Authorities and Companies Act 1997, an act that is followed closely by the GBEs that I mentioned earlier, as they are compelled to do.

The other aspect of the changes proposed is that the bill will amend the Commonwealth Authorities and Companies Act 1997, which I have just referred to. It will ensure that the directors of these authorities and of wholly-owned Commonwealth companies, other than GBEs, will prepare budget estimates as directed by the Minister for Finance and Deregulation. The significance of this is that departments will be compelled to follow direction from the finance minister as opposed to their own minister. Again, this is a signal sending an important directive about the way in which finances will be managed into the future. It is also consistent with an ongoing practice over many years. As a result of the amendments to the Commonwealth Authorities and Companies Act, it will ensure that directors of authorities and wholly-owned Commonwealth companies notify their responsible minister of any decisions regarding certain significant events, such as creating a subsidiary.

During the member for Moncrieff’s contribution, I was particularly active in attempting to bring him back to relevance to the bill, specifically because some of the matters he was raising in reference to NBN will be dealt with by this bill. For example, if NBN were to
change anything that it indicated it would do under its corporate plan, it would need to notify the minister for communications accordingly. This bill will have the effect of doing that just that. If NBN Co. decided to change its direction in a significant way, this would trigger the significant event provisions that are dealt with under this bill and it would need to notify the minister accordingly. I think it is important for that to happen, particularly if there is an impact on the financial elements of NBN Co.'s operations. For example, if the change were going to affect its stated returns on investment or if it were to affect the way in which the rollout is to occur and that would have a financial implication, I would imagine that that should be notified. The changes that we are making here today will ensure that that occurs.

The bill will amend two other minor misdescribed provisions, as they are called, that appear in the Financial Framework Legislation Amendment Act 2010. Those provisions sought to update the Commonwealth Authorities and Companies Act 1997 to replace references to 'at common law and in equity' and 'at common law or in equity' with the phrase 'under the general law.'

The bill will amend the Financial Management and Accountability Act 1997 to make four changes. It will clear up the commencement date for the determination of special accounts and it will also make sure that certain determinations will start on a date specified, outlined in that determination if that day is later than the last day upon which a disallowance resolution is passed by the parliament. It will also ensure that we concentrate on the operating of drawing rights on payments, and it will remove the penalty relating to those drawing rights. In addition, it will insert a new whole-of-government element that would make sure that the finance minister could set off, in whole or in part, an amount owing to the Commonwealth by a person with an amount owing by the Commonwealth to the same person. Finally, it will increase certain limits around which the finance minister could delegate to officials in relation to the making of certain instruments.

The bill that we are debating will repeal two acts that include special appropriations that no longer have any effect or are redundant. They are the Appropriation (Development of Bank) Act 1975 and the Car Dealership Financing Guarantee Appropriation Act 2009. When taken in their breadth, all the changes that are occurring, as I said earlier, are designed to ensure that we are keeping up to date with events as they are occurring on the ground. They are also important in ensuring that departments are finetuning the way that they are approaching the management of finances.

This government is proud that it has been able to oversee the fastest rate of fiscal consolidation in, I think, four decades. Anything that can be done at a micro level within departments needs to be encouraged. As I said before, this is not the first time that this has been done. The coalition, when it was in government, also embarked on similar sorts of changes in a similar vein. Again, these changes need to be made to ensure that departments are moving with the times and that we are prudently oversighting the expenditure of funds. To not do so would see the compounding of potential problems or difficulties in the management of finances so that we would be unable to halt or better and efficiently manage finances within departments. I indicated earlier that I have been concerned about the breadth of criticism of NBN Co. These bills ensure that significant events are picked up and that they require notification to the government of anything that would change, for example, the way NBN Co. operates. That has an impact on the rate of return or the stage at which expenditure would be
required to be outlaid as part of the rollout over a significant period of time, and it has an impact on the size of that infrastructure project, where we are renewing the nation's technological infrastructure in a way that has not been done before. If there is any significant change to the way that that project is done outside the corporate plan, bearing in mind that this corporate plan is submitted to the shareholding ministers—the minister for communications and the minister for finance—which would ultimately, in some major way, change the rollout, then that should be picked up. That is why the member for Goldstein and the member for Moncrieff, who both made this point when was talking about the NBN, should rest assured, as should the coalition, that any changes to those corporate plans will be picked up by this bill.

Also, bills will be repealed. For example, as I mentioned at the tail end of my contribution, we would be repealing the Car Dealership Financing Guarantee Appropriation Act 2009 and the Appropriation (Development Bank) Act 1975. They have either been in existence for some considerable period of time and are simply redundant or the events which required the establishment of certain acts, such as the Car Dealership Financing Guarantee Appropriation Act 2009, which flowed out of the fact that during the GFC car financing was directly affected. We needed to act quickly to ensure that, for the auto sector, customers who were purchasing vehicles had some sort of security and ability to procure finance. As has been previously described in the House, 46,000 Australians are employed within the sector. That act at that point in time was useful. I notice that the member for Corio and the parliamentary secretary, whose electorates are deeply affected by these issues, would have been two of many electorates that benefited from the Car Dealership Financing Guarantee Appropriation Act 2009. However, as times have changed, we no longer require that act. There has been stabilisation within that sector with people being able to obtain finance and it is clear we no longer need those acts. As I said, this fits within the broader attempt by government that we change acts and repeal them when they are no longer required.

I was particularly pleased to see in the bill, and I made reference to this earlier, that the Department of Finance and Deregulation approaches these things within the spirit of collaboration. It does so clearly to ensure that departments have buy-in in the way in which these regulations are introduced because it will have an impact when rolled out within departments. These types of finance provisions and the impact they may have on programs or people within the department should be managed in a way that there is buy-in at a fairly early stage. It will ensure that we are able to quickly address financial framework issues. Once those issues emerge we are able to design solutions in the repealing of those two acts.

The other thing is that directors get clear signals. It is not just departments, but directors of Commonwealth authorities or wholly owned Commonwealth companies get a clear signal that they, ultimately, in managing finances within GBEs are accountable and are required to report to the finance minister. GBEs themselves are subjected to quite a degree of oversight. There are not too many companies in Australia required to appear before Senate estimates committees and have their entire operations scrutinised to the finest detail in a very public way. A lot of this would occur behind closed doors. Auditors or authorities like APRA, for example, would have the ability to scrutinise finances or issues closely.

If the Minister for Finance and Deregulation requires that budget estimates be compiled instead of going through the responsible minister, it is entirely appropriate that the Department of Finance and Deregulation be involved in this process to ensure that there is
consistency across departments and that we are better able to scrutinise, and for the accountability of parliament and what is expected of parliament—in particular the Senate—it is only right that that occur.

While a lot of people will say that there are a lot of things in here that are dry and not necessarily the stuff that would attract significant debate within the House, I would actually counter that by saying that the things that we are doing in here are absolutely consistent with what we on this side of the chamber are focused on, which is, as I said, the finer and the efficient management of funds and spending within government. I commend the bill to the chamber.

Ms HALL (Shortland—Government Whip) (11:01): Mr Deputy Speaker Leigh, I commence my contribution to this debate on the Financial Framework Legislation Amendment Bill (No. 1) 2012 by acknowledging that this is the first time you have been in the chair as Deputy Speaker when I have spoken. I am sure that in your role as Deputy Speaker you are going to bring great wisdom, make some great rulings and, at the same time, be entertained by some very edifying speeches that will be put to the parliament. I know that you have a deep interest in the economy and economic institutions, and I am sure that you as a member of parliament find this financial framework legislation imperative and riveting and the kind of legislation that we as a parliament need to be passing.

The Financial Framework Legislation Amendment Bill (No. 1) 2012 seeks to amend four acts and to repeal two acts across three portfolio areas, as was so eloquently put to the chamber by the previous speaker, to clarify the Commonwealth's financial framework, among other related measures. The bill also seeks to amend the Auditor-General Act 1997 to clarify that the Auditor-General may accept an appointment as the auditor of any company that the Commonwealth controls as defined under the Commonwealth Authorities and Companies Act 1997. It also seeks to amend the CAC Act to ensure that directors of Commonwealth authorities and wholly owned Commonwealth companies may prepare budget estimates as directed by the Minister for Finance and Deregulation and notify the responsible minister of any decision. This is a very important aspect of the CAC Act and it really goes to the core of financial management and government authorities.

The bill also amends the Financial Management and Accountability Act to clarify the commencement day for special account determinations and the operation of drawing rights to clarify the financial delegations power. It updates, clarifies and aligns related financial management provisions and repeals two redundant acts that contain special appropriations, the Appropriation (Development Bank) Act 1975 and Car Dealership Financing Guarantee Appropriation Act 2009.

This legislation is all about openness and transparency and ensuring that our financial framework works in the way that it should. It has given me great pleasure to be able to make this contribution to the debate. I wholeheartedly support the legislation.

Mr MARLES (Corio—Parliamentary Secretary for Pacific Island Affairs) (11:05): I thank all members who have contributed to the debate on the Financial Framework Legislation Amendment Bill (No. 1) 2012. Firstly, as a matter of clarification regarding the implementation of the proposed section 35 of the FMA Act regarding set-off, I would like to make a couple of comments in response to queries from the member of Goldstein's office regarding the interaction of this general provision with existing detailed specific statutory
provisions. The government does not intend that this provision be used in relation to a tax liability that may be payable to the Australian Taxation Office within the broad meaning of a tax liability under the Tax Administration Act 1953. I wish to also offer a further point of clarification with regard to the retrospective commencement of items 1 and 2 of schedule 3, which seek to amend misdescribed provisions in the Financial Framework Legislation Amendment Act 2010 that would have made technical amendments to the Commonwealth Authorities and Companies Act 1997. These items seek merely to substitute references to ‘at common law and in equity’ and ‘at common law or in equity’ with the phrase ‘under the general law’. The Financial Framework Legislation Amendment Act 2010 added a definition of ‘general law’ in the CAC Act as meaning ‘the principles and rules of the common law and equity’.

As explained in the explanatory memorandum to the bill, the retrospective commencement of these items would not cause detriment to any person, as substantively the connection to common law and equity are retained within the meaning of general law. Moreover, consistent with the request from the Senate Standing Committee for the Scrutiny of Bills in their Alert Digest No. 2 of 2012, I also advise the parliament that the changes could not possibly cause detriment to any person. This bill, if enacted, will clarify specific provisions in four acts and repeal two acts across three portfolios. This bill reflects an ongoing commitment to ensuring that financial framework laws remain clear and up to date. I commend the bill to the House.

Question agreed to.
Bill read a second time.
Ordered that the bill be reported to the House without amendment.

BUSINESS
Rearrangement

Mr CHEESEMAN (Corangamite) (11:09): I move:
That business intervening before order of the day No. 4, committee and delegation reports, be postponed until a later hour this day.

Question agreed to.

COMMITTEES
Social Policy and Legal Affairs Committee
Report

Debate resumed on the motion:
That the House take note of the report.

Dr STONE (Murray) (11:09): I wish to speak on what was indeed an excellent report undertaken by the Standing Committee on Social Policy and Legal Affairs. It is called In the wake of disasters. What the committee did was to enquire into the insurance industry's response to the 2010-11 extreme weather events that occurred around Australia. These included fire and flood. We travelled extensively and spoke to insurance companies and the victims of these disasters. We were often quite shocked by the level of distress and concern still being felt by people who had insurance. This was many months after the disaster itself.
We therefore came up with a series of recommendations that we believe will substantially assist the people who take out insurance and also the insurance companies themselves through better regulation, better communication with policy holders and better transparency and clarity across the sector. The recommendations include, for example, that the Insurance Contracts Act 1984 be amended so that there is an obligatory option of full loss replacement and flood cover. This sounds like common sense but it is needed very much. We also said that, should there be a deviation from the standard cover, it be at least communicated to policy holders. Again, you would expect that to be common sense, but we found that was not occurring. We also want to see a standard definition of flood and I am pleased to say that is already being taken up by this government to ensure that, if you have flood cover on your policy, it does not vary from that of your neighbour who experiences the same event but has different flood cover from a different insurance company.

We recommended that we also amend legislation to remove the general insurers' exemption from unfair contract terms. It seems extraordinary that in Australia we exempt any sector or component of service delivery from unfair contract terms, but we do. More than that, we allow, should there be a disaster in play, that the insurers can set aside the code standards. Just when you most need your insurance company to be talking to you in a timely way, when you most need them to have expert hydrologists or loss assessors to deal with your claim, in fact general insurers are exempt from conforming to the code standards. We are saying that is a nonsense. There should not be an exemption. We are also saying that the whole business of voluntary conformity to codes of practice clearly has not worked when it comes to the insurance industry in Australia and therefore there should be mandated compliance with codes on issues such as time standards for when you first have your insurer respond to you, for sending assessors, in making sure that any disputes are dealt with and that customers are given information about where to go if they move from internal dispute resolution to, for example, the Financial Ombudsman Service or the external dispute process.

We have a case in Australia of good policy intent on the part of insurers but real failure when it comes to dealing in a timely and professional way with individual claims. I will give you some of the examples of the distress we found. In my electorate of Murray we experienced some of the worst floods on record over the Christmas-New Year period last year, January and February 2011. We had farms inundated. A lot of livestock were lost. Over $2 billion worth of livestock and infrastructure such as fencing and shedding was lost. We also had whole towns like Bridgewater, Rochester, Serpentine and Pyramid Hill, completely inundated by floods. As you always find, there was a variety of different insurers who had been selling policies into those communities for a very long time. In some cases there had been more than 20 or 30 years of policy purchasing from some companies and there was an expectation that the insurance companies would be there to help at this time of extreme distress. We found that some insurance companies told people whose homes had been flooded, for example in Rochester: ‘Whatever you do, do not touch any of your soft furnishings, carpets or curtains. Do not remove mattresses or anything that is in your home that you wish to make a contents insurance claim about. Do not touch any of that sodden material until your insurance assessor visits and makes an assessment.’ Can you imagine week after week of your home being full of this wet and mouldy bed linen, mattresses, carpets and curtains?
There was a disease hazard fairly soon with the incidence of moulds and fungi. However, nearby to that particular individual who was told, 'Don't touch any of the internal contents of your house,' the neighbour with a different insurance company was told, 'Just take photos. Make sure you take a lot of photos of the flood damage in your house or in your garden shed. We trust you. We will do the right thing by you, and by all means get all of the wet mess inside your house outside and dispose of it as soon as you can.' You can see the common sense of that response. You can also understand the despair of those who were told, 'Do not touch the contents of your home until we get there.'

The business of 'until we get there' was problematic because of the huge number of claims being made all of a sudden. You had assessors who did not arrive for weeks. You had hydrologists whose actual qualifications were suspect. When we went into Queensland flood affected areas, we were told of hydrologists who claimed that the flood was clearly from a river from the west when the locals could tell you, 'No, it was from the river from the south.' In one street with different insurance companies with policies sold into the street, we had five or six different interpretations of what the event actually was all about: the directions of flooding, the severity of flooding, the timeliness of the flooding. This is just a nonsense. You can imagine, as I said before, the stress put on victims of these floods when they are not only dealing with the huge losses in front of them: loss of irreplaceable things like old photos, children's clothing, perhaps the loss of pets, or the loss of their livelihood if they had a home based industry. Not only did they have to deal with those losses but they were at war with their insurance companies, who were treating them like enemies rather than as valued customers.

We have made a significant number of recommendations which we believe will help change that situation. We have recommended a code of practice that is no longer voluntary but is mandated, and conformity must be required. We want to make sure that external dispute resolution processing for claims includes looking at the effectiveness of the Financial Ombudsman Service. We are quite sure the Financial Ombudsman Service means well, but they were missing in action when it came in particular to the Victorian floods. They did not make any local public statements in the media; they did not attend in emergency centres. Most people we spoke to in the inquiry did not know who they were or what they did. Their name does not help, of course—there is no mention of insurance or emergency in their actual title.

We also found a lot of the customers of insurers were not told about dispute resolution. It was a very serious omission on the part of the insurance companies not to make it clear that, if they rejected the claim in the first instance, there were other places the customers could go to have their claims reviewed or queried. We found that some insurance companies simply put onto their phones in their call centres casually employed novices who knew nothing about the insurance industry or about the traumatic event itself. So, with the first phone contact, those claiming insurance cover were often told quite blatantly, 'You have got no claim possibility here. You are not going to get any payout, so don't bother ringing again.' This is quite an appalling situation. We believe there must be in every instance the right of a person with an insurance policy to have their claim properly assessed and for them to go to a review process if they do not get the outcome that they are after. So we want minimum standards for claims handling in times of exceptional circumstances, such as a declared disaster.
We want a time frame for informing clients of the progress of their claim; a time frame for advising claimants if an external expert has been appointed to look at their particular claim situation. They could be the assessors or the hydrologists. We also want assurance that the external experts are fully qualified to undertake assessments. We had evidence where we were told that, while there was an expectation a qualified hydrologist or a qualified assessor would come and look at the claim, in fact there was a great deal of suspicion that the person was not qualified or there was a query about whether the person actually visited the premise or the farm to do on-the-ground assessment; it was done from afar. And you can imagine the outcomes for the person with the claim.

We want information provided to the claimants about the qualifications, the employer and the role of the external experts insurers appoint to assist with their claim. There is not always satisfaction for the claimant if they understand the hydrologist or the assessor is employed by the insurance company. Clearly it is in that insurance company's interest to have a particular outcome from their paid external experts. We want a maximum time frame for accepting or denying the claim, and we want a time frame for responding to requests for information. These are such basic consumer rights but they are rights that have been neglected by the insurance companies, particularly at a time of crisis.

We want an undertaking that all decisions about insurance claims are communicated to the claimant in writing, with clear and explicit reasons relating to their particular claim. We do not want to see again a call centre casual employee making, it would appear, a decision over the phone and telling the claimant, 'Don't bother ringing again. There's no way you're going to get cover.' We want a time frame for informing claimants of the progress of their complaint or dispute.

So there are a range of common sense, simple requirements in our inquiry recommendations. They are not necessarily expensive requirements. They are not going to add greatly to the cost of insurance, we do not believe. They are simply about the rights of claimants, to try to minimise the distress for people in these extraordinary circumstances.

We also believe that insurance companies that have breached the code or that are involved in systemic issues and any types of breach should be named, that they do not go anonymously onto the record if they are found to be a problem by the Financial Ombudsman Service, as is currently the case. They should be named so that the consumer can see where there is a company they may not wish to buy a policy from.

We recommend that the Australian Securities and Investments Commission amend the regulatory guidelines 139 by 1 July 2012 to require the Financial Ombudsman Service to report regularly to ASIC and then to make public those breaches, as I have just mentioned.

We also want to make sure that the Australian government empowers ASIC to regulate claims handling and settlement of financial service providers. The voluntary regulation that has been the hallmark of this industry, as I said earlier, just does not work. You cannot have voluntary compliance with codes of conduct and practice where it is a case of the insurer being able not to pay a claim, obviously at a great commercial advantage to them, when paying the claim was the right thing to do. We want to make sure ASIC is comprehensively involved monitoring and regulating claims-handling and settlement processes—imposing sanctions on insurance companies under ASIC licence remedies on behalf of consumers; and we want them to negate the current exemption of claims handling and settlement from the
definition of 'financial services' for the purposes of the Corporations Act 2001. These exemptions simply should not exist.

We conducted this inquiry in an environment where there were still victims suffering greatly from the poor practice of their insurers. In the case of Northern Victoria we still have individuals waiting for claim resolution. We have now a new set of flood dangers, as we speak, occurring in Northern Victoria and in parts of the Mallee. These issues have to be resolved. We have to have insurance companies that are fair and are not able to voluntarily defer from behaving properly.

Debate adjourned.

**BILLS**

**Crimes Legislation Amendment (Powers and Offences) Bill 2011**

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

Mr KEENAN (Stirling) (11:25): Mr Deputy Speaker Leigh, just before I walked in here, I heard the member for Shortland congratulating you on your elevation to the Speaker's panel. I offer my congratulations to you as well. Certainly there is a new ceremonial spirit in these roles and I hope you will consider how you might personally imbue that new spirit. I will be waiting with bated breath to see how that spirit manifests itself.

Turning to the Crimes Legislation Amendment (Powers and Offences) Bill 2011, the report on this bill by the Standing Committee on Social Policy and Legal Affairs was presented to the House yesterday and now we are discussing it in the Federation Committee. While the coalition does not have any problems with the government's response to that committee report, in terms of whether it is best practice to leave not even 24 hours between the report of that committee and then discussing it in the parliament, I think it is fair to say that it would have been more ideal had we been given more time, even though we do not object to what the government is proposing to do. While I do appreciate the rationale for the urgency given to me by government advisers this morning, I want to flag that we would prefer to legislate in a more orderly way. It seems there has been a small element of chaos this week in the government's legislative agenda and I hope that they can rectify this in future sittings.

The House Standing Committee on Social Policy and Legal Affairs also tabled their recommendations in relation to this legislation yesterday. I want to address what they said because I know the report was issued on behalf of all members of the committee. When any parliamentary committee, where both sides of the chamber are represented, manages to come together to make recommendations as a whole committee I think it is very important that this parliament takes serious note of the recommendations. I am sure the government has done that. So I want to talk about the government's record on law enforcement and then talk directly about the provisions in this bill and the recommendations made by the committee.

Labor's record on criminal issues in general and on border protection has been consistent in its disrespect for Australia's law enforcement agencies. Those agencies have been subject year after year, through the budgetary process, to extensive cuts in a way that is certainly detrimental to their ability to do what they are supposed to do, which is to fight crime and to
When the Labor Party came to power they abolished the success National Community Crime Prevention Program and replaced it with what is called the Safer Suburbs Plan, essentially the same thing but with a lot less money. The Safer Suburbs program is only a vehicle for Labor to implement its election commitments in this area. Sadly, it is not ongoing beyond the three years and only $15 million was allocated to it.

In contrast, the coalition had funded $65 million for local community crime prevention initiatives. Some of those initiatives were in my electorate of Stirling and I am happy to report that they were very successful and very useful in fighting local crime in my community. I think scrapping that very successful program when they came to office was a dreadful mistake for the Labor Party and is to the detriment of law enforcement all around our country. It is particularly grievous considering the money this government has wasted since 2007. They have taken the axe to what should be considered other high priorities to make up for the fact that so much money went to things which should not have been a priority and have been exposed as scandalous government waste.

Unfortunately under this government we have also seen very serious and sustained cuts to one of the agencies which this bill addresses—that is, the Australian Crime Commission. This agency has, quite frankly, been savaged by Labor. The staffing cuts have been in the order of almost 20 per cent. These savage budget cuts have severely hampered the ability of the ACC to carry out their duties. Staff in that agency has been reduced from 688 to 556. I also note that 100 officers seconded from state and territory police forces have also been sent home. Labor's cuts to the ACC budget equate to an 8.9 per cent reduction over the forward estimates. As I said, that has resulted in almost a 20 per cent reduction in staffing numbers available to that agency. You cannot savage an agency like that and expect it to be able to continue to do its job in a professional way and at the same level as it did when it had 20 per cent more people available. Clearly, these very serious and grievous cuts are going to have an impact on the ability of that agency to fight crime. I am very disappointed that Labor's priorities have meant that they have not fully funded the ACC. Clearly this could be a challenge for us if the government does change and we get into power.

The Australian Customs and Border Protection Service have been similarly savaged by this government and it has happened to them at a time when the strain on their resources is already immense because of the border protection catastrophe that Labor have created because of the silly changes they made to the successful border protection regime they inherited when they came to office. Customs and Border Protection are the country's premier agency in the protection of Australia's borders. One of the core Customs functions is to stop illicit material and other contraband entering Australia. Obviously, if their ability to do that is hampered then we are going to find more weapons on our streets and more precursors to drugs, or those drugs themselves, being smuggled into the country. Clearly, the likelihood of intercepting contraband before it gets to Australia has been vastly diminished since that agency has had its funding cut so significantly by Labor.

The cuts have resulted in Customs axing 20 per cent of its senior executive service. One in five senior executive officers have been axed as a result of Labor's spending decisions. We have a new Minister for Home Affairs in this portfolio, the member for Blaxland. I believe the test for him becoming a successful minister is whether he can carry weight with his
colleagues and reinstate the savage cuts that have been made to the agencies that he is responsible for.

I want to list some of those cuts because it is vitally important that these are addressed. Labor have cut aerial surveillance within the portfolio by almost $21 million, which means that there are 2,215 fewer surveillance hours available for Customs to patrol our borders. That equates to 90 fewer days for surveillance by Customs and Border Protection to look at what is going on around our borders, particularly our northern borders where that agency is so heavily involved in dealing with Labor's border protection failures. Ninety staff were cut from Customs in the last budget on top of the 250 staff that were cut in the 2010-11 budget, and $9.3 million has been taken out of Customs in the financial year 2014-15, apparently in a plan to reduce capital spending in what is classified as low-risk organisational activities.

Labor have cut $34 million over four years for passenger facilitation at Australia's eight major international airports. When Australians are waiting in line to be processed by Customs—and those queue times are increasing—they can directly blame the Labor government for the cuts they made to the Customs budget to process passengers coming into Australia. Clearly, when you are making such enormous cuts, they are going to have a severe impact on the ability of Customs to provide that service. In last year's MYEFO, it was estimated that about $35 million will be cut from Customs over the forward estimates. This is on top of the budget cut to Customs for cargo inspection outlined earlier that has resulted in savage cuts to Customs' ability to screen cargo when it comes into Australia. There was $58.1 million cut from that budget, and that cut has meant that 25 per cent less sea cargo is inspected when it comes into Australia. A staggering 75 per cent less air cargo is inspected because of that enormous cut.

As I have outlined, what this means is that it is much harder for our law enforcement agencies to do their job because the federal government are not doing theirs. The federal government are not properly screening cargo when it comes into Australia. That means that organised crime has the ability to bring things into our country, and it means that it is much harder for not only federal crime fighting agencies but also state and territory police forces to do their jobs because the federal Labor government are not doing theirs. I think that is a damming indictment on this government, and I really believe the test for the new minister is whether he has the ability to convince his colleagues that these cuts need to be reversed and that these cuts have hampered his agencies' ability to do their jobs. That is the absolute test for the new Minister for Home Affairs.

Sadly, it is not just Customs and the ACC that have attracted the savage cuts that Labor have made to our law enforcement agencies. The Australian Federal Police have also been hit hard by cuts. Labor imposed their so-called efficiency dividend, which I think is the worst form of budget management, on the AFP. This has resulted in $23.5 million being cut from the AFP's operating budget. This is on top of the staff and budget cuts that they have been forced to absorb in previous years. When Labor take the axe to Customs and Border Protection and to the Australian Federal Police, it makes their job more difficult to do and it also hampers the ability of state police forces to do their job.

It is very important that states recognise that the Commonwealth is not pulling its weight in our national law enforcement efforts and it is making the jobs of the states and territories even harder. That filters down to all of our electorates. When we see crime related to drugs, we can
look directly at the federal government and say that they are not doing their job in stopping
drugs or the precursors of drugs coming into Australia. That filters its way down into every
area of law enforcement and every area of criminal activity, because we know that criminal
activity is so heavily related to drugs.

Following on from my preliminary comments about the terrible things that Labor are doing
to our law enforcement agencies and the coalition's disappointment in the way they have
made these savage cuts to our law enforcement agencies: in light of the fact that they have
wasted so much money in other areas, if this were a disciplined government that had
exercised physical restraint then these cuts probably would not be so egregious. But the
reality is that they are a government that are fiscally reckless and have wasted an enormous
amount of money, and yet they have still managed not to fund these agencies properly and
they have savaged the existing budget that these agencies had when they came to office. That
is a shame, and that is affecting all of us in our electorates. The new Minister for Home
Affairs has come into the chamber and I reiterate my call for him to look at these savage cuts,
to look at the effect that they are having on the agencies that are under his control and to do
all he can to reverse these cuts so that these crime-fighting agencies can do their job of
fighting and stopping the crime which is such a scourge in our communities.

I will just talk about the amendments in the bill. The explanatory memorandum to the bill
notes that the bill will increase transparency and reduce the complexities surrounding the
procedures governing the collection, use and analysis of DNA forensic material. This is a
sensible amendment and it is fully supported by the coalition. I note that it was also supported
by the House committee that inquired into this bill. Secondly, the bill aims to enhance the
Australian Crime Commission's information-sharing capabilities to enable the agency to share
information with Commonwealth, state and territory agencies and international law
enforcement intelligence bodies. Again, I think these are sensible amendments. They attract
the support of the coalition and they attract the unanimous support of the committee also.

It clearly makes sense for the ACC to have the ability to share information with relevant
law enforcement agencies when it is appropriate for them to do so. I was informed in my
briefing this morning that the ACC suffers from some of the most restrictive rules in relation
to the information that it can share and how it can share that information. I support this bill's
attempts to liberalise the ability of the ACC to share information when it is appropriate. The
bill also makes an amendment to provide the Australian Commission for Law Enforcement
Integrity with a contempt power and to enhance the commission's capability to investigate
corruption. This amendment aims to deter uncooperative witnesses by providing a quick and
powerful mechanism for the integrity commissioner to deal with uncooperative witnesses.
Again, this is a sensible amendment endorsed by the coalition and endorsed unanimously by
the committee.

Measures in this bill also aim to combat the emergence of new and illicit substances such
as meow meow and special K. The reality is that the drugs we find on our streets are
constantly evolving, particularly drugs that are created through a chemical process in
backyard labs. Clearly the legislative framework needs to keep up with changes that are made.
I understand from my briefing this morning that it is that particular aspect of the bill that
warrants the urgency with which this House has been asked to deal with the bill. I accept at
face value what I was told and that is why we have been happy to debate this bill at such short
notice, with the caveat that I mentioned earlier on that it is not best practice to force the chamber to look at it so quickly after the committee has completed its deliberations.

The bill also seeks to make amendments that will list additional drug substances and the quantities to be subject to the full range of serious Commonwealth drug offences. That is the measure I was just discussing about the changes that we see in relation to chemically synthetically created drugs.

The bill also makes amendments to Commonwealth parole. Currently there is no ability to refuse parole to a federal offender who is serving a sentence of imprisonment of less than 10 years, even if the corrective services agencies believe the offender should not be granted parole.

On the same subject of parole, the bill’s amendments will allow the release on parole of all federal offenders to be a discretionary decision, which would be consistent with the approach the states and territories take on granting parole. Further amendments are also being made to ensure that the federal offender's parole period ends on the same day as his or her sentence and that the parole supervision period may extend to the end of the federal offender's parole period. The situation currently is that for federal offences, other than life imprisonment, the maximum parole supervision period is only three years.

If I talk about all of those changes as a whole, this was the area of controversy that the committee raised in its report that has not been accepted by the government. The committee largely accepted the provisions of this bill, but there were two things they were concerned about and the retrospective nature of the changes that were made to parole was one of them. The government has not accepted the committee's concerns that were raised in the report that they tabled yesterday, and I do support the government's approach to this particular issue. I think it does make sense for the government to have the discretion that it is seeking.

I spoke to the deputy chair of the committee—the senior coalition member of that committee, the member for Pearce—and she reiterated to me the concerns that the committee had. I know that she takes her committee work very seriously. When she endorses a recommendation for a committee that she is on and particularly one that she is deputy chair of, she is serious about it. She raised with me that she still shared the concerns that the committee raised yesterday about the retrospective nature of these changes. But I did respectfully agree to disagree with her on that particular issue and the coalition supports the government's approach to these changes.

The bill makes an amendment that will empower state and territory fine enforcement agencies to enforce Commonwealth fines through non-judicial enforcement actions without first obtaining a court order, which is costly and time consuming. That is supported by the coalition and was supported unanimously by the committee.

Finally, the bill makes an amendment to allow a court to restrict the publication of certain matters in relation to applications for freezing orders and restraining orders to prevent the publication of information that could compromise the proceeds of crime or related criminal investigation. Again, the coalition considers that to be uncontroversial, and the committee endorsed the government's approach unanimously also. There were two issues the committee raised within its report yesterday. I have dealt with the first issue about the concerns they had about the retrospective nature of the changes to federal parole. The second issue related to the
safeguards around the ACC sharing information with private sector agencies. The government have accepted the concerns that the committee raised. I note that they are going to move amendments that add to those safeguards. Again, we support the government's approach on that and I am pleased that they have taken into account what the committee raised yesterday. It obviously makes sense for there to be appropriate safeguards around the ACC sharing such information. We were briefed this morning that the ACC felt that the amendments that were being made did create a workable framework for them, so I believe that this is a sensible way for the parliament to proceed. The opposition supports this bill and we also support the minor amendments that the government will be moving at a later stage.

If I could just be indulged, I acknowledge that today represents the 150th anniversary of policing in New South Wales. I want to congratulate the New South Wales Police Force on the good work that it does. It is a police force with a very distinguished history, indeed sometimes even a colourful history, over the 150 years that it has provided policing for the state of New South Wales. I note that the Member for Fowler is very familiar with the New South Wales Police Force. I am sure that he would join with me in offering these congratulations. I note that he takes all issues of law enforcement very seriously in his role as chair of the Joint Committee on Law Enforcement. I also congratulate the Minister for Police and Emergency Services, the Honourable Mike Gallacher, for the work that he has done over the past year for policing in New South Wales and pass on my congratulations to the whole force through the New South Wales police commissioner, Mr Andrew Scipione. I am sure that everyone in the parliament will join with me in offering our good wishes on what is a very significant anniversary for that police force. I will conclude my remarks there.

Whilst the minister is in the chamber, I will repeat my call. The agencies that he has inherited from his predecessor have been savaged by cuts that his party have made to them since they came to office in 2007. That has directly hampered their ability to do their job. We will reverse some of those cuts when we come to office. That is our policy, although it is very difficult to reverse them all within the limited budgetary environment that we would inherit. I would ask him very seriously to do his job in convincing his colleagues that making those cuts was an error and to do all he can within his ability to reinstate that funding. We have had cuts of 25 per cent to sea cargo inspections. We have had cuts of 75 per cent to air cargo inspections. Every member of this House will see the results of those savage cuts in the crime statistics in their home electorates. I do not say that as a political point; I say it very genuinely. I hope that he does all he can to reverse the savage cuts that have been made to Customs, to the ACC and to the Australian Federal Police. I will conclude my remarks there.

Mr CLARE (Blaxland—Minister for Home Affairs and Minister for Justice) (11:48): I congratulate the New South Wales police on their 150th anniversary. Like the member for Fowler, I too have a close association with the New South Wales police. I have had the opportunity to work with them and with a number of police commissioners over the last two decades. I congratulate commissioner Scipione on his good work and the work of his team. The Australian Federal Police, the Australian Crime Commission and the Australian Customs and Border Protection Service work very closely with the New South Wales Police Force on many, many areas. It is with great pleasure that I rise today to congratulate them on their 150th anniversary.
I note the comments that the shadow minister made about cuts. I would ask him to urge the shadow Treasurer to contemplate his words as well, because I note the shadow minister in the press this week said that the cutting of 11 SES positions in Customs was, as he described it, ‘drastic,’ yet he represents a party which is proposing, if elected at the next election, to cut the Public Service by at least 12,000 positions. That is what the shadow Treasurer said, if I recall correctly, and I am assisted by the transcript. On Q&A on 27 June last year, the shadow Treasurer said:

Well, for a start—
I emphasise the words ‘for a start’—
12,000 public servants in Canberra will be made redundant over a two year period immediately upon us being elected.

I ask the shadow minister to consider the hypocrisy of the words he has uttered in this debate, criticising the government in this area and describing the cuts of 11 positions as drastic, when their own position here is to cut 12,000 positions. I would ask him to reflect on the hypocrisy of those statements.

This bill amends a number of acts that I as the Minister for Home Affairs and Minister for Justice administer. They include the Australian Crimes Commission Act 2002, the Law Enforcement Integrity Commissioner Act 2006 and the Customs Act 1901. The bill enhances the powers and capabilities of our law enforcement agencies to carry out their important work and includes a range of tools to fight crime. It enhances the information-sharing abilities of the Australian Crime Commission, it improves the ability of the Australian Customs and Border Protection Service to seize illicit substances and it provides the Australian Commission for Law Enforcement Integrity with a contempt power. These are all very good amendments and I encourage members to support them. I am very glad to see the opposition supporting this legislation.

Later in the debate the government will formally move amendments to the Law Enforcement Integrity Commissioner Act to allow the term of any Law Enforcement Integrity Commissioner to be extended for two years. As the minister responsible for the administration of the Australian Commission for Law Enforcement Integrity, I take this opportunity in this debate to explain why this amendment is important. There is no place for corruption of any kind in the public sector. The responsibility of the government is to make the public sector as corruption resistant as possible. It is an unfortunate truth that organised criminals will particularly target people working in law enforcement because of the nature of their work. The Commonwealth Organised Crime Strategic Framework identifies corruption of law enforcement officers as a method used by organised criminals to undertake and conceal illicit activities. It is therefore critically important that we put in place the right measures to address this risk. It is essential that our law enforcement agencies are leaders in mitigating corruption risks and in promoting a culture of integrity. A lot has been done in this respect in recent years, but there is always more work that can, should and needs to be done.

The role of the Australian Commission for Law Enforcement Integrity is to detect, disrupt and deter potential corruption in federal law enforcement agencies, including the Australian Crime Commission, the Australian Federal Police and the former National Crime Authority. Last year, the government extended the jurisdiction of the Australian Commission for Law Enforcement Integrity to cover the Australian Customs and Border Protection Service. Last
week, I announced that I have commissioned an independent review into the first year of ACLEI's oversight of Customs. I have commissioned this review to ensure that the Australian Commission for Law Enforcement Integrity is implementing this new responsibility effectively and is properly equipped to discharge this crucial function. The Australian Commission for Law Enforcement Integrity and Customs have been working closely together over the past 12 months to build a partnership to detect, disrupt and deter corruption. After a year in operation, it is now important to examine progress and consider whether improvements are necessary.

The amendment that the government will be moving in this debate will allow the government to extend the Law Enforcement Integrity Commissioner's term by another two years. It will provide the flexibility for situations where the Australian Commission for Law Enforcement Integrity is bedding down big reforms or undergoing extensive change, as is the case right now. The amendment will help ensure that the new responsibility of the Australian Commission for Law Enforcement Integrity is fully and properly implemented and that, where corruption is found, it is weeded out. It also implements a recommendation of the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity. The current commissioner is Mr Philip Moss, whose five-year term is due to expire in July of this year. This amendment will allow the government to consider an extension to his term.

Our law enforcement agencies do a very good job but, as I outlined, like law enforcement agencies around the world, they potentially become the targets of organised criminals. That is why, in addition to the action I have just outlined, I have also written to the Australian Crime Commission, the Australian Federal Police and Customs outlining my expectations of them in detecting, disrupting and preventing corruption. I also sought their advice about what further action they believe is required to mitigate corruption risks and promote corruption resistance. The more corruption-resilient our law enforcement agencies are, and the better equipped they are, the more effective they will be in fighting organised crime. Therefore, I commend this amendment and commend the bill to the House.

Mr MORRISON (Cook) (11:55): I rise to speak in this second reading debate on the Crimes Legislation Amendment (Powers and Offences) Bill 2011. On some indulgence in addressing the matters before us today, given that today is the 150th anniversary of the New South Wales Police Force, I would like to make a few remarks about that anniversary.

As the proud son of a retired police officer—I recognise also here the member for Fowler and the member for McArthur—I know only too well the sacrifice of those who wear the blue in New South Wales. It is a distinguished service. It is populated by brave men and women who put themselves in harm's way on a daily basis for us. For that reason I think they hold a very special place in our community.

I commend the 15,993 police officers currently serving in the New South Wales Police Force. I particularly want to recognise the 150 officers who are attached to the Miranda Local Area Command with Superintendent Greg Antonjuk, as well as Superintendent Dave Donohue from the Sutherland Local Area Command. Both the Sutherland Local Area Command and the Miranda Local Area Command look after our shire community.

On this very important day 150 years ago, 800 officers were combined into a single police force in New South Wales. It was probably one of the toughest states in which to be a police
officer—certainly back then, 150 years ago. That job has remained tough and dangerous ever since.

I particularly want to pay tribute to Commissioner Andrew Scipione. In my time I have not come across a finer man than Commissioner Scipione. He is an extraordinarily talented, gifted but gracious individual who has done an outstanding job as the Commissioner of the New South Wales Police Force. It was one of his initiatives to call the New South Wales Police Force by that name. My father, in particular, was incredibly pleased when that decision was taken, because it is a force. We need a force in our communities to combat the insidious nature of crime that would seek to rob the property, lives and liberties of our citizens. So it is incredibly important that we recognise the contribution of those who have done so much in this area.

Commissioner Scipione has probably done more than any other commissioner to lift the level of integrity within the New South Wales Police Force—only exceeding the efforts of Commissioner Avery, many years ago. I pay tribute to Commissioner Scipione and I pay tribute to Minister Mike Gallacher, and the work that he is doing in that area, but most importantly I acknowledge the work of the good and faithful officers of the New South Wales Police Force. I also want to acknowledge their families. Being a police officer is tough, and it is tough on families. Police officers find it difficult to deal with the things they see every day, and it is almost impossible not to bring that back home. They do everything they can, I think, to shield their families from the things that they have to deal with every day. For that they pay a very high emotional price.

It is important that we acknowledge that they are not only protecting community members but also trying to protect their families, and their family life, from the impact of what they have to deal with on a daily basis. I know that that was something my father did on a daily basis. I remember particularly the day that my father, who was working for the CIB at the time as a fingerprint expert, had to attend the scene at the Luna Park fires. On that occasion there were a number of young boys who had perished in those fires. They were all from my local community and they were the same age as my brother and I. My father had to go to that scene and identify the bodies. They are the things police officers have to do. It is a tough job. We commend them here in this place.

But to the matter of the bill, I rise to speak in support of the Crimes Legislation Amendment (Powers and Offences) Bill 2011. The proposed amendments are far-reaching. They span a range of scenarios and issues faced by our law enforcement agencies, from forensics and DNA testing to illicit drugs to parole conditions and the proceeds of crime. This bill goes to the heart of policing and the way our nation manages the issues of crime and justice.

Fundamentally, this bill deals with the axis of crime, punishment and jurisprudence, and where these areas inevitably overlap this bill seeks to rationalise the intersecting roles, responsibilities and capabilities of law enforcement agencies across all levels and jurisdictions of governance.

I echo the disappointment of my colleague, the member for Stirling, that the report of the House Standing Committee on Social Policy and Legal Affairs has sat in this place for less than 24 hours before this debate has been brought into this parliament, but on this side of the chamber we get fairly used to the chaotic nature with which bills are often addressed.
The areas that this bill seeks to address are very serious and do require full, careful consideration by all parties concerned. That said, though, the coalition does support the measures that would enhance the capacity of our law enforcement agencies to do their job to the best of their ability. The one thing we can do in this place to support those who put themselves at risk is to ensure they have the laws and they have the support to back them up.

We support the aims of this bill to enhance and empower our law enforcement agencies as they seek to combat crime. The coalition will support the amendments to this bill, as per the recommendations of the House standing committee, but I understand we will be rejecting recommendation 8. I also understand from the comments by the member for Stirling that the additional amendments that the government has sought to move now would also be supported by the coalition.

In government, the coalition provided more than $65 million over four years to fund the National Community Care Crime Prevention Program. That was abolished by this government. They installed in its place the Safer Suburbs program, with a meagre $15 million over three years—less than a quarter of the funding. The AFP is also no stranger to funding cuts. Labor slashed more than $23 million from the operating budget of the Australian Federal Police in 2011-12 at a time when their services are in great need. Not only have we noticed that in the general community but we know of the demands placed on the Australian Federal Police as we have gone through the conduct of our detention inquiry over recent months. There are demands upon our Australian Federal Police and they need our support to do the job with which they have been tasked.

Customs has also suffered under this government's incompetence. In addition to 250 jobs being cut by Labor in the 2010-11 budget, another 90 staff have been shown the door. In the Mid-year Economic and Fiscal Outlook it was revealed that an estimated $35 million would be cut from Customs over the forward estimates.

These decisions serve to fundamentally overstretch and critically undermine the capacity of Australia's key frontline crime enforcement agencies. I acknowledge that there is a new Minister for Home Affairs in the chair. I know him well; he is a good friend of mine. I would hope that he will significantly better the performance of his predecessor in this role, and I think one of the things he will be judged upon will be his ability to ensure that these agencies get the resources they need to do the job, which was done so appallingly by his predecessor. But I look forward with hope to the opportunity that there will be a reward for the Australia Customs and Border Protection Service and the Australian Federal Police from the activities of the new minister.

It is on top of this record and against this concerning backdrop that these matters are before us today. The bill is about consolidated law—removing obstacles like jurisdictional difficulties and legal loopholes, and overcoming barriers to information sharing to enable our law enforcement officers to do their job to the best of their ability and ensure they have access to the intelligence, resources, cooperative tools and legal protections they need to perform their role. This bill builds upon discussions and constructive dialogue that has taken place for some years, adding further insult to injury when you consider that years of debate and constructive investigation of these matters has now come in such a rushed manner towards us today. But the bill does raise valid amendments and it is worth reflecting briefly on these. One of the key issues addressed in the bill is the collection and use of DNA forensic material. As
science moves in leaps and bounds, there is a need—but, more than that, a responsibility—for us to keep up. As policing incorporates and relies more heavily on forensic testing—a world away from the forensic procedures and technologies that were available when my father was involved in these sorts of things many years ago—we need to keep up. It is imperative that the legal parameters within which our organisations operate are clearly defined, up to date, accessible and consolidated.

It is also critical, in short, that there is consistency across our various jurisdictions and that we are all on the same page. This bill will increase the transparency and reduce the complexity that surrounds procedures governing the collection, use and analysis of DNA material. It brings clarity. The amendments go towards reducing the inconsistencies that currently exist between the Crimes Act and the legislation in the states and territories. Furthermore, some of the amendments are concerned with reclassifying the methods used—for example, defining a blood sample as a prick-to-the-finger test. This bill also strives to bolster the capacity of the Australian Crime Commission to share information and intelligence with agencies across all tiers of law enforcement from Commonwealth, state and territory agencies to internal enforcement and intelligence bodies. This is critically important, because what we have learned over many years is that the better we can manage, capture, share and analyse data, the better chance we have of focusing our efforts on getting the crooks. That is something that our police are tasked with on our behalf every day. The opportunity to share this information and share its analysis and target our efforts will, I think, yield a significant dividend, not just in the area of policing but, more broadly, in the security responsibilities that we have as a national parliament and that the government has as an executive.

We are talking here about things that will put right these matters. The Australian Crime Commission has been forced to cut staff numbers from 688 to 556. That is almost 20 per cent. Another 100 officers seconded to the union from state and territory police forces have been returned home. Over the forward estimates for the ACC, Labor has cut more than eight per cent. On the issue of crime prevention, Labor's record also speaks volumes. These amendments would also permit the chief executive officer of the Crime Commission to share information with the private sector under certain circumstances, which is a worthy measure that is deemed necessary and appropriate. As with any organisation, transparency and accountability is a must, and that need could hardly be more pressing than in the area of crime prevention and law enforcement. This amendment will provide the Australian Commission for Law Enforcement Integrity with a contempt power, as well as enhancing the commission's ability to investigate corruption. The crux of this is to act as a deterrent for uncooperative witnesses and, where they arise, provide a quick and potent mechanism for the integrity commissioner to handle the situation and deal with it accordingly.

Furthermore, there are measures in this bill that aim to combat new and illicit substances that, sadly, have crept onto Australian streets with devastating consequences, substances like meow meow and Special K. As a father of two young girls—they are under five—I shudder to think what they will be exposed to by the time they enter their teenage years. Sadly, those threats, I am sure, will present themselves even before their teenage years. Staying on top of the quick movement of this is something that I will support strongly in this House. The amendment will clearly articulate the additional drug substances and quantities to be subject to the full range of Commonwealth serious drug offences. This bill should assist our Customs
and Border Protection Service in intercepting and seizing illicit drugs detected at the Australian border, by overcoming an existing legal anomaly, allowing customs officers to seize all illicit drugs regardless of whether they are proscribed under customs regulations or the Criminal Code. Again, this goes to consolidation and consistencies. Our law enforcement agencies, officers in the Customs And Border Protection Service and the AFP perform a tremendous job under difficult circumstances, and it is important that we ensure that the law is there to support the work they do. This bill also makes amendments to Commonwealth parole. At present there is no ability to refuse parole to a federal offender who is serving a sentence of imprisonment of less than 10 years even if corrective services believe that the offender should not be granted parole. This bill's amendments will allow the release on parole of all federal offenders to become a discretionary decision consistent with the approach currently taken by the states and territories on the granting of parole. At present the maximum parole supervision for federal sentences other than life imprisonment is just three years.

This is a worthy bill. While it has been rushed into this place, it is an opportunity on this special day to recognise what is taking place even as we speak in New South Wales with the special march in the city of Sydney. Today is a day for police officers to stand tall and proud in New South Wales as they can all around the country. It is a day when their families can celebrate their service along with all the citizens of New South Wales and all of those who support their good works.

The DEPUTY SPEAKER (Mr Murphy): Before I call the member for Fowler I take the opportunity to associate myself with the comments about police made by the honourable member for Cook. As late as last Friday, Minister Mike Gallacher and Commissioner Andrew Scipione visited the new, refurbished Burwood Police Station. I had the opportunity to speak to Commissioner Scipione, and on that occasion many laudatory statements were made about the fine work that he and Minister Mike Gallacher were doing. It was a welcome visit to my electorate. I thank the member for Cook.

Mr HAYES (Fowler) (12:11): I would like also to follow in the same vein on this 150th anniversary of the New South Wales Police. I thank the member for Cook, whom I know is also the son of a police officer, for his very fine remarks. One thing I do know from growing up, particularly growing up in the back blocks of Sydney, is that it was not necessarily all that popular to boast that you were a son of a police officer in New South Wales. I also know that one of the things that really did differentiate policing and still does now is the reasons that people choose to wear the uniform of a police officer. I had occasion to ask my dad that once, but I will come back to that a little bit later.

I wanted to say that, in addition to being a son of a police officer, I have also had the opportunity over many years to represent police in every state and territory of this country as their advocate in various tribunals, which has given me a very broad insight into policing generally. One thing that does unite police officers—I have asked many in the witness box, 'Why did you choose to become a police officer?'—is that, oddly enough, they were almost the exact words that my dad said to me: they joined the police to make a difference. I think that is really what is the case. It did not matter when I started acting as advocate for police—in whatever state I was in, the men and women who take the responsibility of protecting our nation and ensuring there is safety on our streets were all motivated by one thing: making a difference.
I really think it takes a special type of person, with, quite, frankly, a special courage to put their hand up to do that. It is a profession in itself that is much demeaned. I am sure nobody likes being pulled over. No-one likes to be cautioned. But, without people being so selfless as to go take on an occupation such as policing with a view to protecting our community, there would be anarchy. Police officers, quite frankly, are a microcosm of our greater community. They are the ones who uphold the law. Perhaps in many instances they may not like everything they have to do, but they get up, work their shifts, go out day or night and experience dangers and see various things out there that, thankfully, none of us here will probably ever have to experience in our lifetimes. And yet they do that.

Regrettably and unfortunately, it does take a toll on police officers. Across the nation we only hold our male police officers for 12½ years, which is a lot different from when Scott's and my dad were in the force. For female police officers it is about nine years. It is an occupation that has a very high burnout rate, and that is something we need to stay focused on. We need to protect the people who are protecting our community.

Andrew Scipione is a very good friend of mine, and he is doing a fantastic job as New South Wales Police Commissioner. He has been a very unifying force—and not in the New South Wales Police Force. I oversee the law enforcement committee, which oversees the Australian Crime Commission, so I have regular contact with all the police commissioners. I have seen the spirit of unification Andrew brings to that august body and his role in promoting the idea that you cannot have criminal loopholes because that migrates crime around the country. He is a strong believer in consistency and also in the profession of policing itself. To Andrew and all his colleagues, all the men and women of the New South Wales Police Force, I wish you well on the 150th anniversary of the force. I think Andrew did the right thing by bringing back the word 'force'. My dad, in his retirement, reeled when it became the police 'service'. He reckoned that was akin to it being the Public Service. He said the police must be a force to be reckoned with. Those sorts of comments have been put forward around the kitchen table to most of us who have grown up in police families.

It would be remiss of me not to take a moment to mention Scott Webber and the New South Wales Police Association, with whom I have had a very strong association for many years. They represent everyone from probationary constables to the Commissioner of Police. They do so properly, they do so with respect and dignity, and they put police officers in New South Wales first and foremost. I congratulate them and their members on the sterling job the association does in New South Wales.

This bill amends a number of criminal justice legislation aspects which need to be revised. In particular, it is critical for making sure we have contemporary methods to combat crime. Crime is not static; it is ever-changing. As a consequence, if we are going to empower those to whom we want to give responsibility for enforcing our laws, we as legislators must be vigilant in ensuring that they have the appropriate tools and regulatory support to do their jobs. The majority of the amendments before us deal with collecting and using DNA in criminal investigations and enshrining the protection of persons whose DNA samples are being investigated. These amendments will ensure our criminal legislation is effectively on par with the 2010 DNA forensic procedures review of the Crimes Act by Peter Ford. The amendments in the bill will ensure a more transparent and simplified process of collecting and
using DNA forensic material in criminal matters. They will also ensure the protection of the privacy of all those involved in an investigation, particularly in relation to children.

It is critical to nail this down and get it right. I was around when the former government some time back, to their credit, brought in a national DNA database. The whole idea was to have national consistency associated with that. That was a very good thing; it is a very good policing tool. But it was highly regrettable when, in the Peter Falconio case, a person was swabbed and their DNA was collected in Adelaide and then it was found that it was not admissible in a court in the Northern Territory. Regrettably, although everyone left Canberra with their hands over their hearts saying we will have a national DNA database supported by consistent state and territory based regulation, the amount of customisation that occurred simply meant that the investigative procedures applicable in one state were inadmissible in another territory. That could have jeopardised a very serious murder investigation. In terms of policing generally, I do not think there is anyone in law enforcement now that would take their position that they are state rightists. As I said at the outset, crime is an export commodity. Criminals do not look at the Constitution, nor do they read a geographical map when they want to plan or commission crime. They certainly look for windows of opportunity. That is why we should strive to have national consistency in our laws when they relate to crime and to ensure that we do not provide incentives and opportunities for those who seek to profit from the misery of others by the commissioning of crime itself.

In terms of the issues about forensic materials, I think that is good. It certainly takes leadership and it will make a significant difference. In respect to schedule 2, the amendments to the Australian Crime Commission Act of 2002, the bill will ensure more efficient cooperation and sharing of information between the Australian Crime Commission; Commonwealth, state and territory agencies; and the private sector. The ACC CEO will be given the ability to share information with various industries exposed to serious and organised crime threats. This is very important in terms of the ACC and its extensive powers. It is a question of authority. It has very stringent standards put on it as to the security of its information and where it cannot be taken. However, to do its job effectively as our premier criminal intelligence agency, if you like, it must be in a position not only to notify and advise its partner groups, and each of the state and territory police agencies—Australian Taxation, Customs, et cetera—but also to actually advise organisations that are being infected or are highly suspected of being infected by serious and organised crime groups themselves. This will give the CEO of the Australian Crime Commission the protection and ability to do that.

I will be very brief in finishing up, because I know the minister is in here at the moment. In terms of extending the maximum term for the integrity commissioner, apart from being Chair of the Joint Standing Committee on Law Enforcement, I also sit on the Joint Standing Committee on the Australian Commission for Law Enforcement Integrity and I see firsthand the good work that Philip Moss, as Commissioner for Law Enforcement Integrity, and his team do. Some time ago, the committee unanimously moved that there should be an extension—that the government should give consideration to extending the term from a five-year to a seven-year appointment. That has occurred as a consequence of that recommendation; I am very pleased the minister took that up. Philip Moss, having initiated the procedures of the commission itself, has done much to set the framework of law enforcement integrity. We strongly support his activities and are particularly pleased that the
Mr CRAIG KELLY (Hughes) (12:23): I will be very brief, because I know the importance of getting the Crimes Legislation Amendment (Powers and Offences) Bill 2011 through today. The coalition are glad to support these changes. One point worth mentioning about the bill is that it makes certain new drugs illegal. One particular drug is known as meow meow, which is actually mephedrone. This is a very dangerous drug which has resulted in over 100 deaths in the UK. Its current use is not illegal but this bill will make it illegal. It is very important that we have the legislative powers to act quickly so that any new drugs that come onto the system—our scene—that are very dangerous, like this new drug, can quickly be made illegal.

I would also like to congratulate our local superintendent of the Liverpool area, Ray King. He is doing a fantastic job cleaning up Liverpool. Ray was previously the superintendent who did the excellent work in Cabramatta using CCTV cameras. I would like to note that it was the coalition's commitment in 2010 to get three quarters of a million dollars to fund the CCTV cameras in the Hughes electorate and we hope that they can be put in soon. However, I would like to quickly express my disappointment that the government has been cutting back in many areas of our policing, particularly our customs service where we have seen reductions in the number of cargo screenings. This is very detrimental and makes Ray King's job on the streets of Liverpool all the more difficult.

It is great to have these bills to increase the powers of our police, but we cannot at the same time be cutting back other areas of expenditure and customs, which we have seen this government doing, and also in the Australia Federal Police. We support the bill and we hope it gets through quickly.

Ms ROXON (Gellibrand—Attorney-General) (12:25): In my speech in reply, I want to thank the previous speakers, particularly the member for Fowler, who significantly cut short his speech as have a number of members of the opposition. We are trying to make sure that this bill, with the amendments that were recommended by the committee, is able to be passed through the chamber today. I will say nothing in my summing up speech other than that I welcome the comments. I thank the house committee for its recommendations. I will, after the bill has been read a third time, move the amendments. There are a number which have been agreed to as recommended by the committee. I would like to note that my representative in the other place will go through in a little more detail why one of those recommendations unfortunately is not able to be picked up. We have had consultations with the opposition and I understand that they are supportive of that.

A division having been called in the House of Representatives—

Sitting suspended from 12:26 to 12:39

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Ms ROXON (Gellibrand—Attorney-General) (12:39): by leave—I present the supplementary explanatory memorandum to the bill and move government amendments (1) to (3) on sheet AF224 and amendments (1) and (2) on sheet BN232 together as circulated:
(1) Clause 2, page 3 (at the end of the table), add:

16. Schedule 9 The day this Act receives the Royal Assent.

(2) Schedule 4, item 1, page 38 (line 10), at the end of paragraph (b) of the definition of constable, add "or Territory".

(3) Page 73 (after line 18), at the end of the Bill, add:

Schedule 9—Re-appointment of Integrity Commissioner

Law Enforcement Integrity Commissioner Act 2006

1 Subsection 175(3)

Omit "5 years" (second occurring), substitute "7 years".

2 Application

The amendment made by item 1 of this Schedule applies in relation to a person appointed or re-appointed as the Law Enforcement Integrity Commissioner before, on or after the commencement of this item.

(1) Schedule 2, item 27, page 27 (lines 3 to 5), omit paragraph 59AB(1)(e), substitute:

(e) disclosing the ACC information:

(i) would not prejudice the safety of a person, or prejudice the fair trial of a person who has been charged with an offence; and

(ii) would not be contrary to a law of the Commonwealth, a State or a Territory that would otherwise apply.

(2) Schedule 2, item 27, page 28 (line 3), at the end of subsection 59AB(4), add:

; and (c) one or more conditions that the body corporate must meet in order to ensure that the information is not used or disclosed in a way that might prejudice the reputation of a person.

Given the indulgence of the chamber, I will not be speaking to these amendments but I do want to put on record my appreciation both to the House committee which made some sensible recommendations that are included in these amendments and to the opposition for accommodating this so that this important bill can move to the Senate, where a more detailed explanation will be provided in that debate.

Question agreed to.

Bill, as amended, agreed to.

Ordered that the bill be reported to the House with amendments.

ADJOURNMENT

WYATT ROY (Longman) (12:41): I move:

That the Federation Chamber do now adjourn.

Education

Ms O'DWYER (Higgins) (12:41): I am very keen to resume my discussion in the adjournment debate on a speech I delivered regarding the government's response to the Gonski report. Earlier this week I spoke in the chamber about some concerns I have with respect to what the government is not saying about the Gonski report. I want to continue by talking about the fact that the government has given very little indication as to how it is going to approach these very important educational issues, particularly with respect to funding. It is very likely that we will see a Henry tax review style of response, which means that the
government will cherry-pick those aspects of the report that it wants and otherwise leave the rest of it gathering dust.

In considering this issue further I thought it very timely to reread the Prime Minister's maiden speech. After all, it was she who as education minister initiated the review and it will be she as Prime Minister who will have the final say in cabinet when they continue the future federal funding of education. The Prime Minister exclusively referred to her own personal story and the opportunities provided by Australia that 'would have been beyond my parents' understanding when they stepped off the boat in Adelaide in 1966'. The Prime Minister also said:

It would have been inconceivable to them that their child, and a daughter at that, could be offered the opportunity to obtain two degrees from a university and to serve in the nation's parliament.

Yet, in her next paragraph the Prime Minister refers to 'the inequality in our education system' and 'raising educational standards for all, not just the lucky few'. Indeed her maiden speech contains a great deal of what one would call good old-fashioned class rhetoric. She says that the people of Lalor, her electorate, 'have always had to try harder.' She also said that in Lalor 'there is a sense of community and a fighting spirit often missing from the sleeker suburbs'.

Whilst the Prime Minister did not specifically mention these so-called sleeker suburbs by name, she does mention my electorate of Higgins in a later paragraph. I would say to the Prime Minister that I invite her to come and meet the 108,000 people that make their homes within Higgins. I would invite her to meet with my constituents in suburbs such as Carnegie, Ashburton, Glen Iris, Malvern or Windsor. You will not find people who work harder or care for their community more than the people within the electorate of Higgins. Yet we see here that she is motivated instead by the idea that the government knows best. We saw that when the Prime Minister as shadow education minister drew up with Mark Latham a hit list on schools when it came to education funding.

I do agree with the Prime Minister, though, that education of our children is vital to the future of this country. However, in the absence of any clear response by the government to the Gonski review, I have many concerns. I am concerned that this government will focus on equality of outcomes, which inevitably means lowering of standards rather than equality of opportunity and raising of standards. I am concerned that this government will focus disproportionately on who operates the schools rather than on school outcomes. I am concerned that the lack of clarity over funding beyond the next year will have real implications for schools within Higgins as well as for schools right around the nation. Like business enterprises, social enterprises need certainty to plan and invest for the future. I am concerned that this government does not understand, let alone recognise, the invaluable contribution that parents and communities make to their schools, both government and non-government, by giving generously of their time, expertise and money. Further to this, I am concerned that by discouraging community investment in education the government will create a void that future governments could not hope to quantify, let alone fill. I am concerned that this government is focused on the method and process of funding, to the detriment of other vital educational issues such as teacher quality, parental engagement and school autonomy—all of which, of course, the recent report from the Grattan Institute said was absolutely vital in producing strong student outcomes.
Finally, I am ultimately concerned that this government is more focused on reducing numbers of children in non-government schools than on improving student outcomes in all schools. Currently government funding favours government schools, as it should. In fact, recent productivity figures indicate that non-government school students attract half the government subsidy of those children in government schools. If the federal government's response to the GFC had not been so ham-fisted and wasteful, current and future Australian governments would be in a far better position to increase funding to public education in a manner designed to improve outcomes. However, as we all know, this government has a solid and justifiable reputation for mismanagement, overpromising and underdelivering, to the detriment of all Australians.

International Women's Day

Ms BRODTMANN (Canberra) (12:46): Today I would like to take the opportunity to speak about International Women's Day, which is coming up next week, on 8 March. International Women's Day is a global day, celebrating the economic, political and social achievements of women in the past and present, and celebrating their futures. This day always reminds me of the many sacrifices women have made throughout history, particularly when it comes to family. It gives me time to reflect on my own family.

I come from what I call a working-class matriarchy. My great-grandmother and my grandmother were both domestics, and my mother, as a result of my father leaving, did it tough as well. Those women were really strong, intelligent and tenacious women, but they were all denied the opportunity of education, which is why I am such a very strong advocate of education and access to education for all, no matter what your postcode. What they instilled in me as a result of the disadvantage they suffered through the fact that they did not have an education was the need for women to get an education, to be financially independent and to control their fertility so that they could do all of the above. They were great role models for me; my mother is still a great role model for me. They were strong working-class women, and days like International Women's Day allow me to pause and reflect on their tenacity and their achievements.

International Women's Day is a day when women are recognised for those achievements regardless of divisions, whether national, ethnic, linguistic, cultural, economic or political. It is an occasion for looking back on past struggles and accomplishments and, more importantly, for looking ahead to the untapped potential and opportunities that await future generations of women. This year the theme for the day is supporting women's economic empowerment, something I feel very strongly about and strongly support. It is about celebrating the vital role women play in enhancing economic prosperity in their families, communities and countries, while recognising that significant barriers to achieving women's economic security and equality continue to exist. I think there are many different ways we can look at this issue, which makes it such a fitting theme for this year.

Economic empowerment recognises an increase in women's access to quality education, meaningful employment and land and other resources, and contributes positively to gender inclusion, sustainable development and growth in prosperity. Across the globe, 70 per cent of the world's poor are women. Women earn less than 10 per cent of the world's wages, but women do more than two-thirds of the world's work. On average, women reinvest 90 per cent of their income into their families, while men only invest 30 to 40 per cent. I am a strong
supporter of Kiva, and in the investments that I make into those microbusinesses I always give to women. I know that they always repay their loans on time and that the money is going to their kids’ education. In Australia alone, closing the gap between female and male employment will boost Australia's GDP by 11 per cent. Last year I spoke at the National Foundation for Australian Women forum about finance as a feminist issue. I am a passionate believer that women need to take charge and have the financial literacy to plan for their retirement.

As the member for Canberra I speak each week to women, many of whom have retired, who are doing it tough living on the pension and being in social housing, or doing it tough living on the pension and being in the private rental market—that is pretty tough! I am worried that too many women have not planned for their future beyond work and I am worried that too many women have not planned for their retirement. This year I am organising a series of seminars for women—also for the broader community—on how to read superannuation statements so that people can see, 'I've got this amount of money in my super statement and I need to get this amount if I am to retire comfortably. How much do I need to put in each week for that to happen and how does that factor in my work-life choices?' Unlike men, women often have disrupted working careers. They take time out to have children and are more inclined to participate in the workforce on a part-time basis. We know that the average super payout for women is a lot less than for men. What is even more disturbing is that around 60 per cent of women will retire with no super at all.

There are many barriers for women when it comes to finance in terms of workforce participation, pay equity, financial independence, access to land and an unequal share of childcare responsibilities. I encourage all women, their families and friends to support International Women's Day this year by making a donation, buying a purple ribbon, hosting a fund-raising event or attending one of the International Women's Day events across Australia. It is an important issue for all women and one we all need to support wholeheartedly.

Petition: Diabetes

Mrs MOYLAN (Pearce) (12:51): I have the pleasure of presenting a petition signed by 5,294 people, with the Australasian Podiatry Council as the principal petitioner, regarding Medicare funded allied health visits for diabetes related lower-limb problems, which has been considered by the Standing Committee on Petitions and approved as in order.

The petition read as follows—

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

The petition of the undersigned certain citizens of Australia:

Draws to the attention of the House that in 2011 4,300 Australians will suffer a lower limb amputation due to diabetes related causes adding to the over $612 million in Australian healthcare costs due to diabetes foot complications. We believe Australian and overseas evidence shows that properly funded podiatry-led foot health care for Australians suffering diabetes-related lower limb problems could avoid over 3,000 of these amputations saving the health system over $300 million per annum.

We therefore ask the House to support any new legislation, or proposed amendments to existing legislation, or administrative arrangements, that would have the effect of ensuring access to at least 12 Medicare funded allied health visits per annum for Australians with diabetes-related lower limb problems.

from 5,294 citizens

Petition received.
I am very pleased that today in the chamber we have Mr Andrew Schox, President, and Peter Lazzarini, Vice President of the Australasian Podiatry Council. This petition by the Australasian Podiatry Council received tremendous support from both the medical fraternity and patients. In fact, it actually attracted 7½ thousand signatures but unfortunately some of them did not meet the requirements for tabling in this chamber today. Nevertheless, the significant number of petitioners demonstrates the overwhelming need to increase funding so that diabetes sufferers can access up to 12 visits for allied health services through Medicare.

It is a harrowing fact that every year more than 4,300 Australians with diabetes will have a foot or a part of their leg amputated. But nearly 80 per cent—that is, over 3,400—of these amputations are entirely preventable. Indeed, 85 people will undergo diabetic amputations every week in this country. That is quite alarming.

The preventative measures are relatively simple, though. In fact, last year on 13 October the Podiatry Council, in conjunction with the Parliamentary Diabetes Support Group, held a foot-check clinic at Parliament House to demonstrate the ease with which thousands of amputations can be prevented. I would like to thank all of those who participated, particularly some of the senior members in this parliament—the cabinet secretary the Hon. Mark Dreyfus and the shadow health minister the Hon. Peter Dutton amongst others.

I have to say that Peter Lazzarini, who is here with us in the chamber today, conducted excellent foot examinations. For the check, participants were simply asked to remove their shoes and socks—their footwear—and Mr Lazzarini, the Vice President, painlessly tested foot sensitivity. It means prodding with a sharp instrument but I can testify that it does not hurt.

This simple test can not only save people's limbs but also save the government millions of dollars. Extending the number of Medicare funded appointments for podiatrists costs only a few hundred dollars per person but for every amputation the cost to government is immense. It may, indeed, run to something like $100,000 per patient, taking into account the time spent in hospital and the follow-up treatment and care that is needed after an amputation. This is not to mention the productivity issue of these people perhaps being lost to the workforce or having to take up a different occupation at some time or to take on casual work rather than full-time work, and sometimes have to have a carer at home caring for them who is then taken out of the workforce as well.

It is a pretty simple remedy. The Australian Podiatry Council notes that across Australia the cost of diabetes-related lower limb amputation adds up to over $612 million per year in healthcare costs—over half a billion dollars—but, if the number of Medicare funded podiatry appointments is increased, more medical complications can be picked up earlier, saving over 3,400 amputations and up to $330 million in cost to the government. Such a saving is possible because people often do not appreciate the severity of problems that can arise from a simple cut or an abrasion to the feet, or even in some cases where someone tried to self-treat a corn on their toe. Diabetes often causes nerve damage and poor circulation. The nerve damage means that people may not feel a stone in the shoe or a small cut to their feet and such wounds take longer to heal due to poor circulation, severely increasing the risk of infection—in some cases gangrene, which of course then leads to amputation.

I would like to thank the Australasian Podiatry Council for their efforts in bringing this issue to the attention of this parliament. On behalf of the Parliamentary Diabetes Support Group I would urge the government to increase the Medicare benefit for visits to a podiatrist.
Melbourne Grand Prix

Mr DANBY (Melbourne Ports) (12:56): Bernie Ecclestone received $55 million per annum for the Melbourne Grand Prix and he has warned that, if the cash handout is cut, Melbourne will lose the Grand Prix. Attendance figures for the Melbourne Grand Prix are low. Ecclestone admits that the Albert Park event is the least viable of all the grand prix around the world. The Grand Prix Corporation estimated that 7,000 fewer people went to the Formula 1 in 2011 than in 2010. They claim 111,000 people. In fact, only 68,000 people turned out for last year's race. At $55 million, that is around $800 per person. I think it would be better for Mr Baillieu, the Premier of Victoria, and Ron Walker to stand in the Bourke Street Mall and distribute $100 bills to Melburnians—it would cost less. Perhaps they could spend it on the numerous problems the Baillieu government said it was going to fix.

Mr Ecclestone has been subject to investigation by Her Majesty's Revenue and Customs about his control of the so-called Bambino trust. The trust, based in Liechtenstein with Mr Ecclestone's former wife, is a £3 billion trust. The investigation is occurring due to a trial in Munich last year of Gerhard Grabowski, a German banker who denies tax evasion and denies receiving bribes worth £28 million from Bernie Ecclestone and the Bambino trust. The German prosecutor said the money was paid to ensure that Ecclestone remained in charge of Formula 1 after the sale by Grabowski to the new owners in 2006. A High Court judge in England has said that the payments by Formula 1 to Mr Ecclestone were a bribe. The beneficiaries of the Bambino trust are Mr Ecclestone's daughters, who, as seen in what was truly one of the most outrageously programs shown on British television, in a three-part series in this time of great poverty in the United Kingdom, spent incredible amounts on having internal staircases in their walk-in wardrobes, three hair salons in one house and a parking court because 100 cars have to park there and they did not have a parking garage. This is fine use of Victorian taxpayers' money! Why are we sending $55 million of fungible money to the Bambino Trust? So two-storey indoor wardrobes can be built by the bambini? It is outrageous.

It is outrageous that Victorian taxpayers are spending $800 per person attending this highly unpopular race. As I said, why doesn't the Premier stand in the Bourke Street Mall and give out $100 bills? It would be a better use of the Victorian taxpayers' money, in my view. It is scandalous that the Victorian press, particularly the Melbourne Age, has failed to highlight this investigation in Germany. This is a public trial. It has been in every German and English newspaper. The money that Ecclestone took—the bribe, in the words of the judge—should be imprinted on the mind of every Victorian taxpayer. Every time they see $55 million of their money being used to fund the Melbourne Grand Prix, when Mr Ecclestone says, 'Give us every dollar or I'm out of here,' they should say, 'Bye-bye. Adios, Mr Ecclestone. We're better off without you.' I think the fact that this money is being used by Mr Ecclestone to bribe German bankers is an absolute scandal that the Victorian taxpayer should not tolerate, and this parliament, if people in the Victorian media are not speaking up, has to speak out long and hard to condemn it.

I am not against Melbourne's major events; they are one of the things that distinguish our great city. I attended the tennis with the South Korean ambassador. I thank him very much for taking me to the women's final. It was much shorter than the men's final, but we were probably grateful not to be there until three o'clock in the morning. The Grand Prix in Albert
Park has always been unpopular. The FA18 flyover at Albert Park was cancelled last year, quite wisely, by the Department of Defence. There has not previously been a case where the Australian Department of Defence has been used to boost a private event. Flying very low over an extremely crowded urban area is, for safety reasons, something aircraft of a military persuasion should not be involved in. This whole Grand Prix is now a complete farce. The Victorian taxpayers have had enough of it. I am pleased to see that at least the Herald Sun has said something about it. Let us put an end to it. Adios, Mr Ecclestone. (Time expired)

Longman Electorate: Longman Awards

WYATT ROY (Longman) (13:01): I am proud to rise today to announce the opening of nominations for the 2012 Longman Awards. As I shared in this place last year after the 2011 awards, my local community has some truly outstanding achievers. The Longman Awards are an opportunity to recognise these achievers and the remarkable ways they contribute to our community—the hardworking, dedicated locals who all too often go unacknowledged. This year the Longman Awards will have seven categories recognising locals in the areas of environment, sport achievement, seniors achievement, youth achievement, volunteer work, community group achievement and the new addition of small business achievement.

Over the past year I have been witness to two outstanding examples of generosity and community-minded initiatives that have been launched by local businesses. I have been so impressed by what I have observed that I thought it was important to recognise and acknowledge how these efforts are enriching our local community and making it an even better place for everyone who lives in it.

Last year over 320 people attended these community awards. In fact, we had so many people attend that the friends and families of the 50 finalists were even lining the walls at the back of the room at the Caboolture RSL, where the Longman Awards were held. This shows that, given the opportunity, my local community really gets behind its achievers.

I am already getting nominations through for this year's Longman Awards. The nominations are already revealing the hardworking volunteer tradition in my community. For example, Jenny Walters has been volunteering with the Community Visitors Scheme for 10 years and Betty Farren-Price has been volunteering with the Bribie Visitors Centre for over 13 years. I look forward to receiving even more nominations from my community and celebrating the many achievements of the community at the Longman Awards during National Volunteers Week later this year.

This year I am also launching the inaugural Longman Youth Leadership Forum. In my role I spend many hours in the community. From what I have observed, and from the feedback I have received from young people and community leaders, the young people of my local area are seeking more opportunities to gain leadership skills and experience. The Longman Youth Leadership Forum will be unlike many other youth leadership activities. It will be an intense two-day program designed to help young people to be leaders at every level of our community. In fact, the forum will partner with various community groups in our region to work on projects that give back to the local community.

In my community many community services would simply not be possible without the help of volunteers. It is only through their many dedicated hours that our groups are able to serve my region's needs so well. The attendees of the Longman Youth Leadership Forum will be
part of a community project and they will be responsible for developing and commencing a task as part of that project. I am looking forward to working closely with the many groups in the community that have already put their hand up to be part of the Longman Youth Leadership Forum. The feedback I have received from my community over the past 12 months has been that the young people of my region have often missed out on leadership opportunities due to financial constraints. I see that as a shame. Young people who have a genuine desire to learn leadership skills should be able to gain them. This is why I am working with the community to coordinate community donations towards the Longman Youth Leadership Forum, so that young people can attend without cost to themselves.

The Longman Youth Leadership Forum is about giving back to the community and investing in our future community leaders. I have opened nominations for the Longman Youth Leadership Forum through my website, wyattroy.com.au, and I look forward to receiving more nominations from schools, youth groups and young people themselves. Already I have had some great conversations with local school principals, who are looking forward to their students having access to the leadership skills that will be explored at the forum. Nominations close on 16 March and I will be announcing the attendees soon after. I look forward to working with the community and the young people of my region at the Longman Youth Leadership Forum in the National Youth Week later this year.

**Building the Education Revolution Program**

*Mr JENKINS (Scullin) (13:06):* I start by thanking everybody associated with the Federation Chamber for allowing the conclusion of this sitting today to be a tad late. I appreciate the flexibility shown by the clerks, Hansard and the attendants in enabling that. I have now been given a bit of an intro into making comment about the member for Longman, because he was so gracious to have moved the adjournment and we have been so gracious to allow him to speak. I encourage him with his endeavours to make sure that the youth of Australia are aware of the ways in which they might participate in decision making.

This is my first opportunity, of course, because it is my first adjournment for such a long time, in the presence of the member for Longman to remind him of the great work that was done by people that I associate with at La Trobe University to enable his career to have a boost by banishing him to Queensland! I will now get back to the substance of what I wished to speak about.

*Wyatt Roy:* I saw the light!

*Mr JENKINS:* I think that the young man should be quiet now. We will have plenty of opportunities to continue the episodes about his time at La Trobe University.

I want to celebrate the 28th Building the Education Revolution opening that I was involved in last Wednesday—the 28th since October 2010 in schools in the Scullin electorate in the outer north of Melbourne. As I have said to others, I could never have expected that there would be a program that could deliver with such great accomplishment to the institutions that have been involved than the Building the Education Revolution. It is unheard of for a safe Labor seat, from any form of government, to get the sort of boost that we have seen through this program. Each of those schools are appreciative of what has happened to them. It is not the end—there are still more schools where we will celebrate the opening of facilities.
But in particular I want to highlight this, the 28th one, because it was Merriang Special Developmental School. This is an interesting tale, because for the first time in their 24-year history they will be going into a purpose-built school for them. They have been like gypsies: roaming around using facilities that have not been used. Over the journey they have gone from Thomastown East Primary to the Peter Lalor Secondary College—they were originally in Helping Hand in High Street in Epping. But the real story about this new school is that it is on the site of the former Peter Lalor Secondary College, which will be transformed because we will be building a trade training centre. So there are great elements of cooperation between our federal government programs, the state education department and the schools themselves.

What happened was that, in the state of Victoria, after the allocation of money it was up to the regional bodies of the state education department to come to some agreement with the schools that any amounts that are left over could be aggregated and put towards good causes. So a school like Merriang Special Developmental School, which was probably only eligible for in the order of $800,000, was able to use over $2 million in federal funding, added to the state's funding of $3 million, to build this purpose-built facility for the children who attend their school. I think that this is such a highlight of the way in which the Building the Education Revolution has delivered for schools throughout Australia.

I visited this school during its construction phase, and I want to share with the Federation Chamber one aspect of that visit. The principal, Helen Halley-Coulson, who is a very great urger, was there taking us around. But she put us in the hands of the foreman of works—the person who was there from the construction company. As we went into each aspect, that foreman, on behalf of his workforce, knew what each feature of the building was to be used for. So it was a celebration of the way that the community can come together, when encouraged by appropriate government funding, to achieve a result. I congratulate everybody involved with the new Merriang Special Developmental School.

Question agreed to.

Federation Chamber adjourned at 13:11
QUESTIONS IN WRITING

Australian Competition and Consumer Commission: Franchise Related Complaints
(Question No. 728)

Mr Craig Kelly asked the Treasurer, in writing, on 17 November 2011:

Of the just over 600 franchise-related complaints received by the ACCC in 2010-11, and the (a) 168 of these cases involving allegations of misleading and deceptive conduct by the franchisor, and (b) 84 of these cases involving allegations of unconscionable conduct by the franchisor:

(i) how many did the ACCC investigate;
(ii) in how many cases did the ACCC initiate proceedings against a franchisor; and
(iii) in how many cases were the complainants advised by the ACCC that no action would be taken.

Mr Swan: The answer to the honourable member's question is as follows:

(i) The ACCC received approximately 600 franchise-related complaints covering numerous aspects of the Competition and Consumer Act 2010 (Act), including industry code provisions, misleading and deceptive conduct and unconscionable conduct. Of these, 188 matters were escalated for further assessment. Of these, 44 progressed to initial investigation. Of these, 8 progressed to in-depth investigation. A number of these matters remain open.

(a) 37 complaints involving allegations of misleading and deceptive conduct were escalated for further assessment. Of these, 7 matters progressed to initial investigation. Of these, 1 matter progressed to in-depth investigation.

(b) 52 complaints involving allegations of unconscionable conduct were escalated for further assessment. Of these, 9 matters progressed to initial investigation. Of these, 2 matters progressed to in-depth investigation.

(ii) (a) One. On 15 July 2011 the ACCC instituted proceedings against Sensaslim and others in relation to allegations, amongst other things, of misleading and deceptive conduct and false representations to franchisees and consumers. ACCC v Sensaslim Australia Pty Ltd & Ors (NSD 1163/2011) is currently before the court.

(b) Nil

(iii) (a) and (b) Of the 44 franchise-related complaints that were progressed to initial investigation, complainants were advised in 32 matters that the ACCC was no longer pursuing the matter. In 4 matters, the matter was discontinued when the complainant failed to provide additional information requested by the ACCC.

Australian Coins: Intrinsic Value
(Question No. 737)

Mr Fletcher asked the Treasurer, in writing, on 17 November 2011:

As at 17 November 2011, what is the intrinsic value (based on the value of the metal) of current Australian 5, 10, 20 and 50 cent pieces and 1 and 2 dollar coins.

Mr Swan: The answer to the honourable member's question is as follows:

The intrinsic value of current Australian coins, as at 17 November 2011, is stated in the table below:

<table>
<thead>
<tr>
<th>Denomination</th>
<th>5c</th>
<th>10c</th>
<th>20c</th>
<th>50c</th>
<th>$1</th>
<th>$2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value ($)</td>
<td>0.0283</td>
<td>0.0565</td>
<td>0.1129</td>
<td>0.1553</td>
<td>0.0658</td>
<td>0.0482</td>
</tr>
</tbody>
</table>

QUESTIONS IN WRITING
Australasian Tax Office: Regulatory Policy
(Question No. 743)

Mr Robb asked the Treasurer, in writing, on 21 November 2011:

(1) Is it a fact that the Australian Taxation Office (ATO) has implemented a new regulatory policy under which it will be conducting 'real time' audits on Australia's top 200 companies, thereby moving away from the long-standing policy of self-assessment and post lodgement audit.

(2) Are all major changes in regulatory policy the subjects of regulatory impact statements and examination and consultation with the Office of Best Practice Regulation (OBPR); if not, under what circumstances are proposed changes exempt from such scrutiny.

(3) Did the ATO consult with the OBPR in relation to the 'real time' policy initiative; if so, what was the outcome; if not, why not.

(4) Did the ATO complete a regulatory impact statement in relation to this policy initiative under the Government's best practice regulation policies; if not, why not.

(5) Did the ATO discuss its 'real time' audit proposals with representatives of umbrella groups such as the Australian Institute of Company Directors, the Business Council of Australia and others who uphold principles of good corporate governance in Australia, and report its findings to the OBPR; if not, why not.

(6) Did the ATO conduct any trials or pilot studies to gauge the impact of its new regulation on corporate productivity and governance; if not, why not.

(7) What is the anticipated cost to the Government of this new policy over the forward estimates, including the details of additional human and capital resources; and has an estimate been made on any additional cost to business; if so, can he indicate this sum for the same period.

(8) Is the OBPR aware that in the United States the Internal Revenue Service developed a similar policy by seeking volunteers from the corporate sector, thereby avoiding unnecessary expense and lost productivity; and would he consider introducing a similar system here.

Mr Swan: The answer to the honourable member's questions is as follows:

(1) No, the ATO has not implemented a new regulatory policy under which it will be conducting 'real time' audits on Australia's top 200 companies, thereby moving away from the long-standing policy of self-assessment and post lodgement audit.

The Commissioner's compliance program, which consists of a range of products, is implemented using the Commissioner's general powers of administration. The Commissioner's 'real time' initiative, which does not change the policy of self assessment in the large business market, is one of these products.

In considering which businesses may need to be reviewed, and the frequency and intensity of that review, the ATO considers the relative likelihood of a large business taxpayer having a contentious position and the consequences of that potential non-compliance.

Using this intelligence the ATO categorises large businesses into one of four broad risk categories, each of which has a suggested compliance approach. The ATO calls this process risk differentiation.

For higher risk taxpayers in the large market, this 'real time' work is in the form of a 'risk review', not an 'audit'. The distinction is that a risk review only identifies whether there may be a contentious tax issue, while an audit seeks to gather the evidence necessary for an adjustment and possible litigation.

The majority of large businesses in the risk differentiation framework are categorised as relatively lower risk and will be receiving notification from the Commissioner that their affairs for that year will not be further reviewed unless evidence of a material misstatement comes to his attention. This provides certainty to the large businesses.

QUESTIONS IN WRITING
Alerting taxpayers to the ATO view of their relative risk allows large business to make better informed self-assessment choices about potentially contentious arrangements and how they engage with the ATO as the regulator of the system.

As set out in the ATO Large Business and Tax Compliance booklet, the ATO Risk Differentiation Framework (RDF) assists the ATO to prioritise and focus on those few taxpayers, less than 2 per cent - that is less than 20 businesses, that in its professional judgment present a higher level of relative risk to the integrity of the tax system. A further 8 per cent or so are categorised as key taxpayers – these are the largest businesses in the tax system and pay most of the tax.

(2) The Australian Government Best Practice Regulation Handbook (June 2010) states:

2.7 A RIS is mandatory for all decisions made by the Australian Government and its agencies that are likely to have a regulatory impact on business or the not-for-profit sector, unless that impact is of a minor or machinery nature and does not substantially alter existing arrangements. This includes amendments to existing regulation and the rolling over of sunsetting regulation.

However, the Prime Minister has discretion to grant exceptional circumstances to exempt a proposal from the RIS requirements.

The Handbook also states:

2.42 Where a proposal proceeds (either through the Cabinet or another decision maker) without an adequate RIS, the resulting regulation must be the subject of a post-implementation review (PIR). The review must commence within one to two years of the regulation being implemented, and will be required regardless of whether or not an exemption from the RIS requirements for exceptional circumstances was granted by the Prime Minister.

(3) The Commissioner's 'real time' initiative is administrative in nature with no new tax regulations being introduced. On that basis OBPR were not consulted.

(4) There has been no change to the tax regulations. Therefore a regulatory impact statement was not required.

(5) The Commissioner did not communicate with OBPR as the 'real time' initiative is administrative in nature.

The Commissioner communicates with the large business market using a range of channels, including the Large Business and Tax Compliance booklet which was co-designed with representatives of the Large Business Advisory Group. The booklet comprehensively outlines the Commissioner's approach to tax compliance issues, including risk differentiation and various compliance products.

(6) The Commissioner's initiative is administrative in nature with no new tax regulations being introduced. The approach was piloted with a number of higher risk taxpayers.

(7) There is no additional cost to Government anticipated. The Commissioner funds the majority of compliance activities from the general ATO budget. The ATO believes that early real time engagement can save both business and the ATO time and money. By working with the large business market to identify areas of possible contention as early as is practical, taxpayers can then make more informed self-assessment decisions in regard to those matters.

(8) The OBPR is not aware of the specific US Internal Revenue Service program. The OBPR does not determine what policies or approaches should be adopted by the Government. The OBPR's role is to administer the Government's regulatory impact assessment requirements (outlined in the Best Practice Regulation Handbook (June 2010) and Council of Australian Governments Guide to Best Practice Regulation (October 2007).
International Energy Agency: Yearly Energy Outlook
(Question No. 795)

Mr Fletcher asked the Minister for Resources and Energy, in writing, on 7 February 2012:
In respect of the Yearly Energy Outlook issued in November 2011 by the International Energy Agency, can he provide the advice he has received from his department or elsewhere concerning the report and its implications for peak oil; if so, what was it.

Mr Martin Ferguson: The answer to the honourable member's question is as follows:
My Department has advised me that the International Energy Agency's (IEA's) World Energy Outlook (WEO) 2011 estimates that global conventional oil production will move from 70.4 million barrels/day (mb/d) in 2008 to plateau at around 69 mb/d for a number of years and move to 68 mb/d by 2035. The IEA maintains that production of natural gas liquids and unconventional oil will continue to grow strongly and therefore total global oil production is not expected to peak before the end of the WEO forecast period, which goes out to 2035.

Australian Securities and Investments Commission: Chairman
(Question No. 890)

Mr Fletcher asked the Treasurer, in writing, on 28 February 2012:
In respect of the law suit that was filed by the United States Federal Housing Finance Agency in September 2011 against five Societe Generale companies:
(a) what examination of this case has the Government undertaken, specifically into whether Mr Greg Medcraft, formerly a senior executive of Societe Generale and now Chairman of the Australian Securities and Investments Commission (ASIC), was involved in the alleged conduct against Societe Generale;
(b) has the Government sought any further information on this matter through inter-governmental processes or otherwise; and
(c) was this matter taken into consideration before appointing Mr Medcraft as a Commissioner of the ASIC, and subsequently Chairman.

Mr Swan: The answer to the honourable member's question is as follows:
(a) Mr Medcraft is not a party, nor named in the lawsuit, between the United States Federal Housing Finance Agency and Societe Generale which neither entitles nor requires the examination of this matter by the Australian Government.
(b) and (c) Neither the Australian Government nor Mr Medcraft is a party to this matter therefore it is not the subject of any intergovernmental processes or otherwise.